DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1923

OFFICIAL REPORT

Editor: ALBERT HORTON

Reporters: D. J. HALPIN, H. H. EMERSON

Reserve Reporter: THOS. BENGOUGH

SECOND SESSION—FOURTEENTH PARLIAMENT—13-14 GEORGE V

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1923

54450—A½

SENATORS OF CANADA

ACCORDING TO SENIORITY

JUNE 30, 1923

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

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
JOSEPH BOLDUC, P.C.	Lauzon	St. Victor de Tring, Que.
PASCAL POIRIER	Acadie	Shediac, N.B.
SIR JAMES ALEXANDER LOUGHEED, K.C.M.G., P.C.	Calgary	Calgary, Alta.
HIPPOLYTE MONTPLAISIR	Shawinigan	Three Rivers, Que.
ALFRED A. THIBAUDEAU	De la Vallière	Montreal, Que.
GEORGE GERALD KING	Queens	Chipman, N.B.
RAOUL DANDURAND, P.C.	De Lorimier	Montreal, Que.
JOHN YEO	East Prince	Port Hill, P.E.I.
JOSEPH P. B. CASGRAIN	De Lanaudière	Montreal, Que.
ROBERT WATSON	Portage la Prairie	Portage la Prairie, Man
GEORGE McHUGH	Victoria (O.)	Lindsay, Ont.
FREDERICK L. BÉIQUE	De Salaberry	Montreal, Que.
JOSEPH H. LEGRIS	Repentigny	Louiseville, Que.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
JULES TESSIER	De la Durantaye	Quebec, Que.
L. O. DAVID	Mille Iles	Montreal, Que.
HENRY J. CLORAN	Victoria	Montreal, Que.
WILLIAM MITCHELL	Wellington	Drummondville, Que.
HEWITT BOSTOCK, P.C. (Speaker)	Kamloops	Monte Creek, B.C.
JAMES H. ROSS	Regina	Moose Jaw, Sask.
L. GEORGE DE VEBER	Lethbridge	Lethbridge, Alta.
GEORGE C. DESSAULLES	Rougemont	St. Hyacinthe, Que.
NAPOLÉON A. BELCOURT, P.C.	Ottawa	Ottawa, Ont.
VALENTINE RATZ	North Middlesex	New Hamburg, Ont.
EDWARD MATTHEW FARRELL	Liverpool	Liverpool, N.S.
WILLIAM ROCHE	Halifax	Halifax, N.S.
LOUIS LAVERGNE	Kennebec	Arthabaska, Que.
JOSEPH M. WILSON	Sorel	Montreal, Que.
BENJAMIN C. PROWSE	Charlottetown	Charlottetown, P.E.I.
RUFUS HENRY POPE	Bedford	Cookshire, Que.
JOHN W. DANIEL	St. John	St. John, N.B
GEORGE GORDON	Nipissing	North Bay, Ont.
NATHANIEL CURRY	Amherst	Amherst, N.S.
WILLIAM B. ROSS	Middleton	Middleton, N.S.
EDWARD L. GIRROIR	Antigonish	Antigonish, N.S.
PATRICK C. MURPHY	Tignish	Tignish, P.E.I.
ERNEST D. SMITH	Wentworth	Winona, Ont.
ALEXANDER MCCALL	Norfolk	Simcoe, Ont.
JAMES J. DONNELLY	South Bruce	Pinkerton, Ont.
WILLIAM H. THORNE	St. John	St. John, N.B.
CHARLES PHILIPPE BEAUBIEN	Montarville	Montreal, Que.
JOHN MCLEAN	Souris	Souris, P.E.I.
JOHN STEWART MCLENNAN	Sydney	Sydney, N. S.
WILLIAM HENRY SHARPE	Manitou	Manitou, Man.
GIDEON D. ROBERTSON, P.C.	Welland	Welland, Ont.
GEORGE LYNCH-STAUNTON	Hamilton	Hamilton, Ont.
CHARLES E. TANNER	Pictou	Pictou, N.S.
THOMAS JEAN BOURQUE	Richibucto	Richibucto, N.B.

SENATORS.	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
HENRY W. LAIRD	Regina	Regina, Sask.
ALBERT E. PLANTA	Nanaimo	Nanaimo, B.C.
GEORGE W. FOWLER	Kings and Albert	Sussex, N.B.
RICHARD BLAIN	Peel	Brampton, Ont.
JOHN HENRY FISHER	Brant	Paris, Ont.
LENDRUM MCMEANS	Winnipeg	Winnipeg, Man.
DAVID OVIDE L'ESPÉRANCE	Gulf	Quebec, Que.
GEORGE GREEN FOSTER	Alma	Montreal, Que.
RICHARD SMEATON WHITE	Inkerman	Montreal, Que.
AIMÉ BÉNARD	St. Boniface	Winnipeg, Man.
GEORGE HENRY BARNARD	Victoria	Victoria, B.C.
WELLINGTON B. WILLOUGHBY	Moose Jaw	Moose Jaw, Sask.
JAMES DAVIS TAYLOR	New Westminster	New Westminster, B.C.
FREDERICK L. SCHAFFNER	Boissevain	Boissevain, Man.
WILLIAM H. BENNETT	Simcoe, E.	Midland, Ont.
GEORGE HENRY BRADBURY	Selkirk	Selkirk, Man.
EDWARD MICHENER	Red Deer	Red Deer, Alta.
WILLIAM JAMES HARMER	Edmonton	Edmonton, Alta.
IRVING R. TODD	Charlotte	Milltown, N. B.
JOHN WEBSTER	Brockville	Brockville, Ont.
ROBERT A. MULHOLLAND	Port Hope	Port Hope, Ont.
PIERRE EDOUARD BLONDIN, P.C.	Laurentides	Ottawa, Ont.
MICHAEL J. O'BRIEN	Renfrew	Renfrew, Ont.
JOHN G. TURRIFF	Assiniboia	Ottawa, Ont.
GERALD VERNER WHITE	Pembroke	Pembroke, Ont.
THOMAS CHAPAIS	Granville	Quebec, Que.
LORNE C. WEBSTER	Stadacona	Montreal, Que.
JOHN STANFIELD	Colchester	Truro, N.S.
JOHN ANTHONY MCDONALD	Shediac	Shediac, N.B.
WILLIAM GRIESBACH, C.B., C.M.G., etc.	Edmonton	Edmonton, Alta.
JOHN MCCORMICK	Sydney Mines	Sydney Mines, N.S.
Rt. HON. SIR GEORGE E. FOSTER, P.C., G.C.M.G.	Ottawa	Ottawa, Ont.
JOHN D. REID, P.C.	Grenville	Prescott, Ont.
JAMES A. CALDER, P.C.	Saltcoats	Regina, Sask.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
Robert F. Green	Kootenay	Victoria, B.C.
Archibald B. Gillis	Saskatchewan	Whitewood, Sask.
Sir Edward Kemp, P.C., K.C.M.G.	Toronto	Toronto, Ont.
Archibald H. Macdonell, C.M.G.	South Toronto	Toronto, Ont.
Frank B. Black	Westmoreland	Sackville, N.B.
Sanford J. Crowe	Burrard	Vancouver, B.C.
Peter Martin	Halifax	Halifax, N.S.
Archibald Blake McCoig	Kent (O.)	Chatham, Ont.
Arthur C. Hardy	Leeds	Brockville, Ont.
Frederick F. Pardee	Lambton	Sarnia, Ont.
Gustave Boyer	Rigaud	Rigaud, Que.
Onesiphore Turgeon	Gloucester	Bathurst, N.B.
Sir Allen Bristol Aylesworth, P.C., K.C.M.G.	North York	Toronto, Ont.

SENATORS OF CANADA

ALPHABETICAL LIST

JUNE 30, 1923

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G....	North York.....	Toronto, Ont.
BARNARD, G. H.....	Victoria.....	Victoria, B.C.
BEAUBIEN, C. P.....	Montarville.....	Montreal, Que.
BÉIQUE, F. L.....	De Salaberry.....	Montreal, Que.
BELCOURT, N. A., P.C.....	Ottawa.....	Ottawa, Ont.
BÉNARD, A.....	St. Boniface.....	Winnipeg, Man.
BENNETT, W. H.....	Simcoe, E.....	Midland, Ont.
BLACK, F. B.....	Westmoreland.....	Sackville, N.B.
BLAIN, R.....	Peel.....	Brampton, Ont.
BIONDIN, P. E., P.C.....	Laurentides.....	Ottawa, Ont.
BOLDUC, J., P.C.....	Lauzon.....	St. Victor de Tring, Que.
BOSTOCK, H., P.C. (Speaker).....	Kamloops.....	Monte Creek, B.C.
BOURQUE, T. J.....	Richibucto.....	Richibucto, N.B.
BOYER, G.....	Rigaud.....	Rigaud, Que.
BRADBURY, G. H.....	Selkirk.....	Selkirk, Man.
CALDER, J. A., P.C.....	Saltcoats.....	Regina, Sask.
CASGRAIN, J. P. B.....	De Lanaudière.....	Montreal, Que.
CHAPAIS, T.....	Granville.....	Quebec, Que.
CLORAN, H J.....	Victoria.....	Montreal, Que.
CROWE, S. J.....	Burrard.....	Vancouver, B.C.
CURRY, N.....	Amherst.....	Amherst, N.S.
DANDURAND, R., P.C.....	De Lorimier.....	Montreal, Que.
DANIEL, J. W.....	St. John.....	St. John, N.B.
DAVID, L. O.....	Mille Iles.....	Montreal, Que.
DESSAULLES, G. C.....	Rougemont.....	St. Hyacinthe, Que.
DE VEBER, L. G.....	Lethbridge.....	Lethbridge, Alta.
DONNELLY, J. J.....	South Bruce.....	Pinkerton, Ont.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
FARRELL, E. M.	Liverpool	Liverpool, N.S.
FISHER, J. H.	Brant	Paris, Ont.
FOSTER, G. G.	Alma	Montreal, Que.
FOSTER, RT. HON. SIR GEORGE E., P.C., G.C.M.G.	Ottawa	Ottawa, Ont.
FOWLER, G. W.	Kings and Albert	Sussex, N.B.
GILLIS, A. B.	Saskatchewan	Whitewood, Sask.
GIRROIR, E. L.	Antigonish	Antigonish, N.S.
GORDON, G.	Nipissing	North Bay, Ont.
GREEN, R. F.	Kootenay	Victoria, B.C.
GRIESBACH, W. A., C.B., C.M.G., etc.	Edmonton	Edmonton, Alta.
HARDY, A. C.	Leeds	Brockville, Ont.
HARMER, W. J.	Edmonton	Edmonton, Alta.
KEMP, SIR EDWARD, P.C., K.C.M.G.	Toronto	Toronto, Ont.
KING, G. G.	Queen's	Chipman, N.B.
LAIRD, H. W.	Regina	Regina, Sask.
LAVERGNE, L.	Kennebec	Arthabaska, Que.
LEGRIS, J. H.	Repentigny	Louiseville, Que.
L'ESPÉRANCE, D. O.	Gulf	Quebec, Que.
LOUGHEED, Sir JAMES A., P.C., K.C.M.G.	Calgary	Calgary, Alta.
LYNCH-STAUNTON, G.	Hamilton	Hamilton, Ont.
MACDONELL, A. H., C.M.G., etc.	Toronto, South	Toronto, Ont.
MARTIN, P.	Halifax	Halifax, N.S.
MCCALL, A.	Norfolk	Simcoe, Ont.
MCCOIG, A. B.	Kent (O.)	Chatham, Ont.
MCCORMICK, J.	Sydney Mines	Sydney Mines, N.S.
MCDONALD, J. A.	Shediac	Shediac, N.B.
MCHUGH, G.	Victoria (O)	Lindsay, Ont.
MCLEAN, J.	Souris	Souris, P.E.I.
MCLENNAN, J. S.	Sydney	Sydney, N.S.
MCMEANS, L.	Winnipeg	Winnipeg, Man.
MICHENER, E.	Red Deer	Red Deer, Alta.
MITCHELL, W.	Wellington	Drummondville, Que.
MONTPLAISIR, H.	Shawenegan	Three Rivers, Que.
MULHOLLAND, R. A.	Port Hope	Port Hope, Ont.
MURPHY, P. C.	Tignish	Tignish, P.E.I.

SENATORS.	DESIGNATION.	POST OFFICE ADDRESS.
The Honourable		
O'Brien, M. J.	Renfrew	Renfrew, Ont.
Pardee, F. F.	Lambton	Sarnia, Ont.
Planta, A. E.	Nanaimo	Nanaimo, B.C.
Poirier, P.	Acadie	Shediac, N.B.
Pope, R. H.	Bedford	Cookshire, Que.
Prowse, B. C.	Charlottetown	Charlottetown, P.E.I.
Ratz, V.	North Middlesex	New Hamburg, Ont.
Reid, J. D., P.C.	Grenville	Prescott, Ont.
Robertson, G. D., P.C.	Welland	Welland, Ont.
Roche, W.	Halifax	Halifax, N.S.
Ross, J. H.	Regina	Moose Jaw, Sask.
Ross, W. B.	Middleton	Middleton, N.S
Schaffner, F. L.	Boissevain	Boissevain, Man.
Sharpe, W. H.	Manitou	Manitou, Man.
Smith, E. D.	Wentworth	Winona, Ont.
Stanfield, J.	Colchester	Truro, N.S.
Tanner, C. E.	Pictou	Pictou, N.S.
Taylor, J. D.	New Westminster	New Westminster, B.C.
Tessier, Jules	De la Durantaye	Quebec, Que.
Thibaudeau, A. A.	De la Vallière	Montreal, Que.
Thorne, W. H.	St. John	St. John, N.B.
Todd, I. R.	Charlotte	Milltown, N.B.
Turgeon, O.	Gloucester	Bathurst, N.B.
Turriff, J. G.	Assiniboia	Ottawa, Ont.
Watson, R.	Portage la Prairie	Portage la Prairie, Man.
Webster, J.	Brockville	Brockville, Ont.
Webster, L. C.	Stadacona	Montreal, Que.
White, R. S.	Inkerman	Montreal, Que.
White, G. V.	Pembroke	Pembroke, Ont.
Willoughby, W. B.	Moose Jaw	Moose Jaw, Sask.
Wilson J. M.	Sorel	Montreal, Que.
Yeo, J.	East Prince	Port Hill, P.E.I.

SENATORS OF CANADA

BY PROVINCES

JUNE 30, 1923

ONTARIO—24

	SENATORS.	POST OFFICE ADDRESS.
	The Honourable	
1	GEORGE MCHUGH	Lindsay.
2	NAPOLEON A. BELCOURT, P.C.	Ottawa.
3	VALENTINE RATZ	New Hamburg.
4	GEORGE GORDON	North Bay.
5	ERNEST D. SMITH	Winona.
6	ALEXANDER MCCALL	Simcoe.
7	JAMES J. DONNELLY	Pinkerton
8	GEORGE LYNCH-STAUNTON	Hamilton.
9	GIDEON D. ROBERTSON, P.C.	Welland.
10	RICHARD BLAIN	Brampton.
11	JOHN HENRY FISHER	Paris.
12	WILLIAM H. BENNETT	Midland.
13	JOHN WEBSTER	Brockville.
14	ROBERT A. MULHOLLAND	Port Hope.
15	MICHAEL J. O'BRIEN	Renfrew.
16	GERALD VERNER WHITE	Pembroke.
17	JOHN D. REID, P.C.	Prescott.
18	SIR GEO E. FOSTER, P.C., G.C.M.G.	Ottawa.
19	SIR EDWARD KEMP, P.C., K.C.M.G.	Toronto.
20	ARCHIBALD H. MACDONELL, C.M.G., etc.	Toronto.
21	ARCHIBALD BLAKE MCCOIG	Chatham.
22	ARTHUR C. HARDY	Brockville.
23	FREDERICK F. PARDEE	Sarnia.
24	SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.	Toronto.

QUEBEC—24

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

NOVA SCOTIA—10

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

NEW BRUNSWICK—10

	The Honourable	
1	Pascal Poirier	Shediac.
2	George Gerald King	Chipman.
3	John W. Daniel	St. John.
4	William H. Thorne	St. John.
5	Thomas Jean Bourque	Richibucto.
6	George W. Fowler	Sussex.
7	Irving R. Todd	Milltown.
8	John Anthony McDonald	Shediac.
9	Frank B. Black	Sackville.
10	Onesiphore Turgeon	Bathurst.

PRINCE EDWARD ISLAND—4

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

BRITISH COLUMBIA—6

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

MANITOBA—6

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

SASKATCHEWAN—6

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

ALBERTA—6

	The Honourable	
1	Sir James Alexander Lougheed, K.C.M.G., P.C.	Calgary.
2	L. George De Veber	Lethbridge.
3	Edward Michener	Red Deer.
4	William James Harmer	Edmonton.
5	William A. Griesbach, C.B., C.M.G., etc.	Edmonton.
6	.....	.....

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Wednesday, January 31, 1923.

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

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

Prayers and routine proceedings.

OPENING OF THE SESSION

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

NEW SENATOR INTRODUCED

Hon. Onesiphore Turgeon, of Bathurst, New Brunswick, introduced by Hon. Raoul Dandurand and Hon. Pascal Poirier.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

I am glad to welcome you to a return to your parliamentary duties. In the interval which has elapsed since the last session, I have had the pleasure of extending my travels throughout Western Canada and as far as the Territory of the Yukon. The cordial hospitality everywhere enjoyed by Her Excellency and myself will be long remembered.

It is gratifying to note that in a period of world-wide trade depression following the Great War, Canada has made substantial progress towards recovery.

The increase in the volume of trade, the diminution of unemployment as compared with last winter, and the restoration of our currency to a position of equality with that of the neighbouring Republic, are indications of the improved situation. The economic condition in European countries makes for embarrassment the world over. A much better situation in Europe will be necessary before we can expect a complete restoration of confidence in business affairs here. In the meantime, the Dominion has much reason for satisfaction with the improvement that has taken place, and with the many evidences of a returning prosperity.

The desirability of obtaining the best available terms for the admission of our products in foreign markets has engaged the attention of the Ministry. Conventions have been made to govern trade relations between France and Canada and between Italy and Canada. These Conventions will be submitted for your approval.

Since last session, acting under a Statute of 1919, with amendments thereto, an Order in Council has been passed appointing a Board of Directors to be known as The Board of Directors of the Canadian National Railway Company, having under its control and operation the various lines which go to make up the system, and also the Canadian Government Merchant Marine. The various units of the system are being consolidated as rapidly as possible. This, it is expected, will increase the efficiency and decrease the cost of operation.

It having been represented that an amalgamation of interests of shipping companies and vessel owners upon the Great Lakes has operated to control freight rates and insurance upon grain shipments in a manner which has deprived agriculturists of much of the benefit to which they were entitled, as well as led to discrimination against Canadian ports and harbours, a Royal Commission has been appointed to investigate and report upon this alleged combine.

A bill will be submitted to you to safeguard the interests of consumers and producers from undue enhancement of prices or unfair restriction of trade by combines, monopolies, trusts, or mergers.

As a consequence of an agreement entered into between the Government of Great Britain and members of the Canadian Government, the law with respect to the landing of imported animals in Great Britain has been amended by the British Parliament. The removal thereby effected of the embargo on Canadian cattle entering the United Kingdom is a source of general satisfaction. It has materially improved the outlook as regards live stock, and should lead to the re-establishment of a profitable trade with Great Britain.

The adverse conditions with which agriculture generally is confronted in many parts of Canada, despite the abundant crops of the past year, render it desirable that a special committee, with powers to make recommendations, be appointed to look into various agricultural matters such as the mixing of grain in private terminal elevators, the marketing of farm products, the development of the live stock industry, and the possibilities of further diversification in our Canadian agriculture.

The matter of securing an increasing flow of desirable settlers to develop the large areas still available

for cultivation in Canada has had the serious consideration of my advisers. Additional advertising and general publicity campaigns have been launched in Great Britain and in the United States and, as opportunity offers, will be extended to other lands from which a suitable class of settlers may be attracted. In other particulars, the activities of the Department of Immigration and Colonization are being expanded.

The time for the usual decennial revision of the Bank Act having arrived, a measure for that purpose will be laid before you.

Having regard to the recent decennial census, a readjustment of the representation of the Provinces in the House of Commons, as required by the British North America Act, is also due. A Bill will be introduced for that purpose.

In pursuance of the announcement made in the Speech from the Throne at the opening of last Session a Postal Conference with the United States was held at Ottawa in the month of December last. The results of the Conference were embodied in a new Postal Convention which has been in force since January 1st. It is a pleasure to record that arrangements were made not only for extending and improving the international postal service, but also for the conveyance through the United States of parcel mail from Canada to all South American countries.

The Government of France has graciously offered to the Canadian Government a tract of land of 250 acres on Vimy Ridge, at the site selected for the erection by Canada of a monument commemorating the exploits of Canadian troops in the Great War. This gift has been gratefully accepted, and a bill approving the agreement has been duly introduced in the French Parliament. An appropriate resolution expressing Canada's appreciation of the action of the French Government will be offered for your acceptance.

During the course of the session your attention will be invited to other agreements of an international character and significance, and to other matters requiring legislation.

Members of the House of Commons:

The Public Accounts for the last fiscal year, and the Estimates for the coming year, will be submitted at an early date. A strict economy in all public expenditures continues to be a necessity of the existing financial situation.

Honourable Members of the Senate:

Members of the House of Commons:

Since you last assembled, Canada has harvested the largest wheat crop in its history, and an abundance of other kinds of grain and fruits. May the Divine Providence which has vouchsafed this basis of our material prosperity guide and bless all your deliberations.

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

RAILWAY BILL

FIRST READING

Bill—An Act relating to Railways.—Hon. Mr. Dandurand.

CONSIDERATION OF HIS EXCELLENCY'S SPEECH

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

COMMITTEE ON ORDERS AND PRIVILEGES

Hon. Mr DANDURAND moved:

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

The motion was agreed to.

COMMITTEE ON SELECTION

On motion of Hon. Mr. Dandurand, the following Senators were appointed a Committee on Selection to nominate Senators to serve on the several Standing Committees during the present Session: Hon. Sir James Lougheed, Hon. Messrs. Belcourt, Barnard, Daniel, Prowse, Robertson, Tanner, Watson, Willoughby, and the mover.

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

THE SENATE

Thursday, February 1, 1923.

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

Prayers and routine proceedings.

CANADA TEMPERANCE BILL

FIRST READING

Bill A, an Act to amend Part IV of the Canada Temperance Act by providing for the abolition of licenses to manufacture Intoxicating Liquor in provinces wherein the sale thereof is prohibited.—Hon. Mr. Casgrain.

CRIMINAL APPEALS BILL

FIRST READING

Bill B, an Act to extend the Right of Appeal from Convictions in Indictable Offences. —Hon. Mr. McMeans.

QUESTION OF PRIVILEGE

APPOINTMENT TO THE SENATE

Hon. Mr. DANIEL: Honourable gentlemen, before the Orders of the Day are called, I would like to call the attention of the honourable members present, and especially that of the honourable member representing the Government in this House, to a statement made in another place yesterday to the effect that Mr. Onésiphore Turgeon, Esquire, had vacated his seat for the electoral district of Gloucester on account of his having accepted an office of emolument under the Crown. That

struck me as a very original and unauthorized way of making the statement that the honourable gentleman referred to had been appointed as a member of this honourable House. It does not appear to me that being appointed to this part of Parliament is being appointed to an office of emolument under the Crown any more than being elected as a member of the House of Commons. For a great number of years in the past it has been the custom of members of Parliament in the Mother Land to serve without any emolument whatever. It may be possible that in the future even members of the Senate of Canada may consent to attend to their duties without receiving any emolument. The point I make, however, is that the statement has been very incorrectly given to the public by His Honour the Speaker of the House of Commons, although I may say that it did not originate with him, but that he stated that the Chief Electoral Officer had received a communication to this effect, and had handed it to him.

I would like the honourable member who leads the Government to take note of the statement. I think it is one which should not be allowed to remain.

Hon. Mr. DANDURAND: If the statement departs in any way from tradition I will draw the attention of His Honour the Speaker of the House of Commons to it, so that he may take occasion to correct the form.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. ARTHUR C. HARDY rose to move that an Address be presented to His Excellency the Governor General to offer the humble thanks of this House to His Excellency for the gracious Speech which he has been pleased to make to both Houses of Parliament. He said:

In rising to move the reply to the Speech of His Excellency the Governor General, I wish to express my very sincere appreciation to the honourable leader of the House for the honour which he has bestowed upon me in allotting to me the honourable and important duty entailed therein. I also beg to crave from the honourable members of this House the indulgence which one who has not the experience in public life is entitled to claim from those who are both experienced public speakers and parliamentarians, as so many in this House are.

May I be permitted, as one of the later members of this House, to compliment and congratulate the honourable leader of the House on the most capable and able way in which he conducted affairs during the last Session of Parliament. While he received many congratulations at that time—they were showered upon him, I remember—may I say that I think he has quite fulfilled all that was expected of him, as every one who knew him in his past career in public life would expect him to do.

Although I am on this side of the House, I am sure I shall not be debarred from extending my respects and warm compliments to the leader of the Opposition for the very able and gracious way in which he fulfilled the duties of his important and difficult office during the last Session of Parliament.

The Speech from the Throne foreshadows a large and important volume of legislation to be laid before Parliament at this its second Session, and undoubtedly this will be added to by many measures not therein referred to, as is usual. This means without doubt, particularly as some of the measures are bound to be more or less controversial, that we are faced with a long and arduous Session. I have no doubt, if we may judge from the demands that we have heard for the revision and improvement of the Bank Act from members of various organizations throughout the country, that that measure alone will take up a very large portion of the time of both Houses, particularly of the House of Commons. Personally I should be quite satisfied to see the Bank Act stand just as it is for another year. We are not treading the easiest paths, and anything that is going to move or shake our present financial status is a serious thing. I have no doubt that the Bank Act is quite capable of being amended, but it must be amended in a cautious and conservative manner.

We know that one of the chief things which shall be brought up for discussion will be the disaster to one of our large banks two years ago. I do not think that any Bank Act can prevent that kind of thing; I do not think any legislation that men can put upon the statute book will avoid it. We have first of all to depend absolutely and entirely upon the integrity and honesty of those in charge; and when I say that I do not wish to make any insinuations against the gentleman who was at the head of that bank and who was supposedly to have signed, and who, I believe, did sign, certain declarations. For my part I would give him all credit for having signed that declaration and for having sacrificed himself for the people of Canada and in

order to save a more serious situation. I am not a financial expert and have no idea of what changes may be proposed or brought about in connection with the Bank Act. I merely mention it as one of those measures that may take up a very considerable portion of the time of the House.

The fourth year after the war does not seem to have brought any decrease in the perplexities that have involved the world since the termination of that conflict; in fact, it would rather seem that instead of decreasing them, it has only increased them. Even to-day, in what we call the peace of Europe, we see the extraordinary state of affairs of several nations occupying enemy or foreign territories, and only within the last few weeks another invasion has taken place by a victorious power of the territory of the vanquished in order to compel the fulfilment of treaty obligations. If we could have imagined such a thing ten or twelve years ago, we could have foreseen only one result, and that would have been war. To-day it is looked upon as a very serious complication, and, although the territories are occupied by thousands of soldiers, the occupation is not considered an act of war. We also see the situation in which our own mother land is involved with another of the vanquished nations. All these things complicate the situation, and from day to day when we pick up our newspapers we wonder what the outcome will be.

To my mind one of the serious and very important psychological developments of the war and the results left by it is the intense spirit of nationalism that seems to have seized all nations. One would have thought that after having fought for four years and more side by side they would have understood each other with a more sympathetic understanding, and that the old-time prejudices and the old-time national exclusiveness would have been broken, if not entirely done away with. Instead of this, we see just the opposite. We see an intense nationalism. Each nation is watching the others with suspicion, and every move made by one state is watched with jealousy. The great hope of the world, the League of Nations, offered an instrument to do away with this suspicion and antagonism, and to bring about a better and more kindly feeling as well as a more workable condition of affairs throughout the world. But it has not functioned as we had hoped, and I venture to say that it is not through the failure of the principles of the League of Nations that it has not been entirely successful, but rather through the failure of governments and states, and perhaps individuals, to apply the principles which the League of Nations stands for. Instead of the principles of the League of Nations being sought after and followed out, we find that the nations of Europe, and perhaps the nations of other continents too, rather rely upon the old-time methods of diplomacy, the old-time nationalistic spirit, and even the use of force.

We see to-day a feature that goes to increase this spirit of nationalism—that is the breaking up of the great empires of central Europe. We see Austria broken into four or five or even six separate nationalities; Russia is broken into so many that we cannot follow them out, and the change is, if not overnight, at least from month to month and year to year. These small nations, bounded by other small nations, from which they have seceded on account of racial and religious differences, are even stronger than the great nations in their national feeling. Take the reports of the last few days that a world-wide war is threatened over the disposition of Memel. One of the smallest nations, Little Lithuania, is threatening to call in Great Lithuania with Russia and Germany behind it. It is inconceivable to us that a world-wide war should follow such a thing as this; and if the time should come when the nations of Europe cannot agree upon such small differences, I trust that this country will hold by itself. I believe the mother land is to-day able to judge better than any other country the value of the League of Nations, and I believe that where her interests are not vitally concerned and her honour not touched, she will not indulge in these wars. If she should, then it is a question whether Canada should be dragged that far.

This national spirit has given rise to an economic problem in our own country as well as practically all the other countries of the world: it has resulted in the raising of more tariff barriers to trade relations in every direction. The United States has raised her tariff to unparalleled heights; even Great Britain has put a tariff on in the form of a protection of her key industries. We find that Australia, formerly a low-tariff country, has such a tariff now that many of our Canadian goods are prohibited from entering that state. Even Canada, which three or four years ago contained a very large element, I think I may say a preponderating element, which called, if not for free trade, for freer trade relations, has been satisfied with a small reduction of 2 or 2½ per cent in the tariff. I do not mention that as a criticism of those who came into power. Theoretically I am a free trader, but

practically I am just about where we stand to-day. We have got to protect what we have. I know that two or three years ago we greeted with loud applause a resolution for drastic reductions in the tariff. I was only too glad to see it; I would have advocated it myself; but I think we are quite justified in saying that two or three years can make a great change. In 1919, when this resolution was passed, everything was at the height of prosperity; but since then there have been very great changes, and I venture to say that a reduction in the tariff according to the resolutions passed by several schools of thought of this country, would have resulted in an almost disastrous course of events.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HARDY: I am very glad to hear my honourable friends on the other side join with me in this position. I do not take it on partisan ground at all, but because of what I believe to be an actual state of affairs to-day, and it has been justified by Parliament, which was quite satisfied to make a small reduction in the tariff at the last Session.

While in this country our immediate perplexities are not such as involve us in international difficulties, nevertheless we have our own problems, and great ones, to face and work out. These problems are domestic, and it is for ourselves to work them out, which we must and shall do. While domestic they are made more difficult by conditions in Europe. In common with the rest of the world that had not actually suffered from the ravages of invasion, we in Canada had looked towards a period after the war of at least some years of increased industry and production—let us call it prosperity if we will—in order to restore what was destroyed during the conflict. We all forgot that the destruction of capital does not make for prosperity merely by causing a replacement of what has been lost, and it came indeed as a blow to learn that there was little or nothing in Europe to pay for what was to replace that destruction. On the other hand we have found the nations of the old world so impoverished that they have not been able to buy even those things of everyday life that formerly were considered necessities in anything like the old-time quantities, at low prices, if at all. Instead, therefore, of being called upon to supply abnormal demands for those goods which Canada can export, we find ourselves deprived to a greater or less extent of our normal markets, with the result of a great decrease in industry of all kinds and lack of markets for our natural products. The great fall in prices everywhere accentuates the difficulties we have to face. Many features of the present depression are common to most countries throughout the world; but Canada must always have a great surplus of natural products to export, and therefore must find outside channels to dispose of them. Our old markets having been broken in upon by the war, we must re-open them and find new ones in addition and in this effort we are confronted with a great difficulty in the present condition of credits and exchange.

Since this House last met commercial treaties have been entered into between this country on the one hand and France and Italy on the other. The Administration is to be congratulated upon its prompt action in taking steps in this direction, which I trust may have the effect of no little increase of trade between these countries and Canada. I find that in the year 1922 Canada's exports to France amounted to $12,350,000, and those to Italy amounted to $12,300,000. These figures show the importance to Canada of these two markets, these countries ranking fifth and sixth, being exceeded only by the United Kingdom, the United States, Australia and Japan. While we have not yet learned the details of these treaties, I have no doubt that they will greatly improve our trade conditions, as have similar treaties in the past, and I trust that they are only the first of a series of others.

The total imports in 1921 amounted to $799,000,000; in 1922 to $762,000,000, a decrease of $37,000,000. Exports in 1921 were $802,000,000, and in 1922, $884,000,000, an increase of $82,000,000. The fact is that there has indeed been a satisfactory increase, as the tonnage is much higher proportionately.

In 1920 there was a balance against us of $65,000,000; in 1921 there was a balance in our favour of $3,000,000; and in 1922 a balance in our favour of $122,000,000.

Foreign goods re-exported from Canada are not included in these figures. These balances of trade are given for what they are worth. The balance of trade may show a lack of buying power, but at present, I am satisfied that it is a healthy sign.

I believe that the future will show a decided tendency on the part of the nations generally to base their tariffs and trading relations under them on reciprocal agreements with each other as conditions may make them advisable. The world has had it brought most concretely before it how completely dependent each country is on many others if not on every other—that they

must live with and for each other. The action of one nation affects another even in regard to the things of commonest use. A clear-cut example is shown in the United States, where the millers are crying out for Canadian hard wheat, within a year after that country shut our wheat from their market. This new American tariff has dealt us a severe blow, particularly to our agricultural interests, and at a time when rapidly falling prices in those products, makes it more severely felt. In our western provinces today we find our stock raisers faced on the one hand with United States duties of 1½ and 2 cents a pound, when cattle are selling at from 6 to 7 cents for feeders and 11 to 12 cents for fat cattle, and on the other hand by such high rates of transportation that stock raising with any profit is well nigh impossible. The same exists with our wheat and grain growers. While we cannot by any means blame our neighbours' new tariff entirely for these conditions, it has, as is seen, done much to accentuate a problem which was already desperately acute in our West. This is bound to react on immigration, and we are told by the president of our national railways that what we need to support our railways is immigration and greater population.

In the Speech from the Throne we find the following:

> The adverse conditions with which agriculture generally is confronted in many parts of Canada, despite the abundant crops of the past year, render it desirable that a special committee, with powers to make recommendations, be appointed to look into various agricultural matters, such as the fixing of grain in private terminal elevators, the marketing of farm products, the development of the live stock industry, anad the possibilities of further diversification in our Canadian agriculture.

I trust that failures in the past may not prevent us yet from negotiating with the republic to the south a trade treaty in the not distant future.

The removal of the cattle embargo by Britain as announced in the Speech from the Throne has been received with the liveliest satisfaction by all classes in this country. And not only for the commercial advantage it offers, but as a further evidence of good will and regard and gratitude on the part of the mother country. It is another example of Britain fulfilling her pledge. I trust it may bring to us as much advantage as we had hoped for from it.

The Speech from the Throne announces the appointment of a Royal Commission to investigate shipping and insurance rates in connection with transportation on the Great Lakes, and to inquire into the existence of certain alleged combines and rings. Unfair discrimination has been alleged against shipping interests, and much fault has been found with these combines against Canadian ports and railways by the diversion of immense quantities of grain to American ports and roads. On the other hand, it has been claimed that storage facilities in Canada are not sufficient to care for the Canadian production, especially during the rush season. It is a fact, however, that vast quantities of grain do go east via Buffalo and New York, and steps must be taken to remedy conditions, for on these shipments much of the success of our roads depends. If American railways carry our grain because certain shippers decree so for their own advantage, or if our Canada storage facilities are insufficient, then our government must at once devise a remedy, and apply it and save this great traffic for our own railways.

But important as this may be it is relatively a small matter compared with our great problem of railway transportation. I believe that the Prime Minister of the Province of British Columbia is at the present time in the Province of Ontario, if not in the city of Ottawa, for the purpose of discussing the diversion of grain by way of the Pacific ocean and the Panama canal to Europe. This opens up a great field, and while certain objections have been raised, on the ground that it would take away certain revenues from our railways, what we want is to get the grain to the coast—any coast—where it can go to Europe in the cheapest and most expeditious way. If this can be accomplished by the establishment of storage facilities on the western coast, I think it is a matter that should be taken up by the Government without delay. I believe it would be of great benefit to the Pacific coast, to say nothing of the farmers of the West, if the grain could be more expeditiously shipped by that route.

Hon. Mr. SCHAFFNER: Do not forget the Hudson Bay.

Hon. Mr. HARDY: I would like to say a word or two in connection with our great railway transportation problem. It engages, as we know, the attention of every person in this country, and upon it depends, I believe, the financial and commercial success of Canada for some years to come. It involves two of the greatest railway lines in the world, one privately, one publicly owned. This great question is so immense and is so dependent on population, and consequently on immigration, that it is not easy to discuss intelligently one without the other, reacting

as they must on each other. I am not an expert in railway matters, not even a student, and it is not my intention to discuss at any length this great question. A great step has been made by the Administration in the consolidation of the Government lines, and the country is anxiously looking to better days. We must not expect results to-morrow. Our efforts must be directed to co-operation and not to criticism for the sake of such. The country is to be congratulated upon securing the services of so eminent a man in the railway life as the new general manager, whose appointment has given the greatest satisfaction to all classes, and his general attitude thus far fully bears out the early approbation.

In spite of the criticism of the Government that it moved too slowly in the appointment of the new Board, I consider that it was wise in its caution, assailed by cries for haste, as it was. Too many things of great import have been rushed through, only to leave regrets, and I consider that it was the very best evidence of good faith that they acted with caution. We see the same cautious spirit manifested by the new General Manager—who is also hastening slowly, in spite of the piteous cries of Toronto that it should forthwith be made the central headquarters, which indeed seems outwardly to be the chief interest of the city in the National railways. Toronto having for two generations quarrelled with almost every public utility service within its limit, has at last absorbed so many of them, that it is now looking for a new victim. I have no doubt that the new head offices will be established where open minds consider is the best location for the roads, regardless of what city it may be. The public I believe, will not be concerned about any other consideration.

As I have already said, we see on the one hand industry immensely handicapped by high freight rates, and, on the other, see a vast deficit even in spite of these high rates, The whole country cries for relief from these rates, the West especially, where they bear so much the harder. But how can they be reduced in the face of the deficits? The consolidation of the railways must effect great economies, and doubtless the new management will make this their first duty; but in my humble opinion, so long as we are to pay the present rates of wages to railwaymen, I can see no clear way to substantial rate reduction, even if deficits can be avoided. Under the system of time and wages imported from the United States into the country, where conditions are so different, it looks hopeless. But it is one of the problems to be solved nevertheless.

The new President, almost at the beginning of taking up office, told us that we must have a much larger population to support these railways—to feed them and supply them with traffic. The Speech from the Throne refers to the necessity of renewed immigration to fill our vacant lands. This and the working out of our railway question, seem to me to be the two greatest problems before Canada to-day. They open up a great opportunity for co-operation on the part of our federal and provincial Governments.

The Speech from the Throne referred to the great and noble gift that France has given to this country to serve as a memorial to those of our soldiers who died for that country and for the mother land. It is indeed a great thing for us to think that France, almost at the moment of her greatest travail since the war, should be able to think of us and to appoint a great tract of land in one of the most historic parts of the country as a memorial to our Canadian soldiers. That great and brilliant nation has suffered, I believe, beyond all that we can ever imagine; and the most unfortunate thing is that, instead of improvements taking place in her relations with those who were her former enemies, there seems to be a determined effort on the part of those enemies to thwart all her efforts and bring them to naught. I am sure I voice the sentiments of nearly every Canadian when I say that I hope that great nation will be rehabilitated soon in her devastated districts, and that those who caused that devastation shall be made to pay.

On the memorial tract of land, situated on Vimy Ridge, where in one week eleven thousand Canadian soldiers fell, and which forms one of the most glorious Canadian battle fields, our Government is to erect one of the finest monuments the world has seen. A great authority, perhaps one of the greatest authorities on monumental architecture that we have, told me a few weeks ago that of all the monuments that are being prepared in the world to-day there is nothing which will be in the same class with this Canadian memorial on Vimy Ridge. This gentleman even goes so far as to say that since the building of the Arch of Titus there has been no monumental erection in Europe, except possibly the Arc de Triomphe in Paris, to compare with this. In the carrying out of this work of art, as well as in the artistry itself, this gentleman informed me that not even Rodin could excel. The work is to be

carried out by a Canadian boy and is to be done by Canadian workmen. I trust that Canada will guard it well, and will make it a mecca in France for our people forever.

Honourable gentlemen, I do not propose to take up the time of the House any further. I therefore have the honour to move:

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

Hon. ONESIPHORE TURGEON (Translation): Honourable gentlemen, I have come within a theatre which is quite new to me, and the eminence of which I had not appreciated until my entrance to-day. The contemplation of so many Canadian dignitaries brings to my mind from Canadian history the recollection of those principles upon which this Dominion of Canada has been founded—principles truly British, extending in their generosity to minorities as well as to majorities, and by which our country, within its half century of existence, has been able to attain a position that excites the admiration of other nations.

It is as representative of the Acadian minority in New Brunswick that I have been called from among my generous constituents by the right honourable the Prime Minister of Canada and his colleagues, and have come to play my humble part in this august assembly, removed as it is from popular clamor and the engulfing waves of partisanship, guided in its deliberations by a spirit purely patriotic, and seeking only the general prosperity and happiness of the Canadian nation.

To-day the whole world is apprehensive of the future. If in the midst of all the prevailing difficulties and misgivings there is a young nation specially endowed with those qualities which make for development and greatness, both material and moral, that nation is Canada.

Over and above its abundant natural resources, Canada possesses two languages—the most beautiful, the richest, the most useful—two universal languages which together typify all noble and legitimate human aspirations. One is the English language, the language of industry and commerce, which has crossed every sea and penetrated every country wherein a shop or a bank is to be found, to fill it with British merchandise or British money, and has left everywhere in its wake the spirit of fraternity, developing and expanding with the increase of trade. The other is the French language, the language of the sciences and the arts, revealing their treasures and their merits; the language of the heart and of love; the language of eloquence; the language of diplomacy, in which international treaties have been written. These universal languages, placed in contact, develop energies, sentiments, and virtues, the application of which must necessarily make for the happiness of a people. Such is the good fortune of the people of Canada.

Yes, I affirm and repeat, always with faith: the cultivation of the many virtues of the English and French races will soon dispel the few clouds that still obscure parts of the Canadian sky, and then we shall live in an atmosphere that is pure, wholesome, invigorating. The result will be a happy blending of Canadian and Acadian good-fellowship, French affection, and British fair play, guaranteeing ample justice to the minorities of to-day as well as to those of to-morrow. Expressions of affection from the French will be showered upon the heads of their English-speaking neighbours, evoking sentiments of mutual esteem, generosity, and brotherhood, which will cause us to forget that we have minorities, and to say to one another, "Nous sommes tous Canadiens"—"we are all Canadians." And the generations to come, in the excess of their joy and happiness, will sing the praises of John A. Macdonald, George Etienne Cartier, Mackenzie, George Brown, Laurier, Mathieu, Moore, Sissons, MacPhail —worthy apostles of concord and harmony.

Honourable gentlemen, the Speech delivered yesterday by His Excellency the Governor General is a very comprehensive one, dealing with subjects of the greatest national importance at the present time. I hasten to call your attention to one of them. Honourable Rodolphe Lemieux, Speaker of the House of Commons, and member of the Legion of Honour, was sent, on behalf of the Canadian Battlefields Memorials Commission, to the governments of France and Belgium, for the purpose of acquiring ground in which the bodies of our Canadian heroes might find a resting place. Mr. Lemieux's noble mission has been attended with great success. A corner in the north of France, the Ridge of Vimy, now belongs to Canada, through the generosity of the French Government—a gift which will shortly be dedicated by the Deputies and Senators of France. The negotiations of Mr. Lemieux with the French Government have resulted in the establishment of a Canadian field at Vimy, where the Canadian troops fought for the first time as a Canadian unit. It is to the valour of the Canadian soldier that Vimy owes its fame,

and to-day, under the patriotic eye of Colonel M. N. Ross, who directs the works of construction and ornamentation, Canadian beauty is reflected from Vimy Ridge.

The Canadian Commission made a wise choice in selecting Hon. Mr. Lemieux, who, in addition to his merits, well known in England and France, shares the glory of having given to the cause of Christian civilization his only son, whose remains now lie among those of the 50,000 Canadian martyrs in the land of France.

The hero of the Battle of Vimy is His Excellency the Governor General of Canada, now Lord Byng. It was my agreeable duty last year to express to him the devotion and esteem felt towards him by the Acadian soldiers who fought under his command. To-day I may say to His Excellency that since his coming to Canada the better they know him the more they admire him.

The Speech from the Throne mentions an inquiry into the transportation of grain on the Great Lakes. The complaint is made that the navigation companies form a trust which is exploiting the public for its own gain. It is claimed in the Prairie Provinces that the benefit of the reduction of railway freight rates on grain, granted last Session, has been offset by the increase in transportation rates on the Lakes. The decision of the right honourable the Prime Minister to have a commission of inquiry on this question has received the approval of the farmers' co-operative organizations of the Prairie Provinces.

It is to be hoped that this investigation may have the effect of increasing patriotism among Canadian shippers and inducing them to use Canadian in preference to foreign ports; that they may also recognize the seriousness of the handicap they have imposed on the Western farmers by yielding to the deceptive smiles of foreign ports instead of being attracted by the smiling ports of Quebec, St. John, and Halifax, formed by the hand of the Supreme Being for the benefit not only of the Maritime Provinces, but of the whole of Canada.

An item in the Speech from the Throne calls the attention of Parliament to the Bank Act. Our banking system has always been considered one of the best systems established, superior to that of the United States. The only shortcoming has been the failure of directors to take the precaution to examine personally the reports of their auditors before attaching their signatures. Too much confidence in subordinates has been the chief cause of the misfortunes of some of our Canadian banks—indeed, it is more correct to say the only cause. Parliament should make presidents and directors responsible for any report which they sign. A more substantial guarantee should be exacted for loans to traders, contractors, and promoters.

It is true that at present there is a strong movement, especially among the farmers, for the establishment of national banks. I admit the many needs of the day, but the example of the State Banks in the United States, particularly in the past year, should put the Canadian people on their guard and cause them to give serious consideration to any such project before carrying it into effect. The example of North Dakota especially should give us pause.

The Speech from the Throne announces the removal of the embargo on Canadian cattle. The British Government, yielding to the constant representations of Canadian Governments, has decided to remove the embargo against Canadian cattle which has existed for nearly thirty years, and, by an arrangement entered into between the British Government and the members of the Canadian Government, the law regarding the disposition of imported animals has been changed. The whole of Canada, particularly the West, has suffered enormously by the embargo, which practically closed the English market to our livestock breeders. This disability was followed recently by a similar measure on the part of the United States Government by the putting into operation of the Fordney Bill, which by means of a prohibitive tariff closed the American markets. Our Western farmers have suffered considerable loss, and likewise our railways, who in consequence of this Act have been deprived of a great deal of traffic. This prohibitive law of Great Britain had an injurious effect on Canadian products in European markets. We may now expect a new impetus in this branch of industry.

The Speech from the Throne mentions the consolidation of our railway lines. The condition of Canadian railways has recently been the subject not only of uneasiness, but also of embarrassment. The numerous causes of this state of affairs I will not mention. The war, I may say, was one cause. It is the duty of all Canadians to second by their efforts and goodwill the endeavours of the Board which has just been appointed, with Sir Henry Thornton at its head. Sir Henry Thornton comes with a splendid reputation from a high sphere of activity, and deserves to receive from the Parliament and the people of Canada all possible assistance to enable him to

re-establish our railways in such a way as to eliminate the deficits which for years have been increasing our public debt. Canadian products ought to be shipped by Canadian rather than foreign routes. Goods shipped across the Atlantic from Great Britain or the continent of Europe, and intended for importation into Canada, should be carried to their destination on Canadian lines. Recently one-half or two-thirds of the grain shipments from Port Arthur across the Great Lakes have gone to American ports. I would remind the people of Canada that the Transcontinental from Winnipeg to Quebec was built in accordance with twentieth-century knowledge, and offers the shortest and cheapest possible route to the seaport of Quebec in the summer months, and enables the Government to carry the products of the West from Quebec to St. John and Halifax in the winter time at a minimum of additional cost. If all Canadian shipments are forwarded by our Canadian railways we may be certain that our railway systems will soon be able to meet the cost of operation and maintenance.

Another important item in the Speech from the Throne announces to the Canadian people that commercial treaties, or understandings with regard to treaties of reciprocity, have recently been made with France and Italy by our Canadian delegates, Hon. Mr. Fielding and Hon. Mr. Lapointe. Commercial treaties are certainly the most economical and most praiseworthy sort of relationship that can exist between nations. May I remind you, honourable gentlemen, that Napoléon Bonaparte, whose genius as an economist equalled his military genius, regarded commercial treaties as a sure means of establishing harmony between nations and promoting national prosperity. In what I may term his spare moments between the wars in which he was constantly engaged he liked to make commercial treaties with the different nations of Europe which he favoured, the only nation with which he refused to enter into treaty relations being the British, the one to which he had an aversion.

Last year it was my privilege to compliment the honourable the Minister of Finance of Canada for having, on taking over his Department, made an offer to the United States of reciprocity with Canada. The offer was refused, it is true, but his action remains as an example to the United States, and to other countries as well, and we can already see that the United States regrets having erected insurmountable barriers to trade between Canada and itself.

The nations of the world must expect to take a new course if they would secure happiness and prosperity. The old Roman adage, "Si vis pacem para bellum," has been proven false. The Roman Empire itself fell beneath the weight of militarism in the first centuries of the Christian era. After nineteen centuries of Christian civilization, Germany, by her stupendous preparations for war, attempted to overthrow and dominate the world; but when faced by those nations that had been preparing for peace, Germany too was at once dismantled, and carried down with her in her ruin nothing but the maledictions of the world. These commercial treaties are among the greatest incentives to harmony among nations.

The Speech from the Throne refers also to the question of immigration. Immigration is necessary for Canada. It is necessary in quantity, but still more in quality, and therefore great care is required. It is averred that Canada, in the last twenty years, has lost more population than it has gained by immigration. We must not make vain promises, which inspire wrong ideas in the mind of the immigrant. We must make known to him our resources, but must also let him understand that it is only by work, energy and thrift that he can succeed. I like the immigrant who comes to us from France, Belgium, Scandinavia, or the British Isles, and am ready to do all possible to assist him towards prosperity and happiness; but I hold dearer the immigrant from the Canadian cradle. He has a special claim upon our solicitude, and we must keep him beneath his native sky, close to his father and mother, the imitation of whose virtues will prove his fitness for Canadian citizenship. I am pleased to learn from the words of the Minister of Immigration, Hon. Charles Stewart, that he intends to take up the matter of repatriating Canadians now in the United States. That is certainly a fine work. It will not cost the country more to bring back the 10,000 or 20,000 Canadians from the United States than to bring the same number of foreigners to this country. I hope that the Government will give effect to the wishes of the Minister of Immigration.

I do not wish, honourable gentlemen, to take up your attention further. I have already spoken long enough, and I would not weary you dignitaries of Canada the first time that I have the honour of speaking in these noble precincts. However, I deem it my duty before taking my seat to express my sincere hope for the success of the League of Nations, the chief aim of which is to abolish the military spirit among European countries. I

have always said that the League of Nations could never attain the success expected of it until the United States decided to take part. It is to be regretted that that country did not join the League at its inception. Humanity would not then have suffered as it has suffered for the past three years and is still suffering to-day. It is to be hoped that the United States will join with Great Britain, France, Italy, Japan, and all other nations, and that together they may prevail upon German mentality to adopt a different attitude towards other countries. It will be necessary to establish in Germany a new system of education, especially in its institutions of learning, where the Prussian spirit still inculcates its principles of oppression with regard to the rest of the human race. We must train the minds of the rising generation into conformity with the aspirations of other nations. I can only urge upon the Canadian Parliament and people to continue in the path of moderation and charity, and I trust that the nations will treat each other as neighbours are expected to do in a community.

I thank you sincerely, honourable gentlemen, for your indulgence, and have much pleasure in seconding the motion for the Address to His Excellency the Governor General to thank him for the Speech which he was pleased to give us yesterday.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I have much pleasure in extending my congratulations to the mover and the seconder of the Address in reply to the Speech from the Throne, for the very satisfactory way in which they have discharged the duties assigned to them by the Government. I was particularly interested in the very thoughtful address delivered by the mover of the resolution, and, as I listened attentively to the sentiments which he expressed, particularly upon the fiscal question, it occurred to me that he was quite as qualified for this side of the House as for the side on which he sits.

Hon Mr. DANDURAND: I always said there should not be two sides.

Hon. Sir JAMES LOUGHEED: There is no occasion for my honourable friends to apologize for any timidities in discharging the duties of moving and seconding the Address. While they have made their maiden speeches in this body, yet we know that both honourable gentlemen have been engaged for a considerable period of time in the active political conflicts of the party to which they belong. I am not one of those who decry the appointment to this Chamber of honourable gentlemen who have been actively engaged in political life. I think that experience gives them a broader and more generous view of life than they might have if they had not engaged in political activity; and a broad outlook upon life and a well-balanced and sane judgment on all public questions are, it seems to me, essential to the proper discharge of the duties of a member of this honourable House.

I am always interested in seeing honourable gentlemen who belong to the Liberal party accept membership in this House. It is always pleasing to note the alacrity with which they accept membership when it is offered them, notwithstanding the murmurs and threats of the party to which they belong with regard to the abolition or reform of this body. I therefore congratulate my honourable friends the mover and the seconder of the Address upon their having accepted appointment to the Senate, and I foresee for them both a very useful service in this Chamber.

In looking casually over the Speech from the Throne, one cannot say that it suffers from any paucity of material of promised legislation, as many Speeches from the Throne do. There is a programme sufficiently long to keep us here for several months, and if the Government will implement the promise of legislation foreshadowed in it, I have no doubt that we shall have a very interesting Session.

I was somewhat interested in observing the language employed in the Speech from the Throne and comparing it with a declaration that, by way of New Year's greeting, was issued by the Prime Minister to the people of Canada some few weeks ago. The Speech from the Throne is supplementary of that declaration. One or two expressions in that declaration were very comprehensive indeed. I shall ask my honourable friend's indulgence while I read one of the clauses. The Prime Minister said:

> Treaties have been arranged with France and Australia for the betterment of trade conditions between the Dominion and those countries, and other treaties seeking a widening of markets in other directions were in course of negotiation. Treaties have also been negotiated with the United States looking to the settlement of the Great Lakes disarmament question and the Lake of the Woods international levels. The Government had also succeeded in securing the removal of the embargo against Canadian non-breeding cattle in Great Britain and the embargo against breeding types of cattle would be removed under the agreement early in the New Year.
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> Among other important matters decided had been the formation of the Board of management of the Canadian National Railway systems and the securing of Sir Henry Thornton as President and General Manager of the railways. The personnel of the Board, said the Prime Minister, was such as to inspire con-

fidence on the part of the public and there was a great deal better feeling toward the National roads as a result.

The cheerful view which the Prime Minister took of the situation at that time led one to analyze somewhat the statements contained in the few sentences I have read, and they seem to constitute an appropriation of clothes stolen from the political party to which we on this side of the House have the honour to belong. They indicate also a number of hallucinations which seem very seriously to affect the mind of the Prime Minister as to what had been accomplished. Inasmuch as many of those subjects have to do with the Speech from the Throne, we might analyse a little more closely some observations made by the Prime Minister, which have been re-echoed in the Speech of yesterday:

Treaties have been arranged with France and Australia for the betterment of trade conditions between the Dominion and those countries.

One would fancy that this Government had initiated all the negotiations which have taken place between this country and France. The French Treaty, which is at present upon the statute book—placed there by Parliament, I think, about two years ago—was preliminary to the Treaty which the present Finance Minister, seemingly, has negotiated within the last few months. The preliminary negotiations for that Treaty originated with and were conducted by the late government, and when it is brought down, if it possesses advantageous features, I fancy it will not be unfair for this side of the House to claim as much credit for it as my honourable friends opposite.

The Prime Minister seems to be under a hallucination as to a trade treaty having been negotiated with Australia. This is the first intimation I have had that an Australian treaty has really been entered into. Only a few ago a public statement was made by the Minister of Trade and Commerce, who had just arrived from Australia, to the effect that unfortunately he was not able to negotiate a treaty with that country. How it happened that the Prime Minister was under the impression that that treaty had been negotiated raises a question as to how he concluded that it had been entered into.

We are told also that a treaty has been inaugurated with the United States looking to the settlement of the Great Lakes disarmament question. It certainly is news to Parliament and to the people of Canada that a treaty has been negotiated with the United States to supersede the Rush-Bagot treaty, with regard to war vessels on the Great Lakes. One fine summer day, some few months ago, the Prime Minister and the Minister of Militia, suffering probably from monotony, left for Washington. They had an interview with the President and some of the executive officers in the capital of the United States, and the press of Canada rang out the news that a new treaty had been entered into and that the Rush-Bagot treaty was to be entirely superseded.

Well, those of us who have followed public affairs for some years know that there is no truth in the statement that such a treaty has been concluded. I fail to understand why claims of this kind are made and the people of Canada deluded into the belief that treaties are concluded when such is not the case. Those of us who have followed public affairs know—and my honourable friends opposite know as well as I—that to conclude a treaty with the United States involves not only the negotiation of that treaty with the Executive, but also its approval by the Senate of the United States. The experience not only of Canada but of Great Britain as well has been that to succeed in negotiating a treaty with the United States means the expenditure of very considerable time and the lapse of several years. Why the Dominion of Canada should take the initiative to supersede a Treaty which has been in effect for over a century I fail to understand.

Of all the treaties between Great Britain and the United States there has been none so satisfactory in the friendly relations which have obtained under its operation as the Rush-Bagot treaty. True, great changes have taken place since the negotiation of that treaty over a century ago. The battleship of that time was an insignificant affair compared with the enormous leviathan that sails the deep to-day, but that treaty is just as effective to-day in the security it affords to both nations against war vessels being placed on the Great Lakes as it was on the day it was signed; and I am satisfied that no Treaty has given the people of the United States and Canada greater satisfaction. Before the declaration of war in 1914 both countries had entered into most satisfactory arrangements to celebrate a century of peace, of which this Treaty was the foundation. Why should it be disturbed at the present time? Why should the Prime Minister, upon his own responsibility, proceed to Washington without any sentiment having been expressed in Parliament, or in Canada, for the purpose of abrogating that Treaty and throwing another treaty into the cockpit of the United States Senate, where it would be opposed by all the elements antagonistic to Britain in that country arrayed against it? And why

should Canada take the initiative in negotiating a Treaty of this kind, entirely irrespective of Great Britain? If we are to maintain the proper relations between this country and Great Britain, we should proceed through the traditional channels which have been followed at all times when negotiations have been entered into for the making of Treaties. So the Prime Minister was clearly labouring under an illusion when he spoke of having negotiated a Treaty to supersede the Rush-Bagot treaty.

We are also informed that a treaty was negotiated dealing with the Lake of the Woods levels. Any arrangements that have been entered into between the United States and Canada affecting the control of those waters were entered into by the late Canadian Government and the Government of the United States. The present Government of Canada has not a settlement of that question. That question to-day is concluded as embodied in legislation placed upon the statute book of the Dominion of Canada. The only act performed by the Prime Minister or by the present Government since they came into office was to disturb the security given to the province of Manitoba and the very important interests represented in that province, by their seeking last Session to repeal the legislation which had been enacted the previous year. Honourable gentlemen will probably recall that the interests involved in the settlement of that difficulty represented the expenditure for the building of water-powers of no less than $25,000,000 in the province of Manitoba, which water-powers can only be maintained by this Government taking a strong position as to the control of the waters of the Lake of the Woods and the flowage of that lake into the Winnipeg river. Not only have $25,000,000 been expended in the development of water powers in the province of Manitoba all dependent upon receiving the proper volume of water from those waters, but it is said that $40,000,000 have been expended in industries in that province dependent upon the maintenance of those water-powers. This Government, last Session, at the instance presumably of Mr. Drury and Mr. Backus, brought down a measure looking to the repeal of the measure which we had passed in the preceding Session, declaring the works in those waters to be a work for the general advantage of Canada. I trust that there will be no further meddling with the legislation on the statute book, particularly regarding the declaration which has been made as to those works. They in no way handicap the province of Ontario or interfere with the public interests of that province, and I say that no more salutary legislation has ever been passed than the declaration embodied in that statute.

We have this further statement, which is repeated in the Speech from the Throne, that "the Government has also succeeded in removing the embargo against Canadian non-breeding cattle in Great Britain," and so on. If anything stands to the credit of the late Government it is the fact that embargo has been removed. This Government had nothing to do with the removal of the embargo. Yet cheerfully the Prime Minister says this is one of the acts of the present Government and proclaims it to the people of Canada. Why, the first step taken towards the removal of that embargo was initiated by Sir Robert Borden, Prime Minister of Canada, when he secured from the Imperial Government during the war a promise that that embargo would be removed. Then, nothing for some time having been done towards its removal, the late Government insisted upon action being taken, which led to a commission being appointed for the purpose of making a full investigation into the entire subject. A most influential commission was appointed, evidence was taken, and finally a report was submitted to the British Government strongly recommending the removal of that embargo. True, some of the leaders of my honourable friend's party in the province of Ontario thought it their duty to go over to England and participate in an election there. That was resented by the Imperial authorities. Whether the action of the minister from the Province of Ontario in proceeding to England resulted in hindering action being taken, I cannot say; but I know that it was very deeply resented by the British authorities, and was said to have delayed the removal of the embargo to an extent that probably would not have occurred but for such interference.

I therefore claim, honourable gentlemen, that the late Government, the party to which this side of the House belongs, have carried out most of those great measures and are entitled to whatever credit may be attached to them, and I certainly resent my honourable friends opposite stealing the apparel which was worn so fittingly by the late Government. If the Prime Minister chooses to deal in illusions with regard to achievements that have no existence in fact, I make no protest unless it be that the people of Canada should know the facts.

Among other important matters the Prime Minister points out that a board of management has been appointed for the Canadian National Railway System. I say in all seriousness, honourable gentlemen, that if there is any act of the present Government of which they should not boast it is the appointment of that board. This country has sounded a protest at the introduction of political partisanship into the constitution of the board. I am satisfied that when the announcement was first made of the personnel of that board, not only the majority of the people of Canada, but the majority of the party to which my honourable friend opposite belongs, were disappointed at the partisan character of the appointments. A capable board of executive officers who were not partisans was dismissed, and this new board has taken its place. True, two or three members of the board, executive officers of the Government, cannot be said to be partisans in any sense; but, with the exception of Mr. Stewart, of Manitoba, and also Major Bell and Mr. Ruell, officers of the road, I venture to say that no one will deny the partisanship of the lay members of the board. However, if I may use an expression which is very popular in the United States, they are regional representatives of the Government, to attend to the interests of the Government in their particular districts. In the present election campaign in the province of Quebec, the other day, we had one of the Ministers of this Government promising a large district that he would secure for them representation upon this board; and in the recent by-election in Lanark the most illusive promises were made as to what would be done by the Government on behalf of the manufacturers in that constituency in the way of their furnishing railway material, and so on, if the Government candidate were elected. Is this the kind of thing that is to give that confidence in the national road and that better feeling towards it to which the Prime Minister refers? It may possibly give inspiration to my honourable friends opposite, but it certainly will be disapproved by the people of Canada, and it will prove disastrous to the success of the National System of Railways. During the time the late Government administered those railways, so far as I can recall, no charge was ever made of partisanship in that system. In fact, it was conducted in a manner as free from partisanship, in my judgment, as the administration of justice upon any Bench in the Dominion of Canada. Now, if these roads are to be administered to the advantage of the people of Canada, it seems to me that every semblance of partisanship should be avoided. Would it have been unreasonable for this Government, in order to impress upon the people of Canada that partisanship would be excluded from the administration of the system, to have appointed upon that board two or three representatives of the opposite political party, who would balance, so to speak, the disposition of those who might represent the Government party? Is it going to inspire the people of Canada with confidence to have four or five partisans on the board? I am not taking any exception to men occupying offices of that kind because they have been actively identified with political parties; but if the public is to be convinced that these roads are to be protected as a non-partisan public utility, then there should not be the slightest appearance of partisanship entering into the constitution of such board or any appointment thereto.

Considerable reference has been made, honourable gentleman, to the subject of immigration. I venture to say that no more important subject could have been alluded to. While on the present occasion, in discussing the Address in reply to the Speech from the Throne, one cannot enter into so important a subject at any length, yet I should like to point out some of the disadvantages under which we are labouring on account of this Government not having awakened to a full appreciation of the duties of their office in dealing with this important matter. An acute crisis has been reached within the last twelve months, not only in the West, but throughout the whole of Canada, in connection with this subject. There is an exodus going on at the present time. It is evidenced by the fact that during the last nine months the exports of settlers' effects to the United States have exceeded by 25 per cent the imports from that country. At nearly all the Canadian ports on the Pacific coast there are to-day, unfortunately, hundreds—yes, thousands—of the best of our population leaving for the Pacific States. There seems to be a wave of prosperity sweeping over the United States, which is peculiarly attractive and is resulting in a large exodus, particularly from the Western provinces—and I am told that a similar exodus is marked in the East, especially in the Maritime Provinces.

Hon. Mr. POPE: Quebec too.

Hon. Sir JAMES LOUGHEED: It is estimated that any increase in population that Canada has had from 1911 down to 1922 has already been lost. Competent authorities

have estimated that over two millions of people have left Canada in that period, especially in the more recent years.

One hesitates to draw attention to such a deplorable condition of public affairs, but it is necessary to do so. It is necessary because of the disastrous results which are accruing from the exodus now taking place. What has the present Government done since its accession to office to deal with this important subject? I give credit to the present Minister of the Interior, who likewise looks after immigration, for doing what he can. But this is a subject that is more important—I say it advisedly—than any other with which the Government has to deal. There is not a special department allotted to look after it. There was a time, when it was not so necessary that we had a Department of Immigration, with a staff to give exclusive attention to the promotion of immigration and the conducting of propaganda in the United States and in Europe. There was a time when we had public offices in nearly every leading city in Europe and in the United States. I am not acquitting the late Government of indifference to the subject of immigration; but it is now a matter of sufficient importance to demand the attention of the present Government, entirely irrespective of what former Governments have done. So far as I can ascertain, nearly all the ramifications that were established at considerable expense, and which were effective in their results, have been wiped out, and we are to-day depending upon such little propaganda as proceeds from Canada, by way of advertising and otherwise, to secure immigrants. At one time we depended largely upon the steamship and transportation companies to secure immigrants from European points. That system was subject, and very properly subject, to censorious criticism on account of the class of citizens brought into Canada.

In my judgment, honourable gentlemen, until a special body of competent experts is organized by the Government to deal exclusively with this subject, and to conduct propaganda not only in America but throughout Europe, through coming into close contact with the governments on both continents, we shall never have satisfactory results from our immigration policy. The mere advertising of the resources or advantages of Canada to the immigrant, whether it be in the United States or in Europe, is in my judgment futile. Of course, there is this to be said about it—and it is a problem that should engage the attention of the best minds in Canada—that it is futile to bring thousands of people to Canada at enormous expense if they are then to emigrate to the United States. That, of course, is one of the problems that has to be considered. But this subject is invested with such important results to Canada that we are now reaching the question of whether the destiny of Canada of becoming a great people is to be fulfilled, or whether we are to fall into a decadent period of non-progress and are to remain as we have been since Confederation.

When we think of the United States less than a century ago having less population than Canada has to-day, and to-day having 120,000,000 people, and being practically the greatest national entity in the world, we wonder what Canada is going to do. Unless Canada makes extraordinary progress, she must necessarily fall back and become reactionary without any hope of a national future.

This involves something more than the question of immigration. It involves the question of national sentiment. Are we in Canada going to become a people? Is there a national sentiment in Canada to-day? I hesitate very much to express my opinion, but in my judgment there is no adequate national spirit in Canada to-day. The spirit of Canada to-day is not very much more national that it was at the time of Confederation. I do not find the people of the different provinces interesting themselves in the propagation of a Federal spirit to the same degree as the people of the different states in the republic to the south of us. The same parochial feeling exists to-day that has ever existed. Until we get beyond that and feel that a national duty is upon our shoulders to build up a national spirit entirely irrespective of the province to which we belong, Canada will never fulfil its destiny.

I was very much amused in reading an article from the Montreal Herald in which it joined in the chorus of adulation to the declarations of the Prime Minister. That paper, in speaking of the achievements which I have pointed out, and which are a little illusory, said:

> These short twelve months have served to change the whole face of the Dominion. Disunion and doubt have been replaced by unity and understanding. Confidence and trust have taken the place of distrust and despair. Even Providence has graciously taken a part in restoring prosperity to a country struggling for weary years under the burden of Conservative mis-rule and we are enabled on this anniversary to expand our chests and boast of being the greatest wheat exporting country in the world.

Even to the appropriation of the dispensation of the bounties of Providence, the Prime Minister has made his claim, and like-

wise my honourable friends opposite. Of course, if the Government of Canada is revelling in this class of optimism expressed by the Herald as to the declarations of the Prime Minister, I can readily understand nothing being done in the matter of immigration or the other great questions with which we have to do.

May I say a word as to some of the other subjects referred to in the Speech from the Throne? Attention has been called, and very properly so, to the revision of the Bank Act. I am disappointed, and I think members of Parliament generally will be disappointed, that on such an important subject, no information has been brought down to Parliament. An intimation is given that a Bill will be introduced dealing with this particular subject. There are very few questions involving so much technical knowledge as that of banking, and, with all due deference to members of Parliament, I will say there are few questions that come before us for consideration about which we know so little as the questions involved in legislation of the kind which is promised. It seems to me that the Government would only be paying proper respect to Parliament if it had prepared a review of the different banking systems which obtain not only on this continent but in Europe. The United States give the closest and most scientific attention to matters of this kind when they are before Congress, in furnishing information of the fullest character as to what may be to the advantage of the people of the country. The science of banking and the experience of different systems are submitted to them. Why should it not be done in Canada?

I would suggest to my honourable friend that before this Bill comes before the House —I am not criticising the Act as we have it on the Statute Book, because I think Parliament has not only been educated to looking upon the Bank Act of the Dominion as a perfect act, but is inclined to believe from its own experience that it cannot be amended to very great advantage—it would be very desirable to have before us the experience of other countries.

I notice that in Australia, in recent years, the experiment has been entered upon by the Government of establishing a bank of very considerable proportions, and I believe it has been productive of very satisfactory results. It would be very desirable to know what the experience of Australia has been in that experiment, and likewise the experience of other systems elsewhere.

Before sitting down, may I say a word upon the question of our expenditures? If there was anything which during the last election the Liberal party emphasized, it was the alleged wasteful expenditures of the late Government, and the many promises which they made of retrenchment and economy. Although the present Government has been in office for some thirteen months, up to the present time I have failed to see any efforts made to cut down the expenditures of the Dominion, and to adopt a policy of retrenchment, or to show the slightest sympathy with reducing public expenditure. The whole trend of Government action has been to impose further taxation. Every activity in our commercial or national life that could be taxed has been taxed, and I have no doubt that during the present Session of Parliament we shall have further imposts placed upon the business of the country. If there is not a determined attempt made by the Government along the line of retrenchment, we shall have a repetition of these additional taxation imposts every year. The supertaxation which was imposed during the war was not intended to permit the Government of Canada to indulge in extravagant expenditures; but that has been the result of it. Take, for instance, the increase in Civil Government to which Canada has been subject since the war. The figures I give are approximate. Civil expenditure has increased from $22,000,000 to $50,000,000, and yet I will venture to say that the volume of Government business to-day is no greater than it was then.

Hon. Mr. DANDURAND: From what date to what date?

Hon. Sir JAMES LOUGHEED: From 1914 to 1922. And yet nothing is being done by the Government. We have not even been favoured, so far as I can ascertain, with that traditional clause which almost invariably appears in the Speech from the Throne as to measures of economy and retrenchment being adopted. This continuous increase of expenditure is largely responsible for the disastrous condition of trade in Canada to-day.

We are living to-day in probably the most expensive country in the world. I do not think there is any other country so expensive to live in as Canada. We live under adverse conditions, climatic and otherwise, and unless Canada be made more productive than it is, through the cost of living being reduced by reduced expenditures, there will be a falling off of the population until the per capita debt and expenditure become so great as to break the backs, practically, of the Canadian people.

This is not an exaggerated statement. We are imposing taxation to such an extent as to throttle business, prevent development and progress, and bring about final collapse. The Government of the day is not showing the slightest interest or intention of grappling with this very important problem. We have taxing bodies multiplied throughout the Dominion. We have the Federal Government imposing taxation; we have the Provincial governments imposing similar taxation, such as the income tax; and many of the municipalities have power likewise to impose income tax. The provinces to-day are imposing a direct tax upon property as the municipalities are doing; and, unless some intelligent effort is made to deal with this very important subject, Canada will be taxed to a condition of disaster.

There certainly should be some organization of experts to take up this matter with the provinces and the municipalities so that there will not be this multiplicity of taxing bodies imposing similar taxes. I say this, honourable gentlemen, not with a view of criticizing the Government, but simply to point out the duty of the Government at this particular crisis.

I have occupied more time than I intended in dealing with this subject. One can but casually make reference to these important matters. One must be satisfied with simply mentioning them, in the hope that the Government will reduce them to the form of Bills, so that when those Bills come before Parliament ample opportunity will be given for consideration and discussion.

Before sitting down, may I suggest that among the multiplicity of bills foreshadowed in the Speech from the Throne, the Government should favour this body with a reasonable amount of work, so that we may employ our time to the advantage, and, I hope, to the profit of the people of Canada.

Hon. RAOUL DANDURAND: Honourable gentlemen, I will first join with my honourable friend in congratulating the mover and the seconder of the Address on the excellent speeches to which we have listened this afternoon. The speech of the honourable member from Brockville (Hon. Mr. Hardy) was that of a broad-minded citizen and a thinker, and showed that he was worthy of the name he bears. Our young colleague represents the best traditions of all that is best in Ontario. The honourable member from Bathurst (Hon. Mr. Turgeon) is an old parliamentarian, and his experience will avail us in the solution of the numerous problems that will come before us. Harmony reigns in his province by the Baie des Chaleurs between the two races which inhabit that province. It is a good example of an united Canada.

I think we can all agree with the statement which is to be found in the last paragraph of the Speech from the Throne, and can unite in thanking Providence for the fair measure of prosperity which Canada has enjoyed during the past year. We have had a bountiful crop which has been rapidly moved towards the Atlantic seaboard, but we have had a congestion of traffic at the Georgian bay which has caused a sharp advance in lake rates. A commission has been appointed which may bring in some recommendation which will enlighten Parliament in framing regulations or legislation which will tend to overcome that congestion and the diversion of our crop to foreign ports.

The prices of farm products have fallen more rapidly than those of industrial products. Lower freight rates have not been counterbalanced by lower wages, but the big crop movement has helped the railways. The problem of the high cost of transportation can only be solved, in my judgment, by a readjustment of the wage scales in the coal mines and upon the railways. We have made very little progress in that direction. As we all know, there was an attempt made in the United States to reduce the wage scale of the miners; it was strenuously resisted, and we are still paying exceptional prices for the drawing of the coal from the pit. Progress in that direction will tend to solve the high cost of transportation, and will help towards the happiness and prosperity of our western farmer.

The honourable gentleman from Brockville (Hon. Mr. Hardy) has said that some grain had left the prairies of the West and had found its way across the Rockies to the port of Vancouver. My last information is that some 20,000,000 bushels had been handled via that port, and application is being made to the Federal Government, and in turn will be made to Parliament, for assistance in the building up of storage warehouses and additional elevators at that port, so that next autumn they may be able to handle a still larger quantity of grain. I know that this demand has met with the sympathy of the Government, and will also meet with the sympthay and co-operation of this Parliament. I hope that more and more grain may find its way across the Rockies to the port of Vanvouver, and I may confess that I have more confidence in grain from the western

plains being shipped in this way than by the Hudson Bay route.

Building operations have shown considerable activity throughout the year. Building in Montreal is rapidly returning to normal, and permits to the extent of $21,000,000 were issued in that city during last season. In the city of Toronto more than $35,000,000 of buildings were put up. Montreal's boom period in 1912-13 only showed $25,000,000 a year of building operations. This activity has helped to reduce unemployment to a considerable degree in those two cities. In Winnipeg, also, conditions are improving, and building was quite active last summer.

The removal of the embargo on cattle has come at a favourable time, when the hostile American tariff was checking our exports of live stock to that country. We may find a profitable market in Great Britain, and, in spite of the high tariff, our sales to the republic to the south of us will continue to be large.

My honourable friend criticized the Prime Minister for having stated, at the beginning of this year, that Canada should congratulate itself upon the removal of the embargo. If my honourable friend will again read the article which he read to us, he will find that the Prime Minister did not say that the Government should be congratulated, but that Canada should be congratulated, and that there was no very great boasting upon the part of the Prime Minister.

Our foreign trade has improved to an appreciable extent, which has doubtless helped to bring our dollar back to a parity with the American dollar. Our exports during the twelve months of 1921 amounted to $802,699,000; in 1922 they went up to $884,362,000. Our imports from the United Kingdom have increased from $123,149,000 in 1921 to $136,866,000 in 1922, while our imports from the United States during the same period have decreased from $555,091,000 to $509,823,000.

Our exports to the United Kingdom not only increased over those of 1921 but over those of 1920 as well. The figures for those years are as follows: 1920, $341,168,000; 1921, $308,866,000; 1922, $374,751,000.

In spite of the Fordney tariff, there has been an increase in exports to the United States during the past year over those of 1921. In 1921 our exports to that country amounted to $325,651,000, whereas in 1922 they amounted to $340,156,000. This is not a very large increase, but it is a move in the right direction.

We have also increased our exports to Australia, Hong Kong, New Zealand, and other parts of the British Empire, as well as to the Argentine, China, Cuba, France Germany, Japan and Switzerland. On the whole, Canadian trade appears to be in a very healthy condition.

We need increased production, and we can only accomplish it by stimulated immigration and larger foreign markets. The Government is very active in its efforts to open up new channels of trade. We have succeeded in making Treaties with France and Italy, which I hope will stimulate trade with those two countries. Negotiations which have been carried on with Australia, but which have been suspended, will, I think, be concluded to the satisfaction of both Dominions. It is true that some difficulty has been met in the negotiations with Australia; we have been able to enter that market to a considerable extent, but Australia has found very little opportunity of increasing its trade in Canada.

The Government has not neglected, as my honourable friend seems to think, the question of immigration. He, like all good Canadians, regrets that from 1911 to 1921 we have been losing more population than we have obtained through immigration; but surely my honourable friend, in the face of this result, will not throw stones at the present Government. I think he was an ornament to the Cabinet that reigned supreme between 1911 and 1921; so he will have to take his share of responsibility for the acts of omission or commission of that Government. We are now entering the year 1923. My honourable friend has given us no figures, but he might have stressed the point that in 1922 fewer immigrants came to our shores than in 1921. That is quite true. But again I would ask him to go slow in charging the present Administration with the responsibility for those results. No one knows better than my honourable friend that the immigration of 1922 was the result of the activities or inactivities of 1921. The ground must be prepared, and the work must be done during the preceding winter and autumn; then we reap the fruit the following year. In view of this, I refuse to accept for the present Administration any large degree of responsibility for the unsatisfactory results that have been shown during the last year.

Since the beginning of last Session the Immigration Department has not been inactive. A sub-committee of Council was appointed which has been in constant contact with the various officers of the Department. My honourable friend made a broad statement when he said that the organization which had been established and was in its place ready to function had been thrown to

the winds. He should not boast too much about the value of that organization, in view of the results during the ten years of administration in which he played no mean role. But I want to assure him that the organization—most of it in Canada and in the Immigration Department—is still functioning, and that I, as a member of the subcommittee of the Council, have had occasion to attend very many meetings of the officers in the various branches of that department, and have found them most zealous and active. The Provincial Governments and all the organizations in Canada which it has been thought might be of assistance have been consulted. Our main effort must be directed to getting agriculturists and household workers, but we are very far from refusing skilled labour. Every available organization will be mobilized to check the outflow of Canadians, and to induce the dissatisfied ones to move to other parts of our country.

A comprehensive campaign has been inaugurated for the repatriation of Canadians who have already crossed the line to the republic to the south of us. Publicity and advertising activities have been very greatly increased both in the old countries and in the United States. A committee has been formed to coordinate the efforts of the Federal Government and outside organizations which are actively engaged in immigration work in foreign countries. This will increase the value of that work by over 60 per cent.

Our immigration agents in Great Britain have been carrying on an intensive lecturing campaign, which should be productive of good results when the spring movement commences. On the Continent of Europe special efforts are being directed towards obtaining immigration from Scandinavian countries Holland, Belgium, France, and Switzerland. Personally, I do not expect very many immigrants from France, and I am not in favour of any active campaign in that country, so badly bled as it has been, and whose surplus population does not even enable it to provide emigrants for its own colonies. The Government of the Netherlands is co-operating with us with a view to encouraging Dutch farmers to come to Canada. The Swiss Government, likewise, is co-operating with the Federal Government with a view to placing a thousand farmers in this country. This is a beginning. If the Swiss Government seems disposed to transplant some of its nationals outside its own borders, and we succeed in satisfying the first thousand, we may hope that many others will follow.

The Immigration Department is studying the problem of northern Italian immigration for our farm lands. The farmer of northern Italy is a good, industrious farmer and all we can get from Tuscany upwards, towards the Alps, comprising the provinces of Piedmont and Lombardy, would make good immigrants. I am told that the present Prime Minister of Italy, Mr. Mussolini, is disposed to view with favour the immigration of farmers from the north of Italy to outside countries, with the hope of a gradual movement of the surplus population of the south on to the north. Honourable gentlemen all know that Italy is one of the countries which is looking around with a view to placing emigrants. The legislation of the United States that limits the immigration of any race to three per cent of the number of that race already in the country has prevented the Italians from going to the United States in as large numbers as formerly. This may be our opportunity, as I think there is a splendid type of manhood to be found in northern Italy.

Specially trained immigration officers have been placed on the continent to interview and advise intending immigrants to this country. This will inspire confidence on the part of the class of immigrants that we desire, and has already developed a good and effective check on the undesirables who otherwise would have to be rejected at the port of entry.

A nominative system has been established whereby friends or friendly organizations, such as churches, and municipal and community centres, can undertake satisfactorily to place farmers from Great Britain or the continent, who may come forward with the recommendation of the co-operating organizations on the other side. A system has been inaugurated in the United States to encourage tenant farmers with limited capital to take land in the Canadian West, with the expectation that they will become purchasers. They bring in with them their farming equipment and some little capital. In this way it is hoped that we may succeed in getting people who are already seasoned in the Western States, and who will become creditable additions to our population.

My honourable friend has said that of course the bringing in of an immigrant was a desirable thing, and he urged the Federal Government to do its utmost to bring in that immigrant. But he added, with the common sense that characterizes him, that when the immigrant reaches here he must be retained. We all agree as to the necessity of not having

our efforts annulled by losing our immigrants to the country to the south of us. But there the question arises: why is he going? My honourable friend has spoken of an exodus from the Canadian West, and from other provinces as well, over the line to the south of us. So long as that exodus continues we may be bringing immigrants to this country who will simply join in that procession. I take it for granted that there are conditions which work against us. My honourable friend has said that this country, with its cold winters, is a hard and costly country to live in. But these conditions have prevailed during the last fifteen years, and yet our population has not moved away so rapidly, and has seemed to be contented in the West. I believe the whole question is one of the remuneration of farm work. If a farmer finds that he is working at a loss, naturally he will try to go elsewhere, to some place where he may make a profit. The situation has been such that he has found that with all his labour, transportation costs and living costs being so high, he had a deficit at the end of the year. This condition must be righted. Can this Government do anything towards reducing the cost of transportation? It comes down in the last analysis namely to a question of wages. We have but 8 per cent of the total railway men of North America, and we are dependent upon the decisions made on the other side. What will the United States do? Will they be able, with their Government, to dominate the situation and assert the will of the people as against men who want to thrive by forcing their fellow men to pay them a higher wage than is reasonable? The near future will tell. The same question applies to the case of the wages of the miners.

I have suggested to the Quebec Government a scheme for the purpose of endeavouring to retain our people on this side of the line, and it has been to a certain extent put into practice. I suggested to the Minister of Immigration and Colonization of Quebec that a circular be sent to the parson or priest, to the secretary-treasurer of the municipality, and to the postmaster, telling them of the necessity of helping to retain our people on this side of the line, and asking them, by simply returning the postal card which accompanies the circular, to notify the Department if So-and-so, or the son of So-and-so, is speaking of leaving this country and crossing over to the United States. That is not a costly organization, and I am wondering if the other provinces could not do likewise, so that four or five important persons coming into daily contact with the people of their municipality or township would send to either the provincial or the federal department the names of any persons disposed to leave the district. The Government will then have an opportunity to influence such persons to remain in this country by offering to them the advantages we have to offer, in land grants or otherwise. Why should not the advantages offered to strangers be offered to our own people? I think there is some merit in the very simple suggestion that I have made. It strikes me that it would have the further advantage of giving the Governments, federal and provincial, an idea of the reason for that movement southward. They would engage in correspondence with persons who were thinking of leaving or were somewhat uncertain or dissatisfied, and it is probable that in the multiplicity of answers received we would obtain a fair general view as to the reasons why people leave their own country. There is no doubt that the profitableness of agriculture and the settlement of our land are one and the same problem.

My honourable friend opposite seemed scandalized that the present Government had engaged in negotiations with our friends to the south with a view to replacing or renewing the Rush-Bagot treaty limiting war vessels and armaments on the Great Lakes. He criticized the matter and the form. My honourable friend does not seem to have noticed the evolution that has taken place in the increased powers of the Dominion. I would ask him to read the address delivered before the American Historical Association at New Haven on the 20th of December, 1922, by his former leader, the Right Hon. Sir Robert Borden. He will see there—or he will be reminded, for he was a member of the Administration—that we had outgrown the stage at which we needed to ask London to attend to our business in matters that were specially Canadian. I must express my admiration for the work that my honourable friend's Government succeeded in doing in 1920, in making arrangements with Great Britain and the United States to allow of Canadian representation at Washington. This was the statement which was made, I think, by Sir Robert Borden, if not by his successor, in May, 1920, to the House of Commons:

> As a result of recent discussions an arrangement has been concluded between the British and Canadian Governments to provide more complete representation at Washington of Canadian interests than hitherto existed. Accordingly it has been agreed that His Majesty, on advice of his Canadian Ministers, shall appoint a Minister Plenipotentiary who will have

charge of Canadian affairs and will at all times be the ordinary channel of communication with the United States Government in matters of purely Canadian concern, acting upon instructions from, and reporting direct to, the Canadian Government. In the absence of the Ambassador, the Canadian Minister will take charge of the whole embassy and of the representation of Imperial as well as Canadian interests. He will be accredited by His Majesty to the President with the necessary powers for the purpose.

This new arrangement will not denote any departure either on the part of the British Government or of the Canadian Government from the principle of the diplomatic unity of the British Empire.

The need for this important step has been fully realized by both Governments for some time. For a good many years there has been direct communication between Washington and Ottawa, but the constantly increasing importance of Canadian interests in the United States had made it apparent that Canada should be represented there in some distinctive manner, for this would doubtless tend to expedite negotiations, and naturally first hand acquaintance with Canadian conditions would promote good understanding. In view of the peculiarly close relations that have always existed between the people of Canada and those of the United States, it is confidently expected as well that this new step will have the very desirable result of maintaining and strengthening the friendly relations and co-operation between the British Empire and the United States.

This is the action, not only of Sir Robert Borden's Government, but of my honourable friend himself, and now he expresses surprise that the Canadian Government has been in conference with the Washington authorities over matters distinctly and especially Canadian.

My honourable friend has spoken somewhat in disparagement of negotations between the various parties interested in the waters of the Lake of the Woods, which is an international lake. I would urge him to wait until these matters are brought directly to the attention of the House of Commons and the Senate, to be discussed on their merits.

I have already mentioned the fact that the Prime Minister has not taken upon himself the whole credit for the removal of the cattle embargo. I know there have been good labourers in that field for a number of years. I would remind the honourable gentleman, however, that it is due to the vigorous action of our Canadian representative in London, Mr. Larkin, and to the presence there of Mr. Fielding and Mr. Lapointe in November and December last, that the Imperial Parliament decided to take up the question and put through an Act. Considerable pressure was exercised upon the Imperial authorities to have the matter deferred, and I may say—and I know whereof I speak—that it is due to the vigorous representations of our Canadian representatives and our Ministers abroad, as well as to the action of the Government here, that the matter has been brought to a satisfactory conclusion.

My honourable friend has spoken of the board of directors of the Canadian National Railways. He said it was a pity that the board was composed of party men. My honourable friend is in error. I have not in mind at the moment the names of all the members of the other board, but all those I knew were competent and honourable men. If I had their names before me I would probably say that all these men were good citizens of Canada. There was, however, a reason for removing them, just as there was a reason for selecting a president for the new national railway from outside of Canada, or at all events outside of the two systems that will form the Canadian National Railways. For the purpose of maintaining harmony and giving full scope to the authority of the new directors it was necessary that they should not belong to one system or the other. That was a very important consideration on the part of the Government in removing the old directors, the selection of a new president was made for a similar reason.

Hon. Mr. BENNETT: May I ask the honourable gentleman to which division Mr. Hobson, a strong Liberal of Hamilton, belongs?

Hon. Mr. CASGRAIN: He voted for you in the last election.

Hon Mr. DANDURAND: I do not mind that.

Hon. Mr. BENNETT: To which group did he belong—the Canadian Northern or the Grand Trunk?

Hon. Mr. DANDURAND: I could not say: I am speaking in general terms. But I may say that the few men who will bring their influence to bear on the board of management, and who are not railway men, compare favourably in stature with those who have gone, and among the men who comprise the board I know of only one who has been in active politics. That is Mr. Sinclair, who, besides being a legal authority, is a shipbuilder and has had considerable experience. A representative from each province was not chosen, but one was taken from the Maritime Provinces, another from Quebec, and another from Ontario. They will simply bring to the Board the experience they have had in their own regions. The individual members will be submerged in the whole board and be guided by the technical men upon it. But it will not be a bad thing for the Maritime provinces to have on the board a member who

can explain the point of view of Nova Scotia, Prince Edward Island and New Brunswick, and express the grievances and the sentiments of the people. It will be the wisdom of the entire Board that will rule. I am convinced that the board as it stands cannot be accused of being a body of partisans. I know Mr. Ernest Decarie, of Montreal, who with three other men administered the city of Montreal. Those Conservatives in this Chamber who have seen him at the helm will bear me out when I say that he administered the affairs of the city of Montreal with a firm hand —some said, with an iron hand—but with a single eye to the public weal. I am reminded that that gentleman has the entire respect of the community, is of independent means, and has an independent mind. My honourable friend has admitted that Mr. Stewart, of Winnipeg, is an ideal representative from that district.

Reverting to the all important question of immigration, I desire to inform my honourable friend that Australia, according to figures I have been given, received 80,000 immigrants last year, but lost 70,000 by emigration.

We are to have a revision of the Bank Act. My honourable friend says it would be a fine thing to have a statement showing the various systems prevailing throughout the world, and we should be made aware of the suggestions for improvement that are being offered. No one is better posted than he is with regard to those suggestions. They come mostly from the West—from his own section. But I may say this, that when the Bank Act comes to this Chamber it will be referred to the Banking and Commerce Committee, and will be there studied by competent men, most of whom understand banking and who will devote their best experience and judgment to the framing of a good Bank Act. I remember that the Commons tried for three years to prepare a revised Insurance Act, but when the measure came to the Senate our Banking and Commerce Committee studied it for five or six weeks and brought forth an Act which is a credit to Canada. The Commons accepted it, I think, without the addition of a comma. I am sanguine that the work of the Senate on the Bank Act will be on a par with the work which was done on the Insurance Act.

Hon. Mr. CASGRAIN: Will it be introduced in the Senate?

Hon. Mr. DANDURAND: I do not think so.

My honourable friend (Hon. Sir James Lougheed) spoke in conclusion of the desirability of economy. He had better wait and see the results of the fiscal year ending the 31st March before expressing an opinion. I have been clamouring, day in and day out, for economy. I could preach it all the more easily, perhaps that I did not have to practice it personally, having no department. But I may say that if the Senate is in favour of economy it has had a very earnest champion in your humble servant.

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

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

THE SENATE

Friday, February 2, 1923.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Hon. W. H. BENNETT: Honourable gentlemen, in rising to resume the debate on the Address, I wish, along with the other gentlemen who have preceded me, to tender my congratulations to the mover and seconder of the Address. The mover is a new member of this House, but I am sure he gives evidence of what his usefulness will be here. As to our honourable friend from New Brunswick (Hon. Mr. Turgeon), as he is an old parliamentarian we expected an address from him along interesting lines, and I am sure we had it, although I did not understand it, as he spoke in French.

The Speech from the Throne, it seems to me, is divided under three principal headings; and, after all, there is in effect one. There is the question of immigration, that of the standing of the agricultural interest, and that of transportation. These three subjects are so interwoven that they may well be termed a trinity of the interests of Canada.

The eastern part of Canada has its future bound up with that of the West. Last fall most men were carefully reading the newspapers to learn the crop prospects in the Northwest provinces. The reason for this was that we are interdependent. A magnificent

crop in the West means a speeding up of our industries in the East, where most of our manufacturing concerns are situated. Thus interested as we are, the transportation problems of Canada should be well looked after, our agricultural interests should be carefully guarded, and our future immigration should be carried on along lines which will result in benefit to all. I propose therefore to address some remarks to the question of transportation in this country; and I shall quote from the Moncton Transcript an item on this very question that puts the whole matter in a nutshell before the public of Canada. It has regard to our enormous public debt, which aggregates about two and one-third billions of dollars, to our limited population, and to the fact that we are commencing to ask ourselves, where is it all going to end? The article in question refers to the construction of the Hudson Bay Railway, and says:

> It is high time that some plain speaking was done on this very important subject. To what purpose has Canada spent hundreds of millions in building and maintaining thousands of miles of railway, if a large portion of this is to be allowed to rust through the building of new competitive routes designed to take away traffic from the originally contemplated routes? The heavy railway deficits will continue for an indefinite period, unless the existing railway mileage is used to a much greater extent than it is to-day.

In this connection I am going to take the opportunity to make a few remarks as to Canada's position in reference to the Transcontinental railway. The unity of the Intercolonial, the Grand Trunk, the Grand Trunk Pacific, and the Canadian Northern is, we are told, an accomplished fact. The operation of the Government railways during the past year has resulted in a deficit of about $60,000,000. This is a better showing than was made in the previous year, when the deficit ran to about $70,000,000. But the question is, how long can this continue or how soon may we expect it to come to an end?

Let us look at the amalgamation of the railroads, and more particularly at the Grand Trunk, which has recently come in. Let us look at the effect this will have on the transportation from the West to the East, not only of grain but of cattle and every other product of the farmers in the Western Provinces as well as of the farmers in the other provinces.

We have had in the past, and always must have, export markets, because we do not consume everything that we grow. This means, of necessity, that our market will be, as it has been in the past, in Europe to a very large extent. Therefore we must look to our transportation between the West and the East.

Let us take a retrospective glance at the transportation system of the province of Ontario. Some gentlemen here will recollect the old Northern railway, which was built at a time when it was thought to develop the country north of Toronto. That road ran from Toronto to Barrie, and from Barrie to Collingwood. It was constructed through a country that was teeming with timber, and it was also thought that it would ultimately be a means of intercourse with the Northwest. That line was constructed with English capital. In the earlier years it was believed that a system of transportation from the western states could be developed, and an elevator was constructed on the Collingwood division. The elevator is still there, and while it is a rather old one, Collingwood is in the strategic position that from there to Barrie the line, so far as grades go, is in magnificent condition, having a splendid bottom. From there the grain would have to be carried to Orillia, a distance of about 25 miles, where it would reach the main line between Midland and Montreal. In times of congestion, the Collingwood line could be resorted to, and with improved elevator facilities that line would be a very advantageous one.

Following that line was the road from Midland to Belleville, which connects with the main line of the Grand Trunk to Montreal, and the line to Port Hope. There was a time when men dreamed that Port Hope would become the rival of Toronto, and would be the greatest city on Lake Ontario. Dream as it may have been, it had one effect, and that was the development of a valuable line of railway. In due course of time, after many years, that line reached the shores of Georgian Bay at what is now Midland. What was the result? The line had passed from the hands of a private company into the hands of the Grand Trunk, and within the last thirty years they have been able to develop a grain trade between the West and Midland. Later on came the development of the trade of the Northwest. When that road was acquired by the Grand Trunk, Charles M. Hays looked forward to that branch from Midland becoming the backbone of the Grand Trunk's transportation system from the Canadian Northwest. It had many advantages. If the Grand Trunk railway had a system in the West to connect with Fort William or some other point at the head of the lakes, it could carry its grain by water to Midland, and from there over a good system of railroad to

Belleville, and in the summer months it could proceed to Montreal, and in the winter months Portland could be made the objective. Although Mr. Hays, during his term of office, did not succeed in bringing that route up to the high standard which he had hoped for, because his main ambition was centred on the line between Chicago and Montreal, he always had the object in view of building up a trade route which would rival the Canadian Pacific railway from the West. He foresaw that from Montreal there could be built up not only an overseas trade but a large trade with the Eastern States.

You all know what next followed in the matter of railroad construction. It was the famous line built by Mr. Booth from this city to Parry Sound, or rather to Parry Harbour. That was a tremendous undertaking, and while in the main it was built to carry timber, nevertheless a trade was built up in the transport of grain from Chicago as well as from the Canadian Northwest.

To-day Canada has invested its millions, and has on its hands these different lines of railways. In addition to the advantage of being able to use the port of Portland during the winter months, Canada has the benefit of the port of St. John. Well might the article to which I have referred ask whether we are going to let all these systems that have cost the country millions of money rust away, and whether we are to indulge in Hudson Bay enterprises, the deepening of the St. Lawrence canals, the building of Georgian Bay canals, and all such schemes. Rather let us set ourselves to the task of developing what we now have, encouraged by knowing that nothing succeeds like success. If imitation is the sincerest form of flattery, as is said, let us look at another development of transportation from the Georgian Bay to Montreal and to St. John. As honourable gentlemen know, for many years the Canadian Pacific railway had as now a line to Owen Sound. After many years, because of its distance from Montreal, and because of the heavy grades, they constructed a line from Port McNicoll, which is some four miles distant from Midland, a line which has no superior in Canada, and over which they can haul a train of seventy cars, each carrying 1,500 bushels. Experience has proved that they made no mistake when they established that line. Last year they carried 60,000,000 bushels of grain to Montreal over that system. In six or seven years a trade to that extent has been developed, and that line has become one of the liveliest competitors to date with the Buffalo route. More than that. To-day preparations are being carried on to add 2,000,000 bushels to the capacity of the elevator at Port McNicoll, which at present has a capacity of 2,500,000 bushels. This is proof positive that the Canadian Pacific Railway Company feel that the transportation from the West can be done cheaper and more effectually via the waters of the Georgian Bay, even though in the winter months the traffic has to be carried to St. John.

In addition to the grain which is carried over that system thousands—almost hundreds of thousands—of bags of flour are carried for export at the Atlantic coast, and in the summer, when the grain from the Middle States comes in an enormous quantity, it is shipped to Montreal via this route for distribution in the Eastern States.

I am only instancing this to show the great success of the Canadian Pacific railway and in view of the fact that the people of Canada to-day own these other lines, including the one from Midland to Montreal, which is the best of all both in point of distance and in other respects. The Government should take hold of that line and develop it in order that vast quantities of Canadian grain that we have seen going by way of Buffalo from year to year should be diverted to Canadian channels.

The year before last a special committee was appointed by this House under the chairmanship of my honourable friend from the Gulf (Hon. Mr. L'Espérance), to examine into the whole question of the routing of grain. I would advise honourable gentlemen to study that report if they have not done so; for it is a report that to my mind—and I do not say this in any egotistical sense because I happened to be a member of the Committee—contains more real information on the transportation and handling of grain than perhaps any other parliamentary report that has ever been presented. When that Committee was convened the honourable gentlemen composing it made up their minds that the thing to be done was to secure only the best information possible. Therefore the witnesses who appeared before that Committee were all leaders in their several callings. For instance, Mr. Lanigan was present to give information as to the Canadian Pacific Railway and his views on transportation. Mr. Hayes appeared on behalf of the Canadian National. On the question of grain in the Northwest and its handling, we had Dr. Magill, who is doubtless as good an authority on this question as anyone in this country. On the question of shipping on the upper lakes we had Mr. Norcross; and on the question of

grain and the business of grain-handling we had Mr. Richardson, of Kingston, the representative of probably the largest grain exporting firm in Canada. I will not even limit the comparison to Canada; his firm will compare favourably with perhaps any in the United States. I shall later refer to some parts of the evidence that is given in the report of the Senate Committee.

My contention at the outset is this, that, having regard to the enormous investment we have made in the Collingwood division, the Parry Sound division, and the Midland division, and, having demonstrated what business they can do in competition with the Buffalo route and with the C.P.R., we ought to endeavour to make them more efficacious than they are to-day. Remember, it is not merely the handling of the grain that goes by the Canadian Pacific railway that makes that branch a profitable one; it is also the fact that to the West they carry manufactured goods, not only from Canada, but from the United States as well. If you were at Port McNicoll in the summer, or, better still, in the fall of the year, when the trade is in full swing, you would see trains running in with perhaps 20 or 30 cars, all bonded, that have come through from the Eastern States; and that freight is going to our Canadian Northwest, to be distributed there. A great deal of freight, no doubt, goes up by the other route, what is known as the Algoma Branch, through Sault Ste. Marie, and is distributed through the State of Minnesota and other States in that region.

In addition to the export trade, of which I have spoken, there is an enormous trade to be developed on the Canadian railways, particularly in view of the fact that the Grand Trunk and the Canadian Northern have now been amalgamated. The milling industry in Canada is a large industry. There are millions of dollars invested in it, especially in the larger mills; and all over the country there are smaller mills which, in order to manufacture flour that will compare favourably with the better grades of flour made by the big mills, have to use, and do use, a sufficient quantity of Canadian Northwest grain. In the elevators at Port McNicoll, Midland and all other points on the Georgian Bay, there are millions of bushels of grain that are never exported, because they are sent to all these mills throughout the country. So there is that big trade, which is a trade that cannot go to Buffalo, because the flour would not be brought back from Buffalo to the Canadian mills.

Let me, before leaving this question, call attention to another point that I have here jotted down. The Canadian Pacific railway, and the Grand Trunk railway at its different points on the Georgian Bay, have done this: they have carried a large quantity of grain from Duluth, for a large quantity comes through the Northwestern States that does not see Buffalo at all.

Now, what has this country to prevent the rails of the Georgian Bay district rusting, as pointed out by this newspaper? We have the great port of Montreal, which has cost Canada millions of dollars to equip. We have those lines of railways coming down from the Georgian Bay. The Canadian Pacific have theirs, and they have demonstrated that they can do business and make it pay. Why, then, should not we, guided by the experience of others, and being to-day, the possessors of these railways, stimulate them to the greatest possible extent? At the town of Midland there is one elevator belonging to the Government, built by the Grand Trunk Company. Two others there are owned by private capital. One is owned by what is known as the Great Lakes Steamship Company, a Company with which the Richardsons of Kingston are closely connected. And let me mention this point in that respect, that, while this elevator that the Richardsons, or their firm, the Great Lakes Company, bought was an old building that carried about 1,000,000 bushels, yet, right in the midst of the war, and during the lifetime of the late Senator, they made a cement addition to it that holds, I think 1,500,000 bushels. This proves that the late Senator Richardson believed that a cheap and favourable route for carrying grain from the Canadian Northwest for export, and for distribution throughout Canada as well, would always be by way of the Georgian Bay and the port of Midland.

There is at Midland a third elevator. I am not quite sure as to its ownership. There was a time when a Hamilton gentleman had a large block of stock in it, but I think it is owned to-day by a company located in the city of Chicago.

What is the Government's position at Midland? Private capital has placed two large elevators there. The Government has a large one, having a capacity of 2,500,000 bushels. The harbour is the best on the Great Lakes. Never does an accident happen to vessels coming in there. The one or two points that have to be guarded against are equipped with splendid lighthouses. The result is that accidents to vessels coming in there are utterly unknown. The Canadian Pacific Railway Company have brought in there 3,000,000 bushels of grain, and they also operate weekly

five large boats, and they have never had an accident there. It is not necessary for the Government to make any initial expenditure for the betterment of the Georgian Bay route. Not a dollar need be spent to-day in that respect. The Grand Trunk, nothwithstanding its imperfect condition and the fact that it has grades that must be rectified, has done business to the extent of 40,000,000 bushels this year. Had there been proper elevator accommodation on the Georgian Bay last fall, it is probable that 75,000,000 or 100,000,000 bushels of grain which found its way to Buffalo would have been carried to Midland; and the same is true of Port McNicoll.

Now, let us look at the head of the Lakes. What is the present position of Canada with respect to lines of railway up there? First, we have the Canadian Northern Railway coming down to Port Arthur. Then, we have the line that was built to Fort William, known as the Grand Trunk Pacific. Are we going to continue to carry grain down to those two points by those two lines of railway that have cost the country many millions of dollars, and then, to our mortification, see it shipped in vessels to Buffalo? That is the point. Buffalo is carrying a very great quantity of our Canadian grain. We should follow the example of the Canadian Pacific Railway and that of our own railways at the eastern end of the Georgian Bay. So well satisfied is the Canadian Pacific Railway Company with the trade that it has developed in the carriage of grain and flour that it is very considerably extending its elevator accommodation at that point.

There is another trade that can be developed at Midland, and that is the trade to the Eastern States. I think I have referred to that before. All honourable members who have kept posted on the grain trade in the United States are aware that early in September the grain moves from the West towards the Eastern States, and there is just as good an opportunity to carry that grain over the Canadian railways via Midland as to carry it via Buffalo.

The question remains: is this Government going to allow our railway system to continue underdeveloped, or will it embrace the opportunity of going after business much more aggressively than has been done? I read the other day in a newspaper under date of January 12 an item to the effect that work on the 10,000,000-bushel elevator designed to meet the problem of grain congestion that has been insistent in the port of Montreal for the last two seasons, will be commenced early in the coming season, and that the first unit is expected to be completed before the 1923 navigation period is over. The elevator will be located at the east end of the port. The financial part of the undertaking has been met, and as soon as the winter is over the work will commence. With the present elevator accommodation in Montreal, which is, I think, about 5,000,000 bushels, and with the Government and the Harbour Board contemplating the construction of elevator accommodation for 10,000,000 bushels more, surely it is to the interest of the country to have at that port a funnel with two ends—one at which the grain may come in from the Upper Lakes, and the other for shipment only.

The advantage possessed by the Government railways from the Georgian Bay, as compared with the C.P.R., is that, after prohibitory insurance rates and the climate have stopped the export of grain from Montreal, Canada can, by its system of railways, have the opportunity of shipping out of Portland in the winter months—and we have the alternative of shipping out of St. John as well; and if it is an advantage to the American system of routing grain to have the different ports of Newport News, Philadelphia, Baltimore and New York, it is equally an advantage to us to utilize Portland as much as we can.

I have stated the general position. I have also pointed out the results that have been attained by the action of the Canadian Pacific Railway, and shown how similar results might be attained by the people of Canada with their railway system, if it is only developed along the proper lines. While I have been simply making statements of fact, I desire to add to these the opinions of practical men, as contained in this Committee's report, and I shall be as brief as possible. Mr. Richardson was examined by the Committee. As I have already stated, his firm is one of the largest grain-handling firms in America, and he has given evidence that he believes that a great trade could be built up from the Port of Midland to Montreal over the Government system. The Richardson firm, instead of going to Buffalo to build, provided accommodation for the handling of their grain at Midland. They have also built and they possess two or three more elevators at Fort William. Anyone who is familiar with the elevator situation at Fort William knows that almost weekly there appears an announcement that a new elevator is being constructed there by some company or other. The Government railway system and other huge concerns have

immense elevator accommodation at the head of the Lakes, and are we going to stand idly by and see the grain going from those elevators to Buffalo, when private capital in this country says: "We have a better system in the Government railways, only give us a chance to develop it." That is what the Richardsons have said by the construction of their elevators; that is what the Canadian Pacific Railway Company has said in like manner. There is a well-defined rumour that at a point called Victoria Harbour, across the Bay from Port McNicoll, a private company is now contemplating to build a 2½-million-bushel elevator. There is to-day in the minds of a great many persons the idea that a mistake was made in building so many elevators at the head of the Lakes. It is thought that a lighter class of elevator should have been built there, simply for the transfer of the grain into the vessels, and that there should be a great series of elevators erected on the Georgian Bay, from which shipments could be made in the winter months to various points.

Let me call the attention of the House, as briefly as I can, to Mr. Richardson's evidence. It has always been a great difficulty to preserve the identity of Canadian Northwest grain. It is said that once it disappears at Buffalo, an admixture of it may follow; but by means of the Canadian system of elevators at the head of the Lakes and the transference to those on the Georgian Bay, as well as to the one belonging to the Government at Port Colborne, the identity of the grain can be preserved. Mr. Richardson in his evidence says the very fact that it has the imprimatur of being Canadian shipped grain adds three cents a bushel to its value. When you consider that 300 or 400 million bushels of grain come out of the Northwest, and bear in mind the statement of a buyer of millions of bushels of grain that by shipping through Canadian channels you improve its value to the extent of three cents a bushel, you realize what an enormous advantage accrues to the farmers of the Canadian Northwest. That is due to the fact that there is no chance of mixture and that, whether rightly or wrongly, Canadian inspection is considered to give the grain a value of three cents more than it would have if shipped by another route.

There is another matter to which I desire to refer, namely, the fact that Montreal is the cheapest port from which to ship. That is the evidence of Mr. Richardson, who says there is no port in the United States from which you can ship grain as cheaply as from Montreal.

One other point he accentuates. I am referring to pages 131 and 132 of the Committee's report. We have so developed our trade at Montreal that we now have magnificent big liners sailing from there to the old country. Some of those liners carry as much as 120,000 bushels of grain, as stated by Mr. Richardson, and, if that quantity of grain were not in the vessels, water ballast would have to be substituted for it. It is therefore very clear that the grain must be carried from Montreal at very cheap rates. The liner has her complement of passengers, her mail subventions, and so on, and the statement is made that grain can be shipped out of Montreal much more advantageously than out of American ports.

There is another point. Owing to the development of the trade of the country, we have now coming into the port of Montreal no inconsiderable number of tramp ships, which, according to this gentleman, carry up to 288,000 bushels. During this winter, owing to the shortage of coal here, we have been importing Welsh coal. If this coal turns out to be as excellent as it is claimed to be there is no reason why we should not develop quite a trade in coal from the old country. If that were done the vessels bringing coal would return from Montreal with grain.

Mr. Richardson proceeds to say that in his view the solution of the whole difficulty is further elevator accommodation. The Government and the Commission in Montreal appear to have agreed on that point because, as I have read in the Press, they are going to build another ten-million-bushel elevator in that city. But if you have a ten-million-bushel elevator in Montreal you will need feeders at the other end. The Government has to-day at Midland the large elevator of two and a half millions bushels capacity, and it is so situated that I believe grain can be loaded in cars there as cheaply as at any other point in America. There is also plenty of land for extensions. There is a large esplanade, a mile or so in length, where trains can pass in and out without shunting. Immediately beyond this property is another large elevator owned by the Aberdeen Elevator Company. Let the Government purchase that elevator and add to it another of a million bushel capacity for loading, and they will find that they have gone a long way towards solving the problem of transporting grain through Canada.

I see that the Government is going to appoint a Royal Commission to inquire into the question of lake rates. I am not going to discuss that just now, but hope to have an opportunity of doing so later. What happened last fall? While the rates were high, in the main that was due to the fact that there was such congestion of elevator accommodation, not only at Buffalo but at the Georgian Bay points, that vessels carrying 400,000 or 500,000 bushels of grain were compelled to lie at the docks for a considerable time, and had to pay demurrage which increased the rates.

While I am on that point, let me say that I have seen it stated in the press, and have heard practical men argue, that there is no reason why probably 20,000,000 bushels of grain in vessels should not be brought to Georgian Bay points. and be allowed to freeze in. I formerly believed that this plan could be adopted, but last Falls' operations have caused me to change my opinion—I will tell you why. About thirty or forty miles this side of Buffalo is the old town of Erie. While I have never been there, I am told that there is a large deep bay of about seven miles in length; and that if you were there to-day you would find—I believe I am within the mark in saying this—a hundred vessels all loaded and anchored in that bay and waiting to be moved down to Buffalo in the spring of the year. If that is so, there is little or no hope of American vessels coming to the Georgian Bay, because they would prefer to go to Erie and avoid any contravention of the coasting laws.

Last fall the Canadian Government allowed American vessels to come in for the last trip and ply from the points at the head of the lakes to points on the Georgian Bay. I do not think that action had any appreciable effect, however, as I do not believe there was an American vessel tied up in Midland last fall.

I refer again to the evidence of Mr. Richardson. On page 132 he says that the shipment of grain by the Canadian route is three cents a bushel cheaper than by the American route. That is a very important factor. Further than that, he says he is a firm believer in the Canadian route because it has been demonstrated to him that grain originating in either Chicago or Duluth can be carried to Montreal and there exported. If any honourable gentleman will ask the authorities of the port of Montreal, I think he will find that a large porportion of the 152,000,000 bushels of grain that went through Montreal was American grain.

Now I come to what is probably the most crucial point in Mr. Richardson's evidence. He says that the route from the head of the lakes to Midland is beter than the route to Buffalo. By that, I take it, he means from the financial point of view. A vessel coming to Midland is on the high seas, so to speak, all the way, and is running at top speed; but a vessel going to Buffalo, as soon as she reaches Sarnia and enters the narrow and congested waters from there to Detroit, has to lessen her speed. A glance at the map will show the situation. Take two vessels leaving Detour, the point where they emerge from the Sault channels into Lake Huron, at the same time, one going to Midland and one going to Buffalo. You will find that the vessel going to Midland would make three trips for every two trips the other vessel would make to Buffalo. This, of course, shows the manifest advantage of shipping by Midland. Another point to remember is the fact that the bulk of the grain does not move until late in the Fall. What is the result? I have a newspaper clipping of the 4th of October, which I will read:

> Two giant steel freighters, the James E. Davidson and the Arcturus, collided near Mama-Juda Light, 12 miles down the Detroit River, in a dense fog late last night, and the latter was so badly damaged that it sank. The Davidson would have gone down also had its nose not been run on the channel bank.
>
> The Davidson struck the Arcturus just aft amidship, crushing in its steel side for some distance. The Davidson's bow was stove in, and water began rushing into the forepeak.
>
> The Arcturus' Captain managed to get his ship out of the channel before it filled and settled. The boat's deck and upper works are all above water. Nobody on either ship was injured.
>
> The Davidson, which is owned by G. A. Tomlinson of Cleveland, was downbound with iron ore. It is 504 feet in length. The Arcturus is owned by the Interlake Steamship Company of Cleveland, and is 514 feet long. It was upbound with about 10,000 tons of coal.

That is one reason why the rate to the Georgian Bay ports is cheaper. It is well known to men conversant with the lakes that sometimes you may see fifty or one hundred vessels tied up in Detroit channels because of fog or snow storms. I presume that these are some of the considerations that led Mr. Richardson to make the statement that actual experience had proved to him that the Canadian route was three cents cheaper.

At page 135 Mr. Richardson dwelt on the great advantage that it was to Canada to have a port available at Portland. At Newport News, a short distance south of New York, I have seen a large number of freight vessels lying at anchor; they were tramp ships, and were waiting for cargoes; but it

was cheaper to leave them lying at anchor in Newport News than to take them up to New York City and pay the dockage. That demonstrates the fact that, as compared with Canada, the United States has a great number of tramp ships.

We should also recollect that when the port of Montreal is closed, or when insurance rates become almost prohibitory, Portland is still open. If tramp vessels will wait to get cargoes at New York, why should they not wait at Portland? I wish that Portland were part of Canada, but it is not; but this country owns a railway and docks and elevators there, and when the port of Montreal is closed we have the choice of doing no business at all there or of doing it by way of Portland. Large quantities of grain will not be held in Montreal all winter; the dealer wants to have it at some point where he can ship it. Portland has the further advantage that vessels coming to the United States and discharging their cargoes are available for return cargoes. So you will find, Mr. Richardson says, that Portland is the logical winter port of Canada.

Further on in his evidence he accentuates what I have already said about the trade in the Eastern States being handled through Montreal, the grain having come down by the Midland-Montreal route. He also mentions the fact that a large trade in American grain could be developed.

Another matter which may have a far-reaching effect on the use of the Government railways is this. As Mr. Richardson says, at page 140, the tendency to-day is to ship less flour and more wheat to England, the reason assigned for this tendency being that in England large grain elevators and very fine flour mills have been erected, because of the fact that the mixed population in the old country are not in the market for the high-grade flours that we ship from Canada. Our wheat is blended with the soft wheat from the Argentine and the United States, in order to produce an intermediate grade of flour. If that is the case, we are going to have increased shipments of wheat and decreased shipments of flour; and the Government should take cognizance of that situation when making preparations for the handling of this grain trade.

I am going to quote briefly from what Mr. Norcross, Manager of the Canada Steamship Companies, says. He is well acquainted with the business, not only on the lakes but on the ocean. At page 153 he expresses the opinion that what is wanted is more elevator accommodation at the port of Montreal. He says they now have a capacity of nine million, and should have a capacity of five million more. Further than that, he says that at Montreal they have a large quantity of American grain—that is, the early grain to which I referred, the product of Kansas and other western States. He also expresses the opinion that with proper elevator facilities at Montreal and Midland, that route would be better than the Buffalo route. He emphasized the point that the Midland route was much the better from the insurance point of view, and that as insurance rates out of Montreal are higher than they are out of New York, advantage should be taken of every opportunity to make up this handicap. He claimed that the insurance to Midland or to Georgian Bay points was 30 cents on the hundred, while to Montreal via canals it was 60 cents. At page 162 he said that the rate to Port Colborne, which point corresponds to Buffalo, at certain times was 2¼ cents, while to Midland it was only 1¾ cents.

Now, that is all the evidence with which I am going to weary the House. I have quoted it because it shows the opinions of gentlemen who hold positions in these transportation companies, gentlemen who must know their business, and to whose opinions a great deal of weight should be given.

Before I forget it, let me refer to another matter in which the Government is gravely concerned. We have a line of communication between Montreal and Quebec. Enormous amounts of money have been spent in harbour improvements at Quebec, where there is a large elevator of 2,000,000 bushels capacity. Since it was built it has done practically nothing. There is no reason why the business should not be handled at Quebec when there is a surplus of grain at Montreal. The cars could very easily be moved down to that port. We have millions of dollars invested, and surely we are not going to let the rails rust, while we go into wild-cat schemes of transportation.

The daily press from time to time has commented on the fact that a large quantity of grain is being shipped by way of the Pacific. It is being demonstrated that it can be carried that way. I understand that upwards of 20,000,000 bushels was carried that way last year. The people of the Pacific coast are asking for more elevator accommodation, and if they can demonstrate that shipment through their ports will be a success, they are entitled to have that accommodation. It may be possible to ship grain that way from Alberta and the western part of Saskatchewan.

One thing we must remember is the fact that there never was a time when the railways were in such jeopardy as they are in to-day. The history of railways in the United States proves, and it is being proved in Canada as well, that in the summer months thousands of people who formerly rode on the railways are now riding in automobiles. This is a serious matter. And when it comes down to the question of freight, let me say that, although the town in which I live is a hundred miles from the city of Toronto, and although the roads are very indifferent, nevertheless huge trucks carry some of the products of our planing mills in competition with the railways; and any gentleman who is engaged in mercantile life can tell you that tons of freight are carried by trucks from the city of Toronto and distributed among the towns within an area of sixty to seventy-five miles. Any man living within 100 miles of Toronto, unless his furniture was very expensive would not think of moving it otherwise than by placing it on a truck to have it taken down to the city. Our railways are hit hard in respect to freights and passenger traffic, and what are we going to do about it? There is only one thing for us to do, and that is to devote ourselves to the effort to invest as little more as possible and to utilize to the very best advantage that which we have.

I did intend making a few remarks about the deepening of the St. Lawrence waterway, but, as this is a subject that is practically in the air, I will reserve my remarks on it for another occasion. What folly it is to talk about the deepening of the St. Lawrence! Even if millions of dollars are spent for that purpose, how are you going to change the face of nature? How can you bring down to Montreal and other ports in June the wheat that is shipped across the Atlantic in November? The wheat would not be ripe in June, and if the St. Lawrence canals were open, the vessels could not get the grain, because there is not much available then.

At the time when the deepening of the St. Lawrence was first discussed it was said that ships would go up to the head of the Great Lakes and would come down with cargoes of grain for England. What could be more farcical than a procession of ships going to England and returning light? If all the grain of this country were carried over to England in tramp vessels, they would return with little cargo. The tramp vessels now available are not able to get anything like adequate return freights. A liner, as Mr. Richardson and other witnesses have pointed out, will always carry out of Montreal cheaper.

Last session this matter was discussed by my honourable friend from De Lanaudière (Hon. Mr. Casgrain), who showed that the estimated cost of $250,000,000 was a mere bagatelle. It is idle to talk to-day of the deepening of the St. Lawrence Canal. I do not believe that with the public debt as high as it is, this Government will be insane enough to plunge into any such scheme. I think they will be disposed rather to give the existing modes of transportation at least a fair chance.

I would ask the House to bear in mind this prediction, that when the Welland Canal is deepened Canada will find to its mortification that it has made the most colossal mistake it has ever made, and we shall see Oswego and Ogdensburg built up at the expense of Montreal. Can anyone tell me that when, through the deepening of the Welland canal, a vessel with a capacity of half a million bushels can be taken to Oswego, with its proximity to New York city, where there will be a procession of boats waiting to be loaded for England, the grain is not going to take that course? There is also a twelve-foot barge canal at Oswego, from there to New York. It is, I believe, the greatest act of folly ever committed by Canada to deepen that Welland canal. I remember one day when I happened to be in that neighbourhood in New York state, I engaged in conversation with a gentleman who turned out to be one of the engineers on the canal. I professed utter ignorance of the undertaking. I said: "Why, you could cut a new canal across there in Canada near the Welland, and then bring the big boats right down to Ogdensburg." "Yes," he said, "the United States would do that, but it would be going through Canadian territory, and Canada would not allow us to do it, or we would cheerfully pay for it ourselves." It has often been said that the people of the United States would willingly pay half the cost of the Welland canal to-day. Any man who knows it and who has been to Oswego knows that since the deepening of the Welland canal was started, the value of real estate in that vicinity has appreciated to a great extent.

Time will tell, but I think that for a number of years, there is no danger of this Government, or any other Government, tackling this question of the deepening of the St. Lawrence canals. Always remember this, that even if the St. Lawrence waterway were deepened, that would be of no use at the time when the rush of grain comes in. The vessels could not be taken past Montreal anyway. Here is a system which Mr. Richardson declares is better—the use of the

railways at present owned by the Government. And here is a corresponding system, invested in by the Canadian Pacific Railway. I think we may as well postpone any further remarks on the deepening of the St. Lawrence.

There would be one great advantage, and a very manifest advantage, in having increased elevator accommodation on the Georgian Bay. No railway system that is operated with due regard to wholesome economy can have enough cars to carry every bushel of grain offered if during the summer months the cars must be placed on the sidings. There are at present on the Georgian bay at least three Government-owned elevators, and I am inclined to think that another one there, called the Aberdeen, is also the property of the country. Now, if you were in the position of being able, late in the fall of the year, to store upwards of 10,000,000 bushels of grain in elevators there, that grain could be moved out in the winter months. When that grain was lying there in the elevators, cars could be hurried back to bring on other carloads.

I thank the House for its indulgence in listening to my remarks. It may be said that this is a matter of local interest, concerning that part of the country in which I live; but, in concluding, I would point out that Mr. Charles M. Hays, on the occasion of his first visit to Midland, when I called on him as a matter of courtesy, had firmly fixed in his mind the idea that there should be a system for transporting a great portion of the grain of the Canadian Northwest, and the Western States as well, from the West through to the East by way of that Midland division of the railway. While the matter occurs to my mind, let me tell the House that there was in Canada a time—perhaps the honourable gentleman who leads this House knows of it, as his friends were then in power—when the Canadian Pacific Railway Company and the Grand Trunk Company appealed to the Government of Canada—to do what?—To purchase the Midland line of railway. That was before the C.P.R. had built their line. Mr. Tarte was the Minister. It was urged that the Government of Canada should purchase the line in Midland to Peterborough, make it a line of the best possible grade, and continue it on from there to Belleville; and it was proposed that the two railways, the Grand Trunk and the C.P.R., should build their elevator accommodation at Midland and use that road in common, as tenants under the Government of Canada. Had that project been carried out at the time, this country would have been saved millions of dollars and would have the finest system of transportation on the continent for grain, not only from the great North-West of Canada, but from the Western States as well. I do not know what happened, but the plan fell through, and the result was that, left as they were to their own devices, the C.P.R. had to proceed with the building of their own line.

Now that the Government have these railway systems on their hands, it is a question whether they will allow them to do little trade and spend millions of dollars on new schemes that may from time to time be projected and promoted. For my part, I say, take heed to the advice that is given by this Moncton paper and use the present systems.

A gentleman has come to Canada to undertake the management of the Canadian Government Railways. He has had considerable experience, according to what we read in the newspapers. It has been stated by the Prime Minister of Canada, and by this gentleman himself, that he has an absolutely free hand in the management of these lines. I should feel flattered if the honourable leader of this House, who is a member of the Government, would discuss this whole question with Sir Henry Thornton, and, whether he agrees with these views or not, would place them before him.

I would ask the honourable leader of the House to remember that the honourable gentleman sitting beside him (Hon. Mr. Béique) is a Director of the Canadian Pacific Railway. I would suggest that he ask for his advice regarding the success of the C.P.R. line from Georgian Bay. If it has been satisfactory to the Canadian Pacific Railway Company, why should not a similar line be a success in the Canadian Government system? True, the increasing of elevator accommodation will cost money, but we have the railways, and, although it may be a matter of one, two, three, or four million dollars more of expenditure, it is better for Canada to concentrate on that line from Midland to Montreal and make it what Mr. Hays thought it could be made, the proper transportation route from East to West, and make it, as the Canadian Pacific and the Grand Trunk, when Mr. Tarte was Minister, wished it to be,—a Government route in connection with two railway systems. Speaking as a Canadian and as a member of this honourable House, I hope that the Government, through the General Manager, Sir Henry Thornton, may be able at the close of next year to show, instead of a deficit of $60,000,000, at least an even break. Sir Henry Thornton has a reputation as a railway man to sustain. He is to be paid a handsome salary. I believe I interpret the feelings of every honourable gentleman on this side of the House in stating that our only desire is

to do everything possible to tender to Sir Henry Thornton, what he has invited—and, I think, honestly invited—any suggestions that may be offered, from whatever point of the country they may come, so as to render the great task he has undertaken as easy as possible. I thank you.

Hon. Mr. ROCHE: Honourable gentlemen, if no other member is disposed to address the House now, I beg to move on behalf of the honourable member from De Lanaudière (Hon. Mr. Casgrain) that the debate be now adjourned, to be resumed by him at the next sitting. The honourable gentleman from De-Lanaudière has prepared some remarks upon the subject before us, but he has been called away to Montreal for a very important engagement.

Hon. Mr. DANDURAND: We could entertain that motion at the present moment only in the event of no other member being disposed to address the House.

The Hon. THE SPEAKER: If no other honourable gentleman wants to address the House, I will put the motion made by the honourable gentleman from Halifax (Hon. Mr. Roche).

The motion was agreed to, and the debate was adjourned.

The Senate adjourned until Tuesday, February 6, at 8 o'clock p.m.

THE SENATE

Tuesday, February 6, 1923.

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

Prayers and routine proceedings.

DISALLOWANCE OF NOVA SCOTIA STATUTES

MOTION FOR RETURN

Hon. Mr. TANNER moved:

That an humble Address be presented to His Excellency the Governor General praying that His Excellency will cause to be laid before the Senate a return to include all correspondence, reports to Council and Orders in Council relating to disallowance of Nova Scotia statutes during 1922.

The motion was agreed to.

EMPLOYEES IN THE PUBLIC SERVICE

MOTION FOR RETURN

Hon. Mr. BRADBURY moved:

That an humble Address be presented to His Excellency the Governor General praying that His Excellency will be pleased to cause to be laid before the Senate a return showing:

1. The total number of persons, including Deputy Heads, employed on the 31st December, 1922, in the Civil Service and in all other positions in the Public Service of Canada to which the provisions of The Civil Service Act, 1918, and its amendments apply as to the holidays to be observed.

2. The respective numbers of such persons employed:

(a) at Ottawa permanently;
(b) at Ottawa temporarily;
(c) elsewhere permanently;
(d) elsewhere temporarily.

3. The totals of the amounts payable to such persons employed as in item (2) at that date, for:

(a) annual or other salaries of permanent employees;
(b) bonuses to permanent employees;
(c) wages or other compensation of temporary employees; and
(d) bonuses to temporary employees.

4. The respective amounts of the several totals in item 3 payable:

(a) at Ottawa;
(b) elsewhere.

5. As nearly as can be ascertained, the cost of one day's pay, as at the 31st December, 1922, of the persons then employed in the Civil Service and in the other positions referred to in item 1.

The motion was agreed to.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

The Senate resumed from Friday, February 2, consideration of His Excellency the Governor General's Speech at the opening of the Session, and the motion of Hon. Mr. Hardy for an Address in reply thereto.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, my first words will be words of congratulation to the mover and the seconder of the Address. The mover, in very clear diction, speaking like one who had been accustomed for many years to speak in public, made a carefully prepared and very interesting address.

He spoke of that very wonderful monument that is to be erected on Vimy Ridge—a monument which, he says, will be the finest in Europe. It will be a very fine monument if it is. May I suggest to those who will have to do with the erection of it that they might well imitate what is done in Italy and other continental countries where there are beautiful monuments. The plan is made and a temporary monument, an exact replica of what the monument itself is to be, is made of stucco or some other cheap material and is allowed to remain up for two or three years in a public place. During that time, not only the people of the locality, but artists and other visitors, examine it and ascertain whether it suits the surroundings. There is everything to be gained by adopting such a method with regard to the Vimy monument. As this will be a wonderful memorial and will last for ages, it is important not to make

any mistake with it. I remember seeing in Florence, Italy, a beautiful monument which, on closer inspection, I found to be nothing but stucco and canvas and wood,—a temporary erection, but painted to look exactly like a real monument. I expressed my astonishment, and was told that this temporary construction was there on approbation. After two or three years if people are all satisfied that the proposed monument is exactly suitable to the locality; then it is erected in stone, bronze, or marble.

It has been of great advantage to Canada to have at our disposal a man like the First Commoner. The Hon. Rodolphe Lemieux was asked by the Government to proceed to France and to obtain from the French Government the right to purchase, or if necessary, even to expropriate, in the name of Canada, about 100 acres of land for the purpose of erecting thereon a suitable monument. When Mr. Lemieux met the President of France and told him the purpose of his mission, the President said: "No, we will not allow Canada to purchase such territory, but France, out of gratitude to the Canadian people, will cede you the land in perpetuity." And Mr. Lemieux returned to Canada with the title to the land in his pocket; it was not 100 acres, but 250 acres that France gave to Canada.

Hon. Mr. Lemieux was well qualified for this undertaking in many respects. If his only qualification had been that he had lost his only son in the war, which would certainly appeal to the President of France, the Premier, and the other authorities, we could not have sent a better representative. He had had experience in diplomacy. We all remember that at one time he was sent on a most delicate mission to Japan. A proud people, the Japanese. Before Mr. Lemieux departed on his mission, a colleague of ours, the member for Brome (Hon. Mr. Foster), desiring that the first Canadian to go abroad as an ambassador should go from Canada, not as representing one political party only, but the whole country, invited to the Mount Royal Club about 80 guests, of whom at least 60 were Conservatives, to a function in honour of Mr. Lemieux, so that he might feel that in this mission he had behind him the entire support of the Canadian people. He went to Japan, and, as you all know, succeeded by his tact and diplomacy in making an agreement with the Japanese Government whereby immigration from Japan would be restricted. That was many years ago, perhaps fifteen or sixteen years, yet up to the present time there has not been, so far as I know, any serious complaint. It was a particularly difficult mission, because Japan was an ally of Great Britain, and one of the conditions of the alliance was that the citizens of either country should have access to the other.

At another time Mr. Lemieux was sent to South Africa to represent Canada. On the same occasion His Royal Highness the Duke of Connaught represented the Imperial Government. It was at the time when the union of the South African colonies was brought about. The Boers were naturally attracted to Hon. Mr. Lemieux, because they had but recently assumed a position somewhat analogous to that of the French Canadians. England had taken their country, just as Canada had been ceded to England. The newspapers of South Africa at that time stated that Mr. Lemieux was a great orator. Those who have sat with him in another place know how gifted he is, not only in the French language, which he speaks perfectly, but also in the language of Shakespeare. After one of Sir Wilfrid Laurier's famous speeches, the Hon. Edward Blake, then leader of the Opposition, declared:

> It is the crowning proof of French domination. My honorable friend, not content with having for this long time in his own tongue borne away the palm of parliamentary eloquence, has invaded ours, and in that field has pronounced a speech which, in my humble opinion, merits this compliment, because it is the truth, that it was the finest parliamentary speech ever pronounced in the Parliament of Canada since Confederation.

Those words might admirably apply to the First Commoner of this country to-day, for I am sure that on many occasions in the other House he has made the most eloquent speeches.

I desire to offer my congratulations also to the seconder of the Address, the honourable gentleman from Gloucester (Hon. Mr. Turgeon). He spoke in a language which, I fear, every one in this room did not understand. Some honourable members may have missed something. But have patience. The honourable gentleman speaks in English just as well as he does in French, and if he makes such speeches in this Chamber as he did in another place, you will become perfectly convinced that he is, like the mover of the Address, an acquisition to this House. The honourable gentleman is the proud father of very distinguished sons. He has two sons who have been cabinet ministers. One of them was a cabinet minister in Alberta for several years. The other was Attorney General of Saskatchewan for a long time, and is to-day a member of the Supreme Court in that Province. It is certainly something to

be proud of. I only wish that my boys could achieve such success as the honourable gentleman's sons have done.

We welcome both the mover and the seconder as members of the Senate, and I am sure you will all agree with me that they are valuable acquisitions.

The honourable leader of the Opposition, the honourable member from Calgary (Hon. Sir James Lougheed) spoke of the Rush-Bagot Treaty. I entirely agree with him, as I have often agreed with the honourable gentleman in the past twenty years. I am very much in favour of letting well enough alone. That Treaty has been good for a hundred years and more, and what better could we ask? I agree with the honourable gentleman also when he says that any such Treaty should be negotiated through the ordinary diplomatic channels, that is, through the British Ambassador. What about our Canadian Ambassador? Well, he is not at Washington—and he should not be there either. However, I think it is quite right, if Canada is to enter into a treaty with a foreign nation, that it should be done through the Ambassador. But there is no hurry, and there is no objection to leaving untouched the treaty or pact that has stood us in good stead for over a century. We may as well leave it alone for a few years more.

Coming now to a familiar subject, the National Railways, I am sorry to observe that the honourable member from Grenville (Hon. Mr. Reid), Minister of Railways in a former Administration, is not at present in his seat, because he would appreciate what is said on this subject and could correct me if I am in error. The National railways in 1920, when we were operating 14,000 miles of road, had the deficit of $70,000,000. Dividing 70,000,000 by 14,000, you find that on every mile of that road from one end of Canada to the other there was a deficit of $5,000. If the average deficit was $5,000 a mile, on some miles it must have been more. We all remember the days when the gross receipts of the C.P.R. were around $4,000 a mile, but still it was paying 10 per cent dividends on its stock. How that a deficit of $5,000 a mile on every mile of the National railways occurred has always been a puzzle to me, and I would like to know—and I am sure the people of Canada would like to know—where the leak was, because it seems like an impossibility.

It is only by comparison, honourable gentlemen, that you can realize the fact. For the purpose of comparison let us take the Matane Railway, which, by the way, belongs to an honourable member of this House, the honourable gentleman from Renfrew (Hon. Mr. O'Brien). The Matane Railway runs from Mont Joli to Matane, a distance of 40 miles. The gross receipts of that railway were $3,000 a mile making $120,000 in all. I have travelled over that railway. Indeed, the courtesy was extended to me of travelling over it in a special train. The cost of operating that railway was $2,000 a mile anually, and the company have $1,000 to the good on every mile, instead of a deficit; and it is in the same district where the I.C.R. is supposed to have a deficit of $5,000 a mile. Now, deducting from the $120,000 the $80,000 that is required to pay the cost of operation, maintenance and all other expenses, there remains for the honourable Senator from Renfrew $40,000, which gives him a little more than 4 per cent on his investment in that road. There is a private road and private operation as compared with Government operation in the same locality.

If the Matane railroad could be allowed the deficit of the I.C.R., namely, $5,000 a mile, it would earn on the 40 miles $200,000, and, after the cost of operation, $80,000, was deducted, there would remain $120,000, and our colleague (Hon. Mr. O'Brien) would be getting 12 per cent on his investment. These are absolute facts.

Going down the Intercolonial a little farther to a station called Matapedia, you find there a railway extending along the north shore of the Baie des Chaleurs called the Quebec Oriental. That railroad is exactly 100 miles in length, and runs from about a mile and a half beyond New Carlisle. That road was operated in 1900. The total receipts of the road in 1900 were $33,000 for the 100 miles, and the total expenditure was $34,000, or, to be more exact, $34,020. There was a deficit of $1,020. There was no $5,000 a mile deficit. That was in the year 1900. The receipts of that road to-day under private ownership are $300,000. They have multiplied ten times in the last twenty years. The railway has given a good service to the people and has never cost one cent to the taxpayers of this country. Now the gross earnings are $3,000 a mile annually. The cost of operation is $2,500. That leaves a profit of $500 a mile, or $50,000 over the whole line. That provides ballast, new ties, etc., and improves the condition of the road.

Going from New Carlisle to Gaspé, another 102 miles, you find a road very much in the same condition. The gross receipts are about $300,000, or $3,000 a mile. It is kept in repair and in efficient operation.

Now, if you apply that deficit of the Government roads to those 200 miles of railway, you have $1,000,000. The total receipts of these two roads are only $600,000. Therefore, if you are going to spend the amount of the deficit, why not apply it in that province as well as you do in other provinces? Supposing $1,000,000 were applied there, and $600,000 would do all the business. The owners of the road would put $400,000 into their pockets, and they could afford to carry all the passengers and every ton of freight for nothing. That is private ownership. Now, it appears that this Government is going into the railroad business. We are expected to give a fair trial to Government ownership. If there is one country in the world where that experience should not be required it is Canada. We have given a fair trial to the I.C.R., to the best of my knowledge, for the last 50 years. If you want to get anywhere you will have to give the other roads a trial of one hundred years, for after fifty years we are still having a trial with the Intercolonial railway, and are trying to make both ends meet. It never paid a coupon on its bonds: still we are having a trial.

Just look at what the Intercolonial railway did for the Maritime Provinces. It stunted the growth of those provinces. There was no initiative, no encouragement, no building up of hotels, as was done by the Canadian Pacific railway, or as other private concerns have done. And what do you see? The sun does not shine upon a fairer land than Nova Scotia—the Annapolis valley for instance; still, that province has been losing in its representation in the House of Commons and will lose still further after this census, simply because it has the curse of Government ownership throughout the province. It is said that Nova Scotia contains twenty-five per cent of all the coal in sight on God's earth. Then, too, it has its fisheries. It has everything; but the encumberance of Government ownership has stunted its growth.

Then, take New Brunswick, with its fine forests, its great fisheries and its good agricultural land. Where is New Brunswick? It is losing too.

Prince Edward Island has excellent agricultural lands, there are fisheries all around the island, and there are the famous Malpecque oysters in Malpecque Bay, the finest in the world. Prince Edward Island has all these things, but it is losing population. When I first came to Parliament I think Prince Edward Island had six members; then there were five; now there are four. There are as many Senators from that province as there are members of the other House.

The Montreal Gazette yesterday morning contained just a short article, which I will read:

Rail Operations Costly for United States. Losses Sustained From War-Time Operations Estimated at $1,800,000,000

Washington, D.C., February 3.—Losses sustained by the United States Government from war-time operation of railroads and its after-math of earnings, guarantees and damage settlements, will total approximately $1,800,000,000, according to data made available to-day for the first time in a report by James C. Davis, director-general of railroads, transmitted to Congress by President Harding.

Mr. Davis' estimates are based on the showing actually made in liquidation of accounts between the Government and corporate owners of 80 per cent of the railroad mileage, which the Government took over.

Losses in direct operation of the roads and in the later settlement of capital investment and other claims are expected to reach a total of $1,250,000,000. To this is added a sum of between $525,000,000 and $600,000,000, which has or will be paid by the commission to short line railroads and to class one carriers. This last amount includes payment under the guarantee given the roads by Congress of earnings during the six months of 1920, just after the Government relinquished the properties.

Oh, a Government in business is a fine thing. For some reason or other certain Congressmen with no personal knowledge of the management of large industrial concerns, or even small ones, for that matter, want the United States to manufacture all that may be needed for the army and the navy as though private concerns, with the keen competition between them, had not assured to the public the very cheapest article. They are competing one with the other.

Railroads are not suspected of paying more than they can help for their supplies, yet how few of the thousands of articles they buy are made by the railroads themselves. Car wheels furnish a ready example. Railways consume practically all the car wheels made, yet not one railroad in a hundred manufactures its own wheels. If private railway corporations cannot manufacture in their shops as cheaply as they can buy outside, will Government operated railways manufacture in their shops cheaper than they can buy elsewhere? To merely ask the question is to answer it. The most tragic demonstration of what a Government did, was when it undertook to manage the railroad systems of the United States of America. The appalling result should suffice as an object lesson for at least a century. These railroads will not recover their previous morale and state of trained efficiency in a quarter of a century according to the best experts.

Every year the railways realize that they can buy the things they need more cheaply,

for the same quality, from the manufacturers who specialize in these multitudinous articles. Not only is the effort of the Government of going into the manufacturing business a vicious one but it kills competition and cripples productive organization so that when an emergency comes and vast supplies are wanted on the instant, the Government would find itself limited for the time to what its own factories could turn out.

The Post Office Department is one which all governments assume to themselves, but any business man who has studied the proposition of handling the despatch, and delivery of mails, could do so much more efficiently in many ways, at less cost to the public and still pay better salaries. Incidentally, it would save the yearly appropriation of millions to make up the deficit in this American department. A few years ago, a successful business corporation offered to give whatever bonds the Government required to ensure perfect performance, to save the annual appropriations, to cover the deficits and to pay the Government the sum of $5,000,000 each year for the concession of handling the mail and to do all this without increasing the rate of postage on any class of mail. The American Government will do well to keep out of business, such as some of their supporters are now suggesting. I would add that Canada would do very well to leave business alone, and leave business men to handle their business without interference.

There is some talk in the Speech from the Throne about immigration. I will not have the sympathy of my honourable friends from the West in this, but the Northwest is to blame if there are no settlers coming into Canada. We do not expect very much immigration to Ontario and the other Eastern Provinces. With the farmers of the West continually complaining of their lot, complaining that help is too dear, complaining that freight rates are too high, complaining of everything under the sun, is it encouraging to immigrants? For the last ten or twelve years—ever since Laurier went out of power, at all events—there has been a similar complaint that everything was wrong, whether there was drought or frost—

Hon. Mr. WATSON: Or prohibition.

Hon. Mr. CASGRAIN: Or prohibition. I am not opposed to immigration. I would like to see this country fill up. The Northwest is a good place for immigrants; there is plenty of room there; but running down the country like that and complaining of everything will not bring immigration. Look at what took place from 1900 to 1910. What was the population in 1900? Five million and some odd. What was it in 1910? Seven million and some odd, an increase of thirty-four per cent. That was under another Administration. In those days there was no complaint. It must still be the same old Northwest, but what is the matter? The census of 1920, when another Administration was in power, showed very disappointing figures. It appeared that we had not got any more than our natural increase; that all the immigrants that came here must have left. The fact remains that under the policy that we have had there has been no increase except the natural increase, and that immigration from 1910 to 1920 has been wasted.

There is another question mentioned in the Speech from the Throne, upon which considerable has been said. I refer to the cattle embargo, which has existed for some thirty years, the British authorities accusing our cattle of being diseased. I might tell what I heard about Sir Charles Tupper—and let me say here that he was a great and wonderful man—who was High Commissioner at the time. When the British experts were contending that our cattle were infected with some disease, he and Sir William Van Horne, of the C.P.R., who was very much interested in the export of cattle to England, went up to Liverpool to see about it. On the way to the station Sir Charles Tupper stopped at a bookstore and bought the very best book on the diseases of cattle that he could get and read the book on the way, and became perfectly posted on the subject. He was not a veterinary surgeon, but he was a real doctor. He met these wonderful British veterinaries of the British Isles. He said: "Pick out any steer you want to; open it up." He rolled up his sleeves and took the lights out of the animal, and shook it in their faces and said: "What is the matter with this animal?" The consequence was that a report was made that there was no disease; but the embargo remained on last summer. While the embargo was on, I took it upon myself, unsolicited by anybody, to write to the Hon. P. C. Larkin, High Commissioner, stating that, being a strong Imperialist, I was sorry to hear the way the people of the old country were talking about that embargo, and that the Canadian people were saying they were selfish and had forgotten what we had done for them, and so on. I said: "You can use this letter if you like; show it to whom you will; the Canadian people are in no temper to have that embargo stand any longer. Let the British Government put on a duty if they

like, but let them not say that our cattle are contaminated with disease when they are not." I said that Britain was glad enough to accept five hundred thousand of our boys; why should they refuse our steers? I wrote also to one of the powers behind the Throne, Lord Beaverbrook, who is a Canadian, who has a paper called the Express, and asked him to agitate in his paper for the removal of the embargo, which he did. And perhaps people generally are not aware that he is one of the men helping to govern England to-day. It is a matter of pride to know that a Canadian, born in New Brunswick, Bonar Law, is Premier of England. I believe those two Canadians will give England good government. If they only had a French Canadian with them, they would be all right.

I wrote also to Lieut.-Col. Grant Morden, and I read in the London Times the following:

Col. Grant Morden Hopes to Export Cattle to Canada

London, Oct. 31.—The only Canadian born member to take part in the recent debate in the House of Commons, which resulted in the removal of the embargo on Canadian cattle, was Lieut.-Col. W. Grant Morden.

Colonel Grant Morden said that as a breeder in a small way of pedigree cattle in England, he hoped to export to Canada. He was firmly convinced that the removal of the embargo would not interfere with his farming operations or his breeding. On the contrary, by allowing Canadian cattle to come into England, he felt sure that the result would be that more of his pedigree cattle would be purchased by Canadians. The pledge at the Imperial Conference did not refer to the stigma only. To suggest that it did was to underestimate the intelligence of Canadian statesmen. If they were going to shut the door in this way to their own people, who had gone out to the Dominions, then he was afraid of what would happen. Suppose that pledge was not carried out in its entirety, was it possible to have another Imperial Conference? Would it not be humiliating if the greatest Dominion, invited to attend such a conference, should demand a guarantee that any agreement entered into by the representatives of the Imperial Government would be carried out?

We also have Sir Campbell Stewart, who manages the London Times; we have Lord Beaverbrook's Daily Express and another paper; we have Col. Grant Morden with John Bull, and the People, a paper with a circulation of 500,000, and Mr. Robert Donald, the manager of that paper, has agreed in his contract that if the circulation does not go up to a million the contract will be null and void.

Now I come to the honourable gentleman from Simcoe (Hon. Mr. Bennett), who came out so strongly against the St. Lawrence River Ship Canal. I want to say here and now that I do not believe there is a man in this House better versed in navigation on the Great Lakes than the honourable gentleman from Simcoe. He has been brought up at Midland, on the Great Lakes, and knows all about the question. I think he was perfectly right. I have read the report of his speech, and I may tell him, if he has not seen it, that the Montreal Gazette devoted an editorial of nearly a column to commenting on his speech and approving of it. I will not speak of the St. Lawrence Ship Canal; I worried the House with it for three hours last year, and that is enough. But there is great satisfaction in knowing that during the summer the Regina Board of Trade appointed a committee of six to investigate and find out whether the St. Lawrence Ship Canal would be of any use and whether it should be gone on with. The secretary wrote to me stating that they wanted to get information and that they had heard that I had made a speech on it in the Senate, and asking for six copies. I sent them six copies, and said to them that all I asked was that they should let me know their finding, favourable or not. I waited quite a little while. Then the committee made a report, which was presented to the Board of Trade of Regina, and which was adopted unanimously. I have a copy of it here. The Regina Board of Trade unanimously adopted a resolution against the undertaking. So it cannot be said any more that the people of the West are in favour of the St. Lawrence River Ship Canal.

As the honourable member from Simcoe says, the trouble is that there are not enough elevators, though there are plenty of ships. The congestion at Port Colbourne last summer was due to what? Ships had come to the elevator but could not get unloaded, and the result was that ships lay there that might have turned around and made another trip. Those ships did not make money by waiting there; if they had been able to make another trip, they might have been able to charge a lesser rate and make more money. Elevators should be built at Midland in proportion to those at Port Arthur and Fort William. The early wheat which comes from Kansas and other Western States comes through Chicago, and I am informed that that wheat could be transported to the Georgian Bay port and railroaded from there to Montreal and distributed in the Eastern States, and that it would be a much shorter rail haul than the present one.

Last summer, or towards the fall, there was a great deal of talk about profiteering on the lakes. Well, those who have stocks in those shipping companies and have had no dividends, and do not know when they will get any, even on preferred stock, know that

there cannot be much profiteering. As far as combining is concerned, I think the honourable member from Simcoe (Hon. Mr. Bennett) will bear me out when I say that the ship owners in his own town have no love for the ship owners in my town.

Now, a few shiploads may have been carried at 15 or 16 cents a bushel, or even 18 cents may have been obtained in one case, but these were carried in tramp steamers from the United States, the regular liners having contracted in advance when the rates were low, a long time previously. Once our trade becomes good, they give up their business in the States and come after ours. There is where our law is wrong. Although the United States will not allow us to trade there an Order in Council was actually passed by this Government, which I am supporting, allowing American vessels to come and take what little profit there is in Canada, which might help us to pay dividends on our preferred stock.

Hon. Mr. TURRIFF: Quite right.

Hon. Mr. CASGRAIN: In the spring of the year everything that is left over at Port Arthur and Fort William comes down. The month of May is perhaps a busy month, but in the first week of June shipments commence to stop, and by the second week of June all the wheat is down. What are you going to do with your ships for the rest of the summer? You cannot utilize them as the Americans do for carrying ore. The United States will not allow you to do that. Some of your Canadian ships have to tie up at the wharves and wait until another crop grows before they can do anything. Because the laws of the United States forbid it, you cannot take your ships across the line and work them over there. You will see many ships tied up every summer on the Great Lakes—actually tied up, with nothing to do. Then, when the grain begins to come down, the American boats give up the ore trade on which they have been employed all summer, and come and take the bread and butter out of the mouths of the Canadian people and you call that protection.

My honourable friend from Simcoe (Hon. Mr. Bennett) condemned the Welland Canal. It is true that the big Welland Canal was not required at all. The ex-Deputy Minister of Railways and Canals, Mr. M. J. Butler, said once that you might sit on the bank of the Welland Canal and smoke several pipes of tobacco before you could see a ship on it going one way or the other, and that the old canal could take care of ten times the number of boats going through. Why enlarge the canal to such an extent when the original one was more than sufficient? But it is done now.

Hon. Mr. DANDURAND: It is half done.

Hon. Mr. CASGRAIN: The big ships will probably use it but very seldom. They will probably continue to unload at Port Colborne. They would go down loaded all right; but going back you could not get enough water ballast in them to steer them properly in that canal if there was a beam wind, and they could not sail up until the wind died down, or until night, when there is no wind. That is true, and anybody who knows anything about navigation knows that, with the bow sticking up, the least little breeze would put the ship on the bank. Moreover, your insurance rates would go up immensely. Those big ships are not built for restricted waters; they want plenty of sea room. So we might have dispensed with the deepening of the Welland Canal. If the ships come down the Welland Canal, they will come to either Kingston or Prescott, and there elevators should be provided in anticipation. From Prescott or Kingston you have a river and canal navigation that is the cheapest of any the world over, because you can put on barges there that will cost you only $15 a ton to build, and a tug will draw them at low speed in canals, where you are not allowed to go more than 4 or 5 miles an hour. With a small motive power you can have as many barges as you want drawn behind a very small tug. That is the cheapest method in Europe to-day —river and canal transportation. You must have a staunch boat to come from Port Colborne, because it has to run down Lake Ontario and must therefore be a seaworthy boat, but once it has passed Kingston or Prescott there is no more to worry about, and anything that is watertight will carry the grain down. But the probability is that the boat will be unloading at Port Colborne, and these big ships for which we are spending so much money will not use the Welland Canal, according to what we hear from the people who own the boats—and they ought to know, and they have no interest in deceiving people.

Our canals have a depth of 14 feet, and it is quite deep enough. Compare that depth with the depth of canals elsewhere. In Germany, surprising as it may be, there is 8,000 miles of canals and improved river navigation, and the maximum depth—that is, at the mouth of the Rhine—is ten feet. The average depth of the German canals is only 4½ feet. But look up the immense trade that they do for

their 70,000,000 people. At the present time Germany, which pleads poverty, is building a canal which will have a depth of probably 7 or 8 fet. It is an immense affair, starting from Hamburg. According to the original plan it was to start at the Scheldt, in Belgium, as they expected to take possession of that country. But they had to change their plan. It starts from Hamburg and continues until it strikes the Valley of the Rhine; it follows the Rhine and then the Valley of the Neckar, and goes up to Lake Constance, going over the almost incredible height of 568 meters, which is equal to about 1,800 feet. How they will get water at that elevation to feed the canal I do not know, but it appears they have solved the problem. From that height the canal runs to Lake Constance, tapping Switzerland, and then it goes down to the Danube and step by step right on to the Black Sea. It is called the Mittel Europa Canal. From that canal they have subsidiary canals branching to every industrial centre. They worked at this construction all during the war. It was a French Commission in its investigation that got hold of the plans and have made them public. Anybody can read a description of this in La Revue des Deux Mondes. The new canal will have locks 600 feet long, and some nearly 1,000 feet in length, which will be able to take a whole tow at one locking. Whether they go bankrupt or not, the Germans will have that canal. Still they put on a poor mouth and say they cannot pay the reparations.

In France I was very much surprised to see that they have 4,500 miles of river navigation and 3,000 miles of canal. The maximum depth of any of those canals in France is 8 feet, and the average depth of a canal is from 5 feet to 18 inches only. There are in France 19,000 men, 10,000 women, and 16,000 children who have no other homes than cabins on board of the barges on these canals. Those barges have stables on them, and there are employed in this system of transportation some 20,000 horses, 12,000 small mules, called "bardots," and 10,000 donkeys. Heavy commodities are carried more cheaply over those canals than the great American railways can carry them. In the morning the donkeys are taken out of what they call a stable, though in size it would not be as large as this table, and a piece of line is tied to each of them, and away they go at 2½ miles an hour, the man controlling the boat and driving the donkey by simply speaking to him; and when they come to a lock the donkey is taken on board and fed while the barge is locked through. Then they go on again. The wife is downstairs cooking the meals and minding the children. Those people live all the year round on those boats, and they all own their boats. Very few own as many as three, but if a man owns three he stays on one, bossing its operations, and watching the other two. Transportation is done in that way very cheaply throughout France.

The Speech from the Throne has a good deal to say about prosperity. Well, there is nothing more significant in recent history than the astounding fact that prosperity lies upon the Liberal Party in the Dominion, just as surely as stagnation lies in the years of power of the Conservative Party. There are evidences of this, but the barometer of conditions in Canada is to be found in the rise and fall of Canadian Pacific Railway stock. From the time that Sir Wilfrid Laurier took office market quotations rose from 62½ up to 283. Then the Conservatives took office and the market prices dropped and continued to drop until they had fallen to 122. Fortunately for the C.P.R., there has been a change of Government again and the stock has started to go up. In the very first year it went up to 150. Here is a diagram taken from the Stock Exchange record, showing that in the period 1896-1911 it went up to 283, and after that it tobogganed down to 122.

Hon. Mr. BRADBURY: What about the Canadian Steamships about that time?

Hon. Mr. CASGRAIN: Oh, they were poor.

Hon. Mr. BENNETT: That is cruel.

Hon. Mr. CASGRAIN: Now there is a Royal Commission, I understand, being appointed to investigate the doings of the ship owners and the shipping companies on the Great Lakes. This is a most serious matter. It concerns not only ship owners, but it affects every shipyard on the Pacific, the Atlantic, the Great Lakes, and the St. Lawrence river. I met to-day some owners of shipyards, and they told me that people will not give orders for anything, because they do not know what is going to happen. I ask honourable gentlemen here, would any one of you build a house if somebody else was going to decide what the rent should be?

The shipyards have had a hard time. Owing to the existing conditions Canada is building in England 40 ships for the Lakes and the St. Lawrence, whereas in this country only one ship is being built. Why is that? Because those ships can come in here

without paying any duty. Is that protection —to permit those ships to come in here free? The United States will not register a ship unless it has been built in the United States and is owned in that country; and they will not give it a coastwise permit except on those conditions. If an American ship gets into trouble away from the United States and has any repairs done, there is a duty of 50 per cent on all repairs made to that ship abroad; including, mark you, not only the wages, the material, the dockage, and the rent of the drydock, but even the fees of the surveyor. Therefore if an American ship on our Great Lakes and other waters needs repairs, all that is done is to make it water-tight or repair it temporarily until it returns to the United States. Thus we lose that business.

There are, as I have said, 40 ships being built in England. If those ships were built in Canada—I see the ex-Minister of Labour (Hon. Mr. Robertson) is interested in this —there would be $4,000,000 spent in wages, besides all the money that would be spent in preparing all the material that would go into the ships. Now, is it not time that we should do something? Millions and millions have been invested in our shipping industry. At first the shipyards were established for repairs only. Then they went into ship-building, because it is necessary to have work to keep the yards going. The honourable gentleman the ex-Minister of Labour knows that. It is necessary to have some standard job, and repairs are done only when there is an accident. Therefore, you have to take work at cost to keep men on hand. In the United States to-day the ship owners have that protection of 50 per cent. We are supposed to have 25 per cent, but that 25 per cent applies only to certain things, not to everything. Are we going to lose our ship-building trade? It is languishing now. These yards cannot go on forever losing money. They must have some protection. Well, this idea of having a Royal Commission to say that they shall not make more than so much with their ships has had the effect of absolutely discouraging all shipyard owners in the country, from the Atlantic to the Pacific, including those on the Great Lakes and the St. Lawrence. It is a very serious thing. It is another mark of Government interference, and I believe that the less a government interferes in business the better it is for the country.

Hon. J. G. TURRIFF: Honourable gentlemen, in rising to say a few words on this occasion I also wish to extend my hearty congratulations to the honourable member who moved the Address (Hon. Mr. Hardy), who showed us that he is a very able man on the floor of the House, and I bespeak for him a long and very useful career in this Chamber.

As for my old friend from New Brunswick (Hon. Mr. Turgeon), it was a pleasure to me to hear him once more, and when he speaks in English, you will all enjoy it very much.

We have listened to an address by my honourable friend from DeLanaudière (Hon. Mr. Casgrain), and it is probably one of the best addresses I have ever heard him make. He took up the question of railroads as usual, and spoke of the wonderful advantages of private ownership, and dilated on that subject, as he usually does. But he forgot to tell us that all the trouble and difficulties of the Government roads to-day, which he blames on private ownership, were brought about, as he knows perfectly well, by private ownership. Who owned the Grand Trunk? Who owned the Canadian Northern? It was private ownership that plunged them into debt to the extent of hundreds of millions of dollars, and now that the Government has been forced to take them over and manage them, my honourable friend puts the blame on Government ownership.

The honourable gentleman cites the C.P.R. as an illustration of private ownership. No doubt the C.P.R. is a splendid railroad and is well run, and is making money; and it may well do so. Who paid for that great expensive part of the Canadian Pacific Railway through the rocky portion of Ontario? The Government, the people of Canada. Who paid for the expensive work in British Columbia? The Government, the people of Canada. Who gave the Canadian Pacific Railway Company a land grant, amounting to many millions of acres, that they are to-day selling for $10 and $15 and $20 and $30 an acre? The people gave it to them. They might well have a good road, and a good property. I give them credit for the manner in which the property is managed and run; but that is not to say that the Government roads cannot be run reasonably well. Remember, I am no great believer in Government ownership and operation of railroads; I believe that private ownership is better. But who is to blame because the Government has taken over these thousands of miles of road, until we now have, I believe, 22,000 miles? The Government was forced to take them over. My honourable friend (Hon. Mr. Casgrain) is one of the men who would hand them all over to the Canadian Pacific railway for a dollar, or for nothing. Well, we have got $1,000,000,000 invested. Are we going to lose it all? But neither the Canadian Pacific nor any other company will take the roads over

with all their liabilities. The offer of the Canadian Pacific railway was not to take over the roads and the liabilities too, but to take the roads and operate them, and to let the Government and the people of Canada retain the liabilities, and also guarantee, in perpetuity, interest at seven per cent on all the stock of the Canadian Pacific railway as well. In addition to this, they were to retain the great part of the assets, the steamships, the lands, the town-sites, and the hotels.

My honourable friend spoke of the railroad down in Matane, and of the road from Matapedia along the north shore of the Bay of Chaleur. I know something of those roads. He cannot tell me much about them. I was born and brought up down there.

If private ownership is such a great success, will my honourable friend tell me how it is that the owners of those railroads are breaking their necks all the time to hand them over to the Government as part of the Intercolonial railroad? If you run only one train a week, and only run it when there is a good big load of freight to be carried, you may make your revenue more than your expenditure; but are there in Canada any people, or many people, who would put up, if they could help it, with such a service as is given on the Matapedia to Percé road? No. It is a service that would not serve the traffic of the people of Canada.

My honourable friend is very ready to take a slap at the West about the railroads. I remember he made the statement in another place that the Province of Saskatchewan had failed to pay the interest on the railroad bonds it had guaranteed. I want to characterize that as an absolutely misleading and false statement. The Province of Saskatchewan never repudiated one single dollar of the interest on the bonds it had guaranteed; and the Province of Saskatchewan did not guarantee the bonds on a single mile of railway that is not earning more than the interest on those bonds. The Province of Saskatchewan did not guarantee the bonds of a single mile of railway that it could not take over and make money by operating.

But my honourable friend did not tell us anything about the railroads that had been handed over to the Intercolonial shoved on to the Intercolonial, under the Government he and I supported, and other Governments.

Hon. Mr. CASGRAIN: What road?

Hon. Mr. TURRIFF: What about that road from Quebec down to Baie St. Paul?

Hon. Mr. CASGRAIN: That was done by Borden.

Hon. Mr. TURRIFF: I said the Government you and I supported, as well as the other Governments.

Hon. Mr. CASGRAIN: Borden did that.

Hon. Mr. TURRIFF: And there are several others that were taken over by the late Liberal Government. So my honourable friend does not need to cast any slurs about the railroads in the West.

During the last week or so we have seen that the Government that my honourable friend is supporting—there will be no question about that—

Hon. Mr. McMEANS: The Quebec Government?

Hon. Mr. TURRIFF: —has completed the amalgamation of the Government roads and has placed the head office in Montreal. That may be all right from a business point of view, I am not enough of a railroad man to know; but I would like to point out one thing, honourable gentlemen: they are putting the head office right where it is subject to all the influences of the C.P.R., which is a great influence, and also putting it in a city and a province where practically nine-tenths of the business interests are dead against Government ownership, and will do their utmost to see that those roads will not get fair play. There is absolutely no question about that. Any honourable gentleman who is willing to transfer for one dollar, as one of the present members of the Government offered to do—not a member in this House—

Hon. Mr. CASGRAIN: Nobody would take it with the debts for a dollar.

Hon. Mr. TURRIFF:—that would offer to hand it over for nothing, is not in favour of Government ownership. And my honourable friend, the genial leader of the Government in this House (Hon. Mr. Dandurand) a few months ago in a by-election in Quebec made statements that showed that his heart was not in favour of Government ownership of railways. So, if the Government ownership and operation of the roads can succeed it will be against the views of many of the members of the Government and of the great bulk of the people of Montreal. It seems to me that it was a questionable advantage to put the head office in Montreal. I hope, however, that under the new management the Government roads will get a fair show, and I believe that we will lose less money in working out our salvation by operating those

roads properly than we would in other ways. One thing is certain. If the people of Canada, who have to keep up these roads and pay the deficits, you and I and everybody else, would only do as I always try to do—give every bit of my patronage when it comes to buying tickets, or influencing anyone else to go on the road—it would help to cut down the losses. I think the losses will be cut down very materially in the future.

I think that we have too many railroads; we have duplications; but I am not going to say who is to blame. I know the Government I supported made their mistakes, and I know the other side made their mistakes. But we are dealing now with a concrete fact. We have got the roads and we have to handle them to the very best advantage possible, and try to work out something better than we have at the present time. I trust that my friends in the Government who do not favour Government ownership will at all events do what the Government says it will do, and give Government ownership an absolutely fair trial.

Now, just a word about inland lakes navigation. The honourable gentleman who preceded me (Hon. Mr. Casgrain) spoke of the heinous offence of the Government thinking of allowing American vessels to come into Canadian waters for a time in the Fall to carry some of our wheat from the head of the lakes down to the foot of the lakes.

Hon. Mr. CASGRAIN: The Americans won't allow us to do it.

Hon. Mr. TURRIFF: I am not dealing with what the Americans do or don't do, or will or won't do in the future. The fact remains that in the early part of the season you can take wheat from Fort William to Montreal at from 2 to 4 cents a bushel. Some of the advocates of the deep waterway system say that by deepening the waterways and taking ocean-going boats up to the head of the lakes we will save 5 or 6 or 7 cents a bushel. Well, honourable gentlemen, how can you save 5 or 6 or 7 cents a bushel when the average rate for the last ten or fifteen years has been under 4 cents a bushel.

Hon. Mr. CASGRAIN: From where?

Hon. Mr. TURRIFF: From Fort William to Montreal.

Hon. Mr. CASGRAIN: No, no, it is around 9 cents.

Hon. Mr. TURRIFF: Well, to the foot of the lakes. What happened last fall? They were carrying wheat down for less than 4 cents a bushel.

Hon. Mr. CASGRAIN: From where?

Hon. Mr. TURRIFF: From Fort William to the foot of the lakes.

Hon. Mr. WATSON: To Port Colborne.

Hon. Mr. TURRIFF: And then the price was suddenly jumped up three or four times, and this same inland navigation company, of which my honourable friend was a director for many years—I am not sure whether he is now—

Hon. Mr. CASGRAIN: I am now—the oldest director.

Hon. Mr. TURRIFF: —is very anxious that there should be no competition, that no ocean steamer or tramp steamer should be able to go up and get wheat, and prevent them charging three or four prices when the rush is on in the fall. And the claim is made that the whole increase is caused by the congestion in Montreal, that the ships could not get unloaded. There was delay in some cases, but those ships made more trips this year than they did last year. It has all been worked out, and I can get the exact figures and give them to my honourable friend, showing that the wheat-carrying vessels on the lakes made more trips this year than last year, when there was no congestion, and that the farmers of the West were paying as high as 12 to 14 cents instead of 3 or 4 cents to bring down their wheat. And yet my honourable friend thinks it would be a crime to allow American boats to come in and bring wheat down at ordinary prices. Not only that, but they carried wheat to American ports, and our own ports were at a disadvantage. Wheat was going to Buffalo at 2 or 3 cents a bushel less than it would go to Montreal. Talk about loyalty to the trade, wanting to keep out all competition so that these inland lake steamers can make three and four profits.

Hon. Mr. CASGRAIN: They get no dividends.

Hon. Mr. TURRIFF: I do not wonder that they do not pay dividends considering all the circumstances connected with them. If they cut out the watered stock and cut out Grant Morden, the great hero my honourable friend dilated upon, they might pay dividends and good dividends on the money invested; but not on the millions taken out by the speculators who put up that job. No, honourable gentlemen, last year there was a good deal of discussion about putting again

into effect the Crowsnest rates. It was done, and this year the people of the West got their wheat hauled down to Fort William for several million dollars less than last year. And what became of the difference? Practically every bit of it, or a great part of it, was taken by my honourable friend's company in excess freights from Fort William to the foot of the lakes. Those are the facts and you cannot get away from them.

My honourable friend objects to the Government appointing a Royal Commission to look into that swindle. That is one thing the Government is doing for which I give them credit. If there is no other way to bring freight rates down, appoint a Royal Commission to find out where the trouble is, instead of allowing my honourable friend, sitting on the board of directors to say, why prices jump 100, 200, 300, 400 per cent. I believe, honourable gentlemen, that will be put a stop to in the future irrespective of my honourable friend sitting across the floor (Hon. Mr. Casgrain) and his board of directors.

Hon. Mr. SHARPE: He does not belong over here.

Hon. Mr. TURRIFF: My honourable friend wants us to bonus shipbuilding. Forty ships are being built in England—why? It is because the Canadian ship men are a pretty sensible body of business men and know where they can get them built best and cheapest; and they go to a free-trade country to have it done. You cannot get ships built cheaply and well in a country that has a high protective tariff. I am aware that ships come in free, and that is to the interests of everybody in Canada but a few ship-builders who want to do as they did during the war, and build ships at three times the price for which they could be bought. If Canada wants to continue buying ships at three times the price at which they can be got elsewhere, and quite as good ships, then she will follow my honourable friend's lead.

There was no mention made of the tariff in the Speech from the Throne; but I noticed that my honourable friend who moved the Address (Hon. Mr. Hardy) stated that he was a free trader in theory, and that last Session the Government reduced the tariff about 2½ per cent. Well, they reduced it about 2½ per cent on certain lines, but I have seen figures quoted—I have not verified them, and do not know how correct they are—I think my honourable friend the leader of the Opposition made the quotation—showing that under the tariff this year we are paying a higher rate of duty than we paid last year before the tariff was revised. Whether or not that is correct I am not prepared to say absolutely of my own knowledege just now; but I know that whereas the Finance Minister last year claimed that he took off about $1,000,000 in taxation under the tariff, he immediately proceeded to add what he thought would bring about $30,000,000 or $40,000,000 in a sales tax. Well, I cannot see that that was much reduction in the tariff.

My honourable friend who moved the Address (Hon. Mr. Hardy) said he thought the whole people of Canada were pleased with the reduction that was made, and were not looking for any more reductions—why? Simply because the Government did not say anything about it in the Speech from the Throne. But I want to say to the leader of the Government that if the Government thinks for one moment that the people of Canada are satisfied with the reduction that was made last year, and do not intend to implement that reduction by further reductions this year, they will have a rude awakening whenever they appeal to the country, whether it be now, a year from now, or at the end of their term, because the people are not satisfied. And let me tell my honourable friend the leader of the Government that it was just that complacent spirit of the mover of the Address that lost to the Liberal Party practically the whole of the three prairie provinces. Simply because when they were in opposition they were tariff reformers, and when they were in power they were high tariff men. That is what lost the West. Out of over 50 seats in the three prairie provinces the Liberal party is to-day represented by two members only—and one of them will have the job of his life to come back.

Hon. Mr. WATSON: How many Conservatives?

Hon. Mr. TURRIFF: I do not think there are any; but that is not troubling me a single bit, honourable gentlemen.

Mon. Mr. WATSON: We make a good second, anyway.

Hon. Mr. TURRIFF: There is this that can be said for the Conservatives: they make no bones about being low tariff men; they come out straight and say: "We believe in high protection, or at least in adequate protection for industries." They believe exactly as the Manufacturers' Association believed about fifteen years ago. They used to pass every year a resolution chock full of Imperialism and loyalty, declaring that they

wanted protection. They were in favour of Empire preference—

Hon. Mr. WATSON: Adequate protection.

Hon. Mr. TURRIFF: But they wanted adequate protection on all Canadian manufactures. They wanted sufficient protection to keep the Canadian market for the Canadian employers, and you could put up a tariff wall up above the Imperial preference as high as you liked. As long as the British preference allowed the Canadian manufacturers to hold the market, they did not care how high you made the wall. That is just about the attitude; but it is honest at all events. But what have our friends in the Government done? If the Government would simply try out, not the Progressive policy, but the policy that the honourable the Prime Minister and the honourable Minister of Finance advocated in the House of Commons during the last two years they were in Opposition, the Progressive Party of Canada would ask nothing more. But do you think they are going to do it?

Hon. Mr. BENNETT: No.

Hon. Mr. TURRIFF: I thought they would do pretty well. I thought they would do something, but they have done nothing. They did very little last year, and this year there is no reference to the matter in the Speech from the Throne, and, from what my honourable friend the mover has said, I take it for granted that the policy of the Government is to do nothing further in that respect.

Let me, before sitting down, say just a word about immigration. There is a great difference of opinion about the class of settlers we should let in and the class that we should keep out. The only time in the history of Canada that I remember when we had an active immigration that worked out well in settling up the country, was during the years from 1907 to 1910 or 1911. People were coming in steadily during that period. In my judgment we need settlers, but how are we going to get them? We have an Immigration Department. Time and again, after the war started in 1914, I asked officials of that Department, "Why keep on spending so much money when you are doing practically no work? It was not their fault at all. It was during the years of the war. They said: "It is necessary to keep our organization intact, so that when the war is over and the proper time comes we shall be able to get to work and bring people to this country." To my mind that was good policy. I know that immigration organization fairly well. It is an excellent organization, and if the Government will only leave the immigration work to the Immigration Department, they will get good results. But what have they done, or what are they doing? They are handing over a good deal of that work to the Salvation Army. Now, I have great respect for the Salvation Army, and nothing to say against them. I think they do more good than many of the churches. But do you think that the Salvation Army are likely to get the class of people that we want? I do not think they will. But even if they do, can they get those people as well as the Immigration Department can? I do not for one moment believe they can.

Then there is the colonization scheme of which Sir John Willison was the head. Mr. J. H. Ashdown, of Winnipeg, was a member, and a man named Brandon was another member. I saw circulars of theirs announcing that they did not charge anything—that they did not want to make one cent out of the scheme. Honourable gentlemen, I am always afraid of those fellows who are going to do everything for nothing—all for the good of the cause—all for the country. I was delighted to see that the gentleman at the head of it had resigned, and I hope they will all resign. I trust the Government will not give them any consideration at all, but, instead of handing over money to them, will let their own organization work out the problem. In that way the Government will get much better results.

I hear people advocating that the Soldier Settlement Board should be used. If there is any organization on earth that should not be used, it is in my judgment that Soldier Settlement Board. We have spent practically $100,000,000 in putting soldiers on the land. I stated in the House of Commons, before coming to this Chamber, and have stated in this House every year, that I did not believe that 10 per cent of those men would remain on the land. That statement stands to-day. We shall get the land back in most cases, but the bulk of the money invested in cattle, horses, implements and buildings will be lost.

My honourable friend the leader of the Government (Hon. Mr. Dandurand) stated the other day that for the purpose of keeping our people in the country he had promulgated an idea that was a good one. Well, I can congratulate my honourable friend on this, that at all events he has come to recognize that the first thing to do is to keep the people we have in the country. It is a step in the right direction. But I can tell him a far quicker way to accomplish that purpose

than by writing to the notary, the priest, the minister, the merchant, the municipal clerk, and all such people. I can tell the Minister the answer he will get straightaway from most of them. It is this: "Let the Government make conditions in Canada such that the man on the land can get a good living and be comfortable; then they will not need to spend hundreds of thousands of dollars to bring immigrants to this country." Every contented settler on the land will bring his friends.

Immigration is, in my opinion, absolutely necessary. Our taxation is something terrible, and is going to be worse, and the only way we can lessen it is to increase our population. We want the right class of people. I have never been in favour of assisted immigration. Nine times out of ten you get the wrong people, no matter how they are picked. You bring them out and spend a great deal of money on them, and inside of two or three years they drift into the city and in many cases become a public charge.

Some of the best settlers we got in the West were people from the United States. But remember this, that they come over in hundreds and thousands and are good settlers as long as everything goes well, but when hard years come and they find it difficult to make a living and have perhaps run into debt and cannot pay, they size up the situation and say: "We will go back to where we came from. We can get far better prices there for our wheat, our oats, our barley, our cattle, our hogs and our sheep, and we pay far less for the implements that we use for the production of crops. We will go back home, where the climate is milder." You will always have that tendency to work against, in the case of people coming from a mild country.

There is one class of immigration on which I would be willing to see some money spent. Quebec is my native province. I have been through Northern Ontario and Northern Quebec. We have there, honourable gentlemen, great stretches of millions of acres of first-class land. You have all seen it. From Sudbury north about 25 or 30 miles on the Canadian Pacific Railway you pass Chelmsford and two or three other stations where the country is thickly settled, the settlers being nearly all French Canadians, well-to-do farmers, happy and contented. The land is easily cleared. It is soft wood land, with very little timber that is over a foot in diameter. The soil is a rich white clay and grows good crops. You can place 20,000 families along the Transcontinental in Quebec and from Cochrane west for 200 miles. From Haileybury to Cochrane along the Temiskaming and Northern Ontario road you have first-class land, easily cleared, and the settlers coming on that land have a better chance of success than if you put them on any land that I know of in Manitoba, Saskatchewan or Alberta. The reason is that this land is nearly all covered with pulpwood. There is work there every winter for every young man who wants to go into the camp. He can get work at good wages. He can get work for his team. He can find a ready market for all the hay and oats he can raise on his farm. The farmer that stays at home can take out pulpwood, draw it to the nearest station and sell it at remunerative prices, to go to the pulp mills along the Transcontinental railway.

I would advocate the Government, not through the Salvation Army, or through any colonization scheme or company, but through their own agents, going into the northern parts of Europe and selecting a class of foreign settlers, and putting them on that land, even if the Government advanced them $200 or $300 to enable them to put up a house and a stable.

Hon. Mr. WATSON: Bring back French Canadians from the States.

Hon. Mr. TURRIFF: Bring back the French Canadians. I prefer the French Canadians to any people that we can get from Europe. I want to say this, after a long experience, that you cannot get English-speaking people to go on wooded land and clear it up and farm it. The French Canadian habitant will do that. The people from Northern Europe will do it. And there is this about it: You put them on the land, and though times may be hard and they may have all sorts of difficulties, if you go back there in five years, those men and their wives and children are there working away, clearing up the land, and they are paying their debts. Go back ten years afterwards and you will find them still there. Go back fifteen years and they will still be there, only then they will be in comfortable circumstances. On the other hand, in the case of the English-speaking settlers from Eastern Canada, the United States or Great Britain, if things go badly with them for two or three years, where do you find them? British Columbia — Australia — New Zealand — any place but where they settled originally. That is true to a very great extent. I do not say that there are not large numbers of these people who do make good. There is always

a percentage. But, generally speaking, for a district such as I speak of, you do not want the English-speaking people. They simply will not clear up the land and make a success of it.

Honourable gentlemen, I have spoken at much greater length than I intended, but let me, in conclusion, express the hope that the honourable leader will see to it, as far as he can, that the Government will take hold of this immigration policy themselves and leave it to their own organization to carry it out. They will have ten chances of obtaining good results in that way as compared with the one they would have by handing it over to irresponsible companies or associations, or even to responsible organizations, that have not as good facilities as the Government for doing the work.

Hon. Mr. WATSON: Trained organization.

Hon. Mr. TURRIFF: It is necessary to have trained organization, and the Government have it, and we are paying big money every year to keep it up. Why not let them do the work instead of handing money over to other people to do it and leaving their own organization, which can do it better, practically idle?

I trust that the Government during the present Session will make a reduction of the tariff. I trust that they will organize a good, active immigration policy to be carried out through their own Department, to enable us to get in a number of settlers and keep them. But the one thing that I desire to drive home if I possibly can, is the way to keep the settlers on the land, for that is something we must do. Let me tell you, honourable gentlemen, that conditions in the West are bad. There is no use blinking the matter. We have no immigration now. There is a large emigration. There are far more settlers' effects going out of the West than coming in. The customs statistics prove that. What we want to do first of all is to hold the people that we have, and in order to do so we must cut down the cost of every article of production and reduce the cost of living, and it cannot be done by keeping up a high tariff on these articles.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, if there is no Senator who is prepared to continue the debate tonight, and if there is no objection on the part of my honourable friend the leader of the Government, I beg leave to propose the adjournment of the debate.

Hon. Mr. DANDURAND: Is there any other member of the Senate who has any remarks to offer this evening? If my honourable friend is not afraid of the hour, I would ask him to give us the privilege of hearing him this evening. It is only 10 o'clock and we might sit at least until 11. I do not urge that upon my honourable friend, but if he would now address the House we should be very happy to hear him.

Hon. Sir GEORGE E. FOSTER: I must claim the privilege of my age. The hour is scarcely advantageous.

On motion of Right Hon. Sir George E. Foster, the debate was adjourned.

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

THE SENATE

Wednesday, February 7, 1923.

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

Prayers and routine proceedings.

DOMINION ELECTIONS (FEMALE ELECTORS) BILL

FIRST READING

Bill C, an Act to amend the Dominion Elections Act as regards the qualifications of female electors.—Hon. Mr. David.

THE GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY

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

Right Hon. Sir GEORGE E. FOSTER (Translation): Honourable gentlemen, before making a few general observations on the subject of this debate, I desire to express my saitsfaction at the noticeable improvement in the acoustics of this Chamber. Honourable gentlemen will remember that at the last Session I had occasion to complain of the poor acoustics of this room, and urged that the necessary steps should be taken to remedy this defect. Now, for the first time, I can hear distinctly the prayers which His Honour the Speaker reads from his place, and the announcements of the clerk, and the words of honourable Senators who take part in our deliberations.

In order that the improvement may be complete, there are, it seems to me, only two things necessary: first, that each speaker should raise his voice to a reasonable degree; secondly, that he should not speak only to his next neighbour, or even to the Speaker of the Senate, but should speak so as to be heard by the Senators farthest from him. With these conditions fulfilled, we can conduct the business of the Senate easily and agreeably. I congratulate the authorities upon their action in this respect. I desire also to add my sincere and cordial felicitations to those which have been offered to the mover and the seconder of the Address by the leader of the Government, the leader of the Opposition and the other speakers who have taken part in this discussion. The father of the honourable Senator who moved the Address in reply to the Speech from the Throne played an active and distinguished part in public life. The duty devolved upon the honourable Senator to uphold the reputation and traditions of his family. We may judge by his speech that he gives promise of fulfilling that duty and walking in the footsteps of his eminent father.

As to my friend the honourable Senator from New Brunswick (Hon. Mr. Turgeon), he has been my colleague, my adversary, and my very good friend in another place. I have often heard him make excellent and interesting speeches there. I offer him my most cordial congratulations, and it gives me pleasure to think that during our sojourn in this Chamber, whether it be long or short, I shall have the pleasure of hearing him speak often in the language he loves so much, and on behalf of the race which he honours.

Now, honourable gentlemen, I will take shelter in the English language—the language of Chaucer and Shakespeare, of Walter Scott and Bobbie Burns; the language of Emerson, Lowell, Longfellow, Channing, and other writers of the United States; the language which is the means of communication for nearly two hundred million people, among the most powerful and most civilized in the world; and, better than all, the language in which the inexhaustible love of the mother has been communicated to the soul of her little child.

(Text.) Having vindicated my right to use the language of "la belle France" in this Chamber, I shall continue speaking a language which is more natural and more easy.

I do not purpose making other than some general observations on some two or three of the points that have been raised in this discussion. I do not think that the debate on the Address is very suitable for going into details on measures that are promised but not brought down; consequently I shall hold myself almost entirely to general observations. These observations may have in them some suggestions which honourable members may care to hear, and which may not be without some use to us later on.

I think one detects, both in the discussions in the Houses of Parliament and in the newspapers, a faint tinge of something which might be called pessimism and panic. I think we ought to resist that, both in the Houses of Parliament and outside. There is no occasion for pessimism or panic in the situation of Canada and the conditions in Canada at the present stage. It is well for us, when we think upon these conditions and this situation, to take a comparative view and to contrast ourselves with other sections of the human race, who are gathered in nationalities and empires, who have gone through somewhat the same experience through which we have gone, and by comparison to lighten our lot, or at least bring ourselves into communion with the brotherhood of humanity which has passed through the misery of a terrible war, and which, in consequence, must now bear the burdens of the same. Thinking a little in that direction, we might also take into consideration the fact that a country must bear the penalties of its own mistakes and errors; and, summing up the situation to take into account the conditions in Canada to-day, we must take account of the penalties inflicted by over-optimism and by mistaken policies entered into in good faith at the time, and with the best intentions, but which have not come up to the hopes that were inspired at their commencement and have entailed consequences which were not then foreseen.

Foremost among these is the railway situation. Our condition would be infinitely easier to-day if we did not have to provide for a deficit of $60,000,000 or $70,000,000 on the operations of our National railways. That is a burden of which we may complain; but it is there, and it has been entailed by our own work, by our own policies, by our own enterprise. We must simply bear the burden. But it is borne more easily if we, in faith and in fair hope, let our vision go a bit forward and contemplate the time in the future when in the progress of Canada these railways which are to-day a burden may, if properly worked out and operated, not only balance their receipts and expenditures but be a source of revenue to ourselves. To take a burden and bear it with our eyes fixed upon the ground is different from taking it and bearing it with our eyes set forward to a time when the burden will be taken away and

may be changed into a revenue-producing asset. If we bear the present burden more hopefully, more lightly, we will the more readily bring about a successful conclusion.

Then, we have to take into consideration that we have passed through a war, and that we must abide by the results of that war. We have to-day a net debt of $2,400,000,000. Before the war our debt was by comparison the small sum of about $330,000,000. Our debt was imposed upon us by ourselves because we went into an undertaking, a war, the result of which has been to entail this expense upon us; and we must meet the burden of this expense in the same spirit, and by the employment of the same will and determination that we exercised in so successfully carrying on the war.

To-day we have to pay an interest charge of $136,000,000. Before the war our interest charge was a comparative trifle of $11,000,000 or $12,000,000. We may think that the burden is heavy, but it is a part of the great undertaking of 1914. How did we get through the war? By self-denial, by self-sacrifice, by thrift, by denying ourselves the pleasures that we might otherwise have enjoyed, and by sacrificing the things which we held most dear. How are we to get through the results of the war, and bear the burden that has been placed upon us? By the very same mentality, the very same spirituality, and the very same exercise of labour and work; denying ourselves, practising thrift, doing without things that we might otherwise enjoy, in order that we may lift the burden which we undertook voluntarily for the liberty and justice and good of the world as a whole.

We must also, I think, for our own benefit bear in mind that this is but a temporary burden, and that if, in the spirit and by the means which I have indicated, we set ourselves to the bearing of this burden, it may each year become less, and the prospects in the future will be that it will be taken off our shoulders entirely, or measurably so. But by all manner of means let us avoid getting into a pessimistic state of mind, and, although it seems like abridging the privileges of a public man or a member of Parliament, we should advise caution of speech in public places rather than give occasion for lack of confidence in those who read our speeches and who hear what we say; and we should also avoid giving advantage to those who are our competitors in the great world in national enterprise.

Some one has asked whether or not we have a national spirit in this country, and has almost expressed a doubt as to whether our national spirit has improved from Confederation up to the present time. I have not the least doubt upon that matter. I believe that the national spirit of Canada is strong and virile and is growing and increasing. I could spend much time in bringing evidence to bear upon my belief and conviction in this respect, but I do not think it is necessary; and I am not one of those who, in speaking in public places, would think it wise to say too much about the temporary difficulties which surround us. We have committees, we have conferences, in which we need blink none of the difficulties that are ours to-day; in which we may probe to the very bottom the causes and reasons for these things. But I would do it in conference and committee rather than give countenance to a general idea that our prospects were sombre, that our future would be gloomy, and that it was a question whether or not we should survive the burdens which are at present upon us, and come out at last into the brighter atmosphere of prosperity and happiness.

What we have in all parts of this country is, I think, a love for Canada as a whole, a spirit of union for the common purposes of our common nationality, and a hope, which is strong and will not be denied, that the future holds for us, if we are wise, patient, and energetic, if we love labour and pursue it, a prospect which might well be the pride of any country or any nation in the world.

A word now with reference to another subject. I think two phases of the situation are most important at this time: the economic position, and the question of immigration or of population in our country, and I wish very briefly to deal with each of these.

You often hear the argument, and see in the newspapers articles which put the argument: why is it that in Canada, with such abundant natural resources as she has, there should be any unemployment or any real want? There are the mines, there are the forests, there are the fisheries, there are the wide agricultural lands. Canada has awaiting development resources sufficient to give employment to all and to supply the necessary articles of consumption to every inhabitant of this Dominion. Why then is there any unemployment? Why then is there any need or want that is left unsatisfied? One says it is due to governmental administration. Another says it is due to a radical defect in our economic or social system. One or the other, or both of these, are blamed for the situation, and the critics pounce upon the one

or upon the other. One wants to turn out the Government in order to have the whole thing rectified. Another wants to pull to pieces our social organization. To revamp it? No. To recreate it from the beginning, in a day and a night, and so get rid of our difficulties and open up the way to a better future.

Now let us examine this argument, which is a specious one, and see what there is in it. True, there are your mines; true, there are your fisheries; true, there are your forests; not inexhaustible by any means, but very abundant; and there are your wide, fertile agricultural lands. They are productive potentially, but, standing as they are to-day, they are not productive to anything like the extent of their capacity to produce. But they will stand there unproductive, in the same measure, forever and a day unless there are certain conditions which invite them to life and activity. They will become operative and productive only when consumptive demand presses for the things that are treasured therein, and when that consumptive demand is backed by the wherewithal to pay for that which consumption demands and needs. There lies a point for us to consider, and to consider pretty seriously and thoroughly. Unless those conditions are fulfilled, production of the richest resources cannot be carried on—cannot be prosperous in a country.

Now, what is it that in these days weakens the consumptive demand and makes it impossible for it to incite into full activity the productive resources of the country? The wherewithal is not there. The wherewithal is called for in other directions and has to be apportioned in part for other purposes. Here is the earner's wage for the year. We say that it is in his box. It is so much and out of that he has to meet the necessities of the situation and satisfy the demands that are made upon him. Before the war that box was invaded by demands for certain necessities, and answered to them; since the war there are additional hands which grasp something from the store of the man's yearly wages. I have hinted at that already. Before the war the hand of the war-tax did not come and demand income tax, sales tax, tax on business profits, and other war taxes. As a result of the war that hand is extended towards the box, and it must be filled, and takes from the sum total which otherwise would go more largely in the direction of exciting and sustaining production. If you sum up these things, you will find that a large proportion of the earnings of the householder and the business man are forfeited to the payment of an unproductive tax, which diminishes by that amount the consuming power in so far as it is backed up by the wherewithal to pay what it is desired to consume.

Take, for instance, the British debt to the United States, which is solely a war debt, amounting in round numbers to £1,000,000,000 sterling. The interest upon that has to be met, and amortization brought about, and it is calculated, under the arrangement made, that before the whole debt is wiped off the slate, the British taxpayer will have sent to the United States in cash or in kind £2,000,000,000 sterling, an immense amount of money, which but for the war debt would have gone into the channels of consumption, and would consequently have called for production and the employment which increased production demands and must have when it is carried on. These things have to be taken into account.

There is another thing which has to be taken into account as well, and it is this. While the war was going on we cultivated or acquired some expensive tastes. While war destroys the very vitals of the countries engaged, it produces a period of tremendous activity, tremendous prosperity, financially. In the production of war materials and war supplies, and all that war requires, a scale of expenditure and living was assumed, which went up like a sky-rocket, and which has not yet completely come down. Are we harbouring still some of those expensive tastes? Necessity compels most people to resist them, and prudence should advise everybody to resist them and come down to the elements of plain, simple, reasonable living. If this were done, it would place in the common treasury, for the payment of consumptive demands and for the incitement and support of productive energy, in the aggregate a vast amount of money.

Now, this can be carried out along other lines, and it is fruitful wherever you go along those lines. It has been shown, despite Governments or any theory of economics, how, as a result of war, the domestic capacity for consumption has been reduced, and consequently the power of production has been thereby curtailed. But a country produces not only for its own people. It produces as well for peoples outside of its bounds. Foreign commerce is important in its way, though not as important as domestic commerce. When you look at foreign countries, what is the situation with regard to this consumptive demand, backed by the wherewithal with which to pay? The consumptive demand is there. No man can spend a

few days in Austria or in any other part of central Europe without being convinced that the stomach of the world needs far more food than it is able to get; that the back of the world needs far more clothes than it is able to provide; that all the common needs of life, the reasonable comforts of life outside of the luxuries, are hungered for, are desired.

But what is the trouble? The desire is there, the capacity to consume is there, but the wherewithal in cash and credit is almost absolutely lacking, or is lacking to such a degree that it explains in a moment, if a man lets his thoughts wander over that field, why there is such lagging in trade, why there is such unemployment, and why the productive enterprises of the world have not the prosperity of former times. When, for instance, the currency of Austria goes down to the value of 320,000 crowns for a British pound, or when it takes 40,000 or 50,000 marks to buy an American dollar, which before the war could have been bought for 4 marks—when you come down to a situation in which credit is absolutely gone, and cash is a paper commodity which has to be put in sacks or large parcels in order to have an equivalent value —when we come to consider these things, we get the plain answer as to what production lacks, despite Canada's rich resources, and consequently what employment lacks in the way of production. At home, as I have shown, and abroad, as my view will lead us to see, the consumptive demand, though large, is not able to refresh and fill itself because of the lack of the wherewithal.

That does not get us out of the difficulty, I grant you; but it gives us the reason for the difficulty, and it causes us to avoid the flighty fads and schemes of chance fraught with peril and danger in order to bring about a different condition. Patience alone will do it—patience and the operation of natural causes; patience and the co-operation of the better nations of the world for the rehabilitation and stabilization of the standard of money value and the commerce of the world. That is a process which takes time, and whatever may be our wishes or our theories, time will necessarily be taken to bring about a perfect rehabilitation.

So much for that. I leave that as it is. The moral to be drawn from it is that in individuals, thrift, economy, self-denial, are still as necessary as they were during the war; that in administrative and governmental situations they are as necessary now as they were then; and that consequently both individuals and administrations, municipal, provincial, and national, should through thrift and economy and saving, and the patient working out of administrative and legislative matters, make the situation as easy as possible, in order to bring about more quickly the day when the prospects will have enlarged and the conditions will have been greatly improved.

In line with these remarks may I be permitted a remark with reference to the management of the railways, a matter which I approach with a good deal of diffidence and upon which I have no very abstruse theories. One thing I will say: about $60,000,000 or $70,000,000 are imposed upon us at present as a yearly penalty for the errors of the past. We must look to a railway management so wise, so careful, and so free from deleterious and harmful influences, that it will be enabled to work towards its object on business lines absolutely unhindered by ulterior considerations.

I look with a good deal of suspicion upon the first gesture of the Government with reference to this railway management. What has taken place is as plain as the nose on a man's face. It is this. A party cast has been given to the management, which did not exist before the appointment of the new Board. No one can doubt that, outside of some notable exceptions, the Board of Directors is a board which has been appointed by the Government for party reasons and with party considerations underlying. It is unfortunate that party considerations should be so emphasized, by the Government's dismissal of a non-partisan board, and its replacement by a majority partisan board, as to awaken the suspicion and arouse the fear of the people at large that deleterious influences may be at work in this new management of our railway enterprise. It is not only a partisan appointment of directors; it is all the worse for being sectionally partisan. If business men of ability and experience who had served the Liberal party, business men with knowledge apropos of and pertaining to that most complex business of managing a great railway corporation had been appointed, and if they had been chosen irrespective of geographical limits the matter would not have been so open to suspicion, and so liable to produce a want of confidence. But these men have been appointed, and they represent districts, and they represent the Government on that Board, in a partisan and political sense. You see what is happening already. Nova Scotia has a member on that Board; why was he appointed? Primarily to look after the interests of Nova Scotia, and incidentally not to prejudice the party interest in that province. I will not go any further than that and say that the appointment was for

the purpose of keeping up the fences of the party in the interim between elections. But that is the fact in reference to that appointment. If geographically or sectionally, the Province of Nova Scotia should have a representative on that Board of Directors, why should not New Brunswick also have a representative on that Board? Has New Brunswick no sectional interests other than those that appertain to the Province of Nova Scotia? Already you see the fruits of that. An appointment was made from the Province of Quebec. That was supposed to be sufficient, that was supposed to be the only needed representation; but demand is made that another section of Quebec shall have another representative on that Board, and I am told that the appointment will be made. That raises the sectional spirit all through the Dominion, and it will not be many weeks until the Government will have that problem straight before them. Why give representation on the Board for the direction of the interests of one section to one part of the Dominion and refuse to give it to another? That, to my mind, is a gesture made in the wrong direction. If a change of directors takes place in government after government, when one goes out and another comes in, and partisans of the incoming government are put in the places of those who are dismissed or asked to resign, you will then have a partisan directorship with all the ills that flow therefrom, and with all the perils which beset the path of such administration. What I should like to have seen, what I believe would have been in the interest of the party itself now in power, and certainly in the interest of the Dominion, would have been the selection of men on business grounds and on business grounds alone—those who, by their experience in business, in operation of companies, in various ways, know something about, and are able to devote their entire attention to, the complex problems of the management of a railway 22,000 miles in extent. That I should have liked to have seen, and I think it would have been far better, if not for the party in power, certainly in the interest of business and of the railway as a whole, that that course should have been pursued.

In the Speech from the Throne no reference is made to the Civil Service Act or the Civil Service of the country; but I notice that strong supporters of the Government have resolutions on the Order Paper in another place either to modify or to do away entirely with the Civil Service Act and all that it implies. I am told—but I do not know how true it is—that continual pressure is being placed on the present Government to make holes and breakages in the line of civil service rules and regulations and so to introduce little by little, and at last as fully as possible, the old vicious system of political patronage. I think it is the place of honourable gentlemen who have seats in this Chamber—it is the place of all good citizens who desire economy and efficiency in the public service—to set their faces against any attempt to make modifications which will injuriously affect the Civil Service and bring back into it the old system of patronage, because under that, you may be certain, you cannot have either the efficiency or the economy that is to be had under a well organized and well carried out Civil Service Act.

Hon. Mr. LYNCH-STAUNTON: Have we had economy under it?

Right Hon. Sir GEORGE E. FOSTER: Yes, we have had economies under it. I think any person who will study carefully the operation of the Civil Service Act since its inception will find abundant testimony to its economical advantages. I am not speaking on that subject to-day, but if the matter comes up again in debate we shall be able to deal with it.

The next and only other subject that I shall speak about is the subject of immigration. I would like if that term could be in some way or other enlarged. It seems to me that when we set ourselves to discuss the subject of immigration and to devise means for furthering immigration into this country, we do not get the full significance of the country's want or of the possible methods of supplying that want. Immigration refers simply to the importation of foreign material into this country. But the whole question which is at stake is the important question as to how the population of this country may be increased, and how the population from natural increase may be kept in the country and may be so trained as to become the most useful citizenship possible. I do not think there is any doubt at all in the minds of members sitting on these benches that a unit of the population born and brought up in Canada, in the Canadian atmosphere, under Canadian institutions, with the Canadian spirit and Canadian ideals constantly in view, is, other things being equal, a far better unit of the population than a person brought from some European country, in middle or later age, out of conditions so different from ours, and set down amongst a population that is to a large extent

alien to him. I do not think there is the least doubt about that; and, speaking generally, I would say that ten thousand Canadian children, brought up to good, sound citizenship, are a better asset than twice or three times that number imported in adult age from foreign countries and mixed with the population of Canada.

So there are two branches to this question. The whole is embraced in the idea of increasing the efficiency as well as the numbers of the population of Canada. We have now 9,000,000 people in this country. It is said that people are leaving this country and going to another. That will always be the case. There will be ebbs and flows in that kind of migration. There will be circumstances in other countries to attract our population, as at the same time there will be in this country circumstances which will attract the population of other countries. Sometimes the ebb is greater than the flow; at other times the flow is greater than the ebb. We have had experiences of this in our 50 years of Canadian history. But I do not think that any one will deny the fact that the attention of Canada should be drawn not only to the inflow of people from outside countries, but also to the conservation of the population that is born and brought up to greater or lesser age in the country itself.

I suppose that no science has been so backward as what may be called social science; that is, a knowledge of the conditions of society as affecting the individual and the family, and all the influences which bear upon the upbringing of the child from infancy to manhood or womanhood. That science has been neglected until within the last few years. To-day it is making strides, and a number of most influential organizations are at work, there is an efficient and uniform method of gathering, analysing and distributing information, and remedial means are being taken to make as effective as possible the upbringing of the youth of Canada. I think myself that Governments should have an eye towards that branch of the subject, as well as spending money and forming organizations to bring in people from abroad. Is it not a fact that strikes one as somewhat deplorable that, whilst in other branches we have adopted the latest and most efficient methods possible for the production of that which is best, we have not paid the same attention to nurture of our own population, and that consequently this has been carried on under difficulties and there have been debilitating influences at work, which have taken away from the efficiency as well as from the numbers of the native population? I think we must mobilize all the best institutions and influences of our country—the medical faculties, the educational processes, the religious influences, the humanitarian impulses and enterprises of the country—along the line of increasing the possibilities for the efficiency and the growth of our native population and its maintenance within our country.

As regards the inflow of population from abroad, all of us are in favour of any reasonable, sound method of increasing our population by that means. I am one of those who believe in the work of the Salvation Army. I think their influence on the populations of countries outside of Great Britain has been good. In Australia, New Zealand, and in the Dominion of Canada they have introduced an element which has been void of most of the dangers and difficulties of inflowing population—an element which has been carefully selected and, what is far better, has been supervised and attended to after it has become a part of the population of the new country. Consequently I am in favour of any fair method of co-operation with such an organization as the Salvation Army. It has done fine work in the past. It is an organization which may do good work in the future.

I have not heard what conclusion the Government has reached in reference to a new phase of emigration from Great Britain and immigration to this country; but I know that the Government of Great Britain has appropriated a large sum of money, and is disposed to continue appropriations along the same line, for working in co-operation with outside Dominions, in the matter of expense of transport, training and the like, for the purpose of building up a system which will retain Empire citizens in Empire countries and prevent the waste of valuable national resources by the dispersion of those citizens to other than British countries. I know that the Commonwealth of Australia, which under labour auspices has been not at all inclined to help immigration into that country, has to-day turned a new leaf and is following the policy of co-operating heartily in the way that I have intimated with the British Government. Already plans have been made by which at least 75,000 British emigrants will be within the next few years settled in the Commonwealth of Australia under the mutual effort and mutual burden-bearing of the old country and the Commonwealth itself. A similar policy is operating in Africa and in New Zealand.

What is being done with reference to this in the Dominion of Canada? Perhaps the

Government has settled on its plan. But I noticed an extract from a speech that was given the other day by a British minister in which he deplored the fact that, whilst in Australia, in New Zealand and in the Province of Ontario the proposals had been fairly met and co-operation was being carried on, it yet remained for the Dominion of Canada to say what it intended doing in this respect. An offer of co-operation, the purport of which is to bring British stock into this country, is a proposition which, I think, should not be ignored, but should be eagerly and carefully considered and accordant action should be taken in connection therewith. I hope that this is part of the policy of the Government.

Honourable gentleman, I have spoken these few random words in a general way. I end my few remarks by drawing the attention of my honourable friend the leader of the Government to something about which he was quite enthusiastic a year or so ago. I am not satisfied with the position that the Senate holds with regard to the legislation and government of this country. I do not think that the Senate, which is a constitutional part of the legislative entity of this country, occupies the position which it ought to occupy. Here are 96 men drawn from every section of the Dominion of Canada—men of experience, men of large business experience, many of whom have had long experience in legislative matters, some of whom have been ministers of departments in federal or provincial legislatures and governments. Here we are, and we spend our time during the Session ostensibly ready to do, or doing, the work of the state which constitutionally devolves upon us. I do not think we are equipped or are given exactly the proper means to enable us to carry out that work. It is impossible for my honourable friend the leader of the Government, even though he worked every hour of the day and every hour of the night, to make himself acquainted with the principles, not to say the details, of the different departments of the Government. He cannot be expected to do it; he cannot do it. He himself knows that he cannot do it. When 96 members set their faces towards a subject and ask for information, trying to ascertain the mind of the Department which proposes the legislation in question, and to learn what has been the effect of previous legislation, and what are the details and results that have been worked out, it throws the damper of a very wet cloth upon those 96 men to be told by the honourable leader of the Government here: "I do not myself know, but I will ask for information." There is nothing more depressing. A query of information is sent to some practising member of the Government in a Department, and it is handed over to a clerk, and perhaps 10 days, or 20 days, or even a month, afterwards, a lifeless and unvivified memorandum is brought to this House and is laid on the table. All the spirit has died out. The desire for information is only a living thing when the information can be given at the time it is required. We have no proper liaison between that part of the Governmental entity that sits in another Chamber and that which sits here. What this Government ought to give us is at least two operating ministers of departments in this Chamber. In the olden times we had them—sometimes more, hardly ever less. Then you will impart real life to the doings of this Chamber, and you will find that members will take an interest in its business, and that these seats will be occupied rather than vacant.

I commend that suggestion to the Government, in the interest of the Government, the interest of the country at large, and in the interest of the Senate. Senates are powerful bodies in other countries. Take the Senate of the United States, for instance; take the House of Lords in Great Britain, which, though shorn of some of its powers, is still a mighty factor in the administrative work of the United Kingdom and the Empire. Who on the street asks to know what is the opinion of the Senate upon this or upon that question? Who in the press really takes any trouble to know whether the Senate has any ideas, and, if so, what they are, upon any branch of legislative concern, or upon conditions which require the best and most united work of all in order to arrive at a successful conclusion?

I think this might be done. I see on the other side of the House, seated around my honourable friend who represents the Government (Hon. Mr. Dandurand), men of great ability, men of large experience, men who have energy and a desire to do their work in the way of legislation. What is to prevent my honourable friend making a levy of a certain number of men on his own side of the House and arranging that they shall be responsible to their brother Senators for the affairs of departments which are not represented in this House? That would give those honourable gentlemen something to do which they would be very glad to do, and it would be of immense interest and help to us all. Surely something of that kind might be done.

Then, again, our experience of last year saw almost all the Bills that came to the Senate for examination pitched in during the hot days of summer in almost the last week of the

Session of Parliament. What opportunity or chance is there for good work under those conditions? Why could we not have a reasonable number of important Bills given to the Senate to take up and dissect, upon which we could bring our experience and wisdom to bear to put them into shape for the Chamber below? I do not know whether the British constitution or the Canadian constitution would be absolutely broken into bits if an arrangement were made somewhat like that foreshadowed by my honourable friend—that in the case of very important measures a member of the Government in active administration of a department should have a seat in this House for the purpose of explaining to the members the details and inner workings which it is almost impossible to get in any other way, and which could so easily be communicated in some such way as I have suggested. The British constitution has stood many an assault from the days of Cromwell down, and it still lives and is vigorous; I do not believe that the pillars of the Canadian constitution would be pulled down if some such practical arrangement as I have outlined could be made.

Honourable gentlemen, that is my humble contribution to the gaiety of the Senate in respect to the debate upon the Address.

Hon. RUFUS H. POPE: Honourable gentlemen, it was with a great deal of pleasure that I listened to our new and young Senator who speaks both languages (Right Hon. Sir George E. Foster). While I could not understand one of them, I have no doubt that his speech in that language was very eloquent.

If I had been going to select an authority on the classification and the improvement of the human race, I would not have selected the honourable gentleman who has just spoken to say why there were weaknesses in the reproduction from one generation to another. I would have gone elsewhere. I would not have made that comparison between the rearing of animal life and of human life. Having been a farmer all my days, and a breeder of stock, I know that while we can to a certain extent control what shall be repeated in animal life, we have not any such control in human life. Therefore we have to take those chances; and when I look over the human race as represented in Canada, I think we have to thank the women, the mothers of Canada, for being able to reproduce from generation to generation a wonderful people, in spite of the weaknesses of the men. I pay that compliment to the women, as the founders of the race.

Sir GEORGE FOSTER.

Speaking of the question of immigration, I quite agree, let the Government be what it may, that we must find some policy that will keep our native-born people at home. I quite agree with the honourable gentleman that they are the best qualified citizens for this country, having been born and reared in our climate, and knowing its conditions. I think the native-born baby is the best immigrant in the world. Down in our province of Quebec we have appreciated that fact, and have kept on doing business in the old-fashioned way, and in that we have an immigration of our own which is not only supplying our own necessities, but is contributing largely to the deficiency in many of the other provinces of Canada. You will find these people economical, good agriculturists, indusrious good-living people. But we must have a policy, and the Government of the day, not the honourable gentlemen on this side of the House, for we have no power, are responsible for that policy. I want the leader of the Government in this House, the only representative of the Government here, to carry back to the Cabinet of which he is a member the assurance that if they desire the liberal, independent support of the majority of this Chamber, it is up to them to put in force some legislation that will redound to the benefit and prosperity of Canada and keep our people at home, instead of spending millions of money to bring immigrants from abroad. We have brought many immigrants to this country who are undesirable; the United States brought many immigrants to that country who were undesirable; and to-day you find many restrictions placed upon Europeans coming into the United States because it has been discovered that there are certain kinds of humanity on the continent of Europe which they do not want reproduced in that country. We do not want them here either. We must select men and women from the best centres of Europe, and I say let us go slow until we can formulate a policy that will keep our own people at home. There is not a port of entry from Halifax to Vancouver in any of the provinces of Canada where to-day there are not men and women going over to the United States—and why? Because there is a weakness in our national policy.

The honourable gentleman who moved the Address (Hon. Mr. Hardy) said that there was a time when at heart he was a free-trader. He said that in 1919 everything was at the height of prosperity, but that since then there had been very great changes; and he ventured to say that a reduction in the tariff

would have resulted in an almost disastrous course of events. I do not know that we have ever had come into this House so consistent a Liberal as that honourable gentleman, who stood on both sides of the question inside of five minutes. I think that if there are any medals to be struck for Liberal consistency, one should be struck for the honourable gentleman from Brockville (Hon. Mr. Hardy): he has won it, and deserves it. He did not try to deceive us. He told us plainly that he stood astride of the fence, ready to drop one way or the other. That is the case with the Government: they stand astride of the fence; and in that utterance, he truly represented the Government. They dare not come down in the House of Commons with a pronouncement of policy—and without a strong policy you cannot govern this country and redeem it from the position in which it is placed, financially and otherwise. I quite agree with the honourable gentleman who has taken his seat (Right Hon. Sir George E. Foster) that this should not be emphasized in public places. But let us realize that we are not here simply to occupy space, but to lend our best efforts in legislation, and to remedy the weaknesses that we find in the national life of Canada.

Let the Government pronounce a policy and come down with it. If it is free trade, let them bring it down; if it is protection, let them do likewise. If they are defeated in the House of Commons, let them go to the people. Let Canada have a policy that is strong and national in its character, and protective of all the people of Canada. Let it come from where it may, it will receive the support of the sound people of Canada. What is the policy of the present Government? We have seen the spectacle of them going around last year with a snuff-box, and saying: "Will you please smell; take a sniff of this; when we find a flavour that suits everybody and suits nobody, we will inaugurate a policy for this country.".

We have a destiny, and it is not to be conceived or created by weakness or cowardice, or by any Government that is afraid to come down and face the issue and get on one side of the fence or the other. There they are: let them choose whichever side they like. I say to you, who represent the Government in this House, that it is impossible to develop Canada to the full promise of our national assets with a policy that is not strong in all its features. We talk of bringing in farmers. Good God, we have farmers going away by the hundreds, all through the length and breadth of Canada; nailing up their houses and deserting them in the Province of Quebec, and deserting their equipments in the West; and you are asking a foreigner, a stranger, who knows not our climate or soil or methods of agriculture to come here and make a success while men who have tried it have failed.

Last year we had a policy in regard to a wheat board, which was so weak that even the gentlemen out west who fostered it in the Committee of the House of Commons failed to make it go. There was not a man in Parliament who knew anything about legislation but knew when it went through this House that it was doomed to failure. It was not timely: it was weak from A to Z; and any Government that does not recognize that Canada has in the West a country that produces the best wheat in the world, now that Russia is out of the market, and that we have a mortgage on the markets of the world for quality, but is willing to trade off our wheat to be mixed with American soft grain so as to compete with us in the markets of the world is unworthy to be called the champion of agriculture, whether it has forty farmers or none at all supporting it. What is the good of these people, having acquired a claim from nature, crying to the Yankees: "For God's sake, buy our wheat and mix it with yours so that you can compete with us in the market."

Honourable gentlemen say that they are going to have in the House of Commons another committee to offer us another measure. I presume it will be after it has been snuffed around. After this one has smelt, and that one has smelt, and everybody has smelt, they will bring this thing here to occupy the attention of this House, and if we on this side of the House dare to criticize it, we shall be called blind partisans.

Now, they speak as though this Government and its Cabinet Ministers had done something to get the cattle embargo removed. Let us be honest with ourselves, and let us be fair to the men who were able to get that embargo removed. In the first place, it was due to a promise made by the British Government to Canada through Sir Robert Borden in 1917. It was the fulfilment of that promise. You will find in the Journal of the Parliaments of the Empire a speech delivered by Mr. Asquith, in which he said:

> The legislation for the prohibition of the admission of foreign cattle was proposed by a Government of which he was a member, not for the protection of the British farmer against foreign competition, but for obtaining the immunity of their herds and flocks against the possible importation of foreign disease. In the years which followed a growing agitation arose for

the removal of those restrictions as regarded the Canadian source of supply.

Although for many years he had been firmly convinced that Canadian cattle ought to be and might be freely admitted to this county without any real danger to their own herds and native sources of supply he had always been ready to concede that there was a very strong case to be made upon the one side as well as upon the other.

There were, however, two new factors which ought to be conclusive to the House.

I do not see that in the Speech from the Throne.

The first and more important was what took place at the Imperial Conference in 1917.

The honourable gentlemen were not in power in 1917.

He could not conceive how anyone who had read the proceedings of that conference, and the authorized and official comments subsequently made upon them by no less an authority than the Prime Minister himself, could seriously maintain that they were not bound in honour to one of the greatest of their own Dominions to implement the solemn promise which was then given.

It is the implementing of that promise, based upon the health of our cattle. And I desire to say something in praise of a gentleman who is not in this Chamber, but who happens to be in another House, and who was then, fortunately, Minister of Agriculture for Canada. He is a veterinary and farmer. I am speaking of Hon. Dr. Tolmie. It was Dr. Tolmie's conclusive evidence before that Commission in England that sealed the fate of that prohibitory legislation and made it possible for us to establish the fact that for the past 30 years Canada has been the healthiest country for cattle anywhere in the world —anywhere in the world, mark you. Never again can this be questioned, after the conclusive evidence that Dr. Tolmie gave.

There are some complications in this matter. We have an arrangement with the United States whereby our pure-bred stock may go into that country free. If we were to bring pure-bred stock from England, where the foot-and-mouth disease existed, and admit it to this country, you may be sure the markets of the United States would be closed against our pure-bred stock. That is a very serious matter, and we have to take that into consideration as well as the other things.

Then, if you examine the details of this matter, you will learn something about the regulations which surround the wonderful gift that is referred to in the Speech from the Throne. Who the present Minister of Agriculture is, who has had so little experience in the handling of live-stock as to offer this unqualified approval to the representative of His Majesty to be transmitted to us, I do not know, but it would do no harm if he were replaced by someone else. We find in the regulations, in the first place, that these animals have to be kept separate from other animals for at least three days—in Montreal, we will say. They have to remain there and be fed for three days, and have to be examined every day by a veterinary surgeon, so that he may see just how they are getting along. Then there must be a veterinary on every boat, and during the voyage these animals have to be inspected every day by that veterinary. When they arrive on the other side, there is no limit to the time they may have to wait for proper inspection before they may be sent to the market. Now, consider the feeding and care, and the expense of all that in connection with the shipment of ordinary store cattle; for that is what this Importation of Animals Act refers to. It does not refer to pure-bred stock; it does not use even the word "beef"; it uses the word "store cattle". Consider all that expenditure which must be incurred for each one of these animals. Therefore I say again that it is a false note of encouragement that the Government of the day have asked His Excellency to give to us in the Speech from the Throne.

There are a number of impracticable things about the arrangement. But who went from this Government to England to deal with this matter? There were, as I understand, the Minister of Finance, the Minister of Marine and Fisheries, and the Minister of Labour. I do not know if any one of the three could milk a cow.

Hon. Mr. DANDURAND: There were the experts from the Department of Agriculture.

Hon. Mr. POPE: They went over also? I am glad of it. But if you have no better experts than those who would agree to all these complications, again I say, change your experts. Think of Canada for just a minute or two. Never mind those people and their responsibilities, but think of the farmers of this country, who are suffering far and wide. Think of them. You cannot ship cattle under that arrangement; it cannot be done. Honourable gentlemen of the Senate, we cannot develop our cattle trade under the restrictions contained in those regulations. There they are, and the truth of my words will be proven by the effort that will be made. We have been handed a lemon with the juice all squeezed out.

The Minister of Agriculture from Ontario, Mr. Doherty, I think, claims credit for the removal of the embargo. He was over in England and worked in an election there. I am quite sure they did not think much of his work in that election. Still that would

not faze Doherty—a little thing like an election.

Now, I desire to refer to the question of the railways. The ex-Minister of Railways, the late Mr. Kennedy, is here no longer. I am sure we all regret his sad death. I am one of those who sincerely believe that, if Mr. Kennedy had not been taken ill, the reorganization of the Board of Management would not have been on the same lines as it is to-day. I am quite convinced of that, and I am not alone. There are many people with whom he had communication, who were satisfied in that respect.

This document, mark you, is the Journal of the Parliaments of the Empire, a book or magazine which goes, as you know, to all the Parliaments of the Empire, and it should contain the truth, the whole truth, and nothing but the truth. This is read by people in the old country and in the other Dominions, and it is in the light of the information contained in this publication that those people think of our legislation and judge us. This is what Hon. Mr. Kennedy said:

> This Board would be thoroughly representative and would include in its number the most competent railway men.

Now, here is Mr. Graham's list:

Mr. John Sinclair; ex-Liberal member for Antigonish, a played out politician of ordinary ability, put on the Board to watch the Grit party's interest. Number one.

Mr. Ernest Decarie, former Controller of Montreal; appointed by Mr. Gouin; a Liberal. He has been given another job by the Liberals, by the way.

Mr. Tom Moore, representing the employes. Never worked on a railway, but was preferred to any of the 90,000 railway employes. The representative of Labour and the railroad men! A real Labour man! I do not know that he ever saw a railway.

Mr. Gough, fur merchant of the city of Toronto. The only thing I can find out about his record is that he is a Liberal.

Mr. James Stewart, President of the Maple Leaf Milling company, and Director of the Bank of Montreal. He was put on the Board because Mr. King, the Prime Minister of Canada, objected to men with large interests being appointed to this Board. In order to show Mr. King that he did not amount to a—(whistle)—Mr. Stewart was put on there as representing Mr. King's promise.

Mr. Dawson, of Prince Rupert; a Liberal. I do not know anything about him. I am told that he has a certain qualification, but I do not know how true it is. They say he carries things in the legs of his boots. If he does I wish they had put him into the Senate instead of on the Board. I might have found some use for him.

Then you have Mr. Graham Bell, the Deputy Minister.

Then you have Sir Henry Thornton. I know nothing about Sir Henry Thornton except that he is a fine-looking man. He has had a good deal of experience in railway operations, but it has been in densely populated areas. He is quite new to the problem of operating these 22,000 miles of railroad.

But when I think over what this road was when it was taken over by the Government that has just gone out of power—when we had to take over the wreck that was left on our hands as the result of the Liberals having been in power for 15 years, and when I compare it with what Mr. Hanna left behind him, I say that I do not believe that we had in Canada, available to us, a man who could have done better than Mr. Hanna and his associates in that system. That is all I have to say. The Board was non-political in every respect. The Lord knows what they were politically. I do not. I know they were not Conservatives, or I could have smelt them. I have that sense by which I can smell a Conservative. Especially in these days, he is sweet. The Liberals in Montreal will soon be as sweet if they keep on.

I hope that Sir Henry Thornton will achieve all the success that is anticipated. He cannot receive any hearty encouragement from the gentlemen who form the Government and who sit around him. They were not in favour of the nationalization of railways. I do not know what they were in favour of, but they were not in favour of nationalization, and the honourable gentleman who leads this House knows it quite well, from the election that took place last December in the city of Montreal. But, judging by the election that took place two or three days ago, I am beginning to think that he did not know anything about the opinions of the people of the city of Montreal. I have some hope that, since the headquarters of the railway system are to be in that same city, the Board of Management will be surrounded by good advisers and will receive encouragement, and that the aspirations we in this country have for the perfecting of the national system will be realized, and that, in spite of all the faults you committed in 15 years—and God knows they were many—the time may arrive when you and yours will be forgiven.

Thank you, honourable gentlemen.

The motion for the Address was agreed to.

THE LATE HON. SENATOR PROUDFOOT

TRIBUTES TO HIS MEMORY

Hon. RAOUL DANDURAND: Honourable gentlemen, since we separated in June last we have had the misfortune to lose a member of the Senate who left us in the full enjoyment of health, and whom we were sure, so far as anything in this life is sure, to meet again when this Session should be called.

The late Senator Proudfoot had an interesting career, which was that of a good citizen who was prominent not only in his profession, but also in various financial and industrial activities, and who, from the day when he left the university, took an interest in public affairs. He was trusted by the community in which he lived. He was sent to the Legislature of the Province of Ontario, and in that Legislature attained the high honour of leadership of his party. He came here with the reputation of a public-spirited citizen. We had him with us for a few years only, but we can all testify that he was painstaking and industrious and a factor for good in the activities of this Chamber. He accepted the arduous duties of Chairman of the Divorce Committee. We all know that it was not a sinecure. Since the war the work of that Committee has been a real burden upon its members. The late Senator Proudfoot did his work with a judicial mind, and when he brought before the Senate the decisions of that Committee he was always ready to show that they were based upon the principles of justice and the rules of the Senate.

What more can I add? He seemed deeply interested in all legislation which made for a higher moral life throughout the community. In many discussions we heard him strive for the enactment of laws to that end. At times we did not see eye to eye with him as to the remedies that he suggested, but we recognized his earnestness in promoting a better, purer, and higher life for the people of Canada.

I am sure that I represent all the honourable members of this Chamber in expressing our heartfelt sympathy with his family in their bereavement.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, speaking for this side of the House, I join in the expressions of regret which have been so fittingly uttered by my honourable friend the leader of the Government as to the death of our late colleague, Senator Proudfoot. He was not one of the older members of this Chamber, as his appointment was made only four or five years ago; but I do not recall within my experience any new member of the Senate identifying himself so speedily and actively with its work, particularly in connection with the subject of divorce. There certainly has been no member of the committee who has rendered more diligent and valuable service in the discharge of the important duties which from time to time have been delegated to that Committee. The services that the late Senator rendered to this Chamber were, in fact, incalculable.

The late Senator was not what might be termed an uncompromising party man. He was a man of peculiarly strong convictions, and I do not recall that during the time I knew him and enjoyed his friendship he ever permitted expediency to stand in the way of conviction. He might have been said to be equally sympathetic with both parties in this Chamber.

He was one of the most industrious members of this body. At almost any hour of the night one might find him in his room actively engaged not only in his work as a Senator, but in carrying out the duties of his profession.

He stood high in the profession to which he belonged in the Province of Ontario. He was one of the leaders of the Bar, and his services were eagerly sought by those who had a knowledge of his ability and his desire to serve them.

He likewise may be said to have identified himself in a very prominent way with the local activities of the community to which he belonged. He was very active in many of the industries in the city of Goderich, of which he was a resident. His loss will be deeply felt by this Chamber, and he will be missed by the public, particularly in the Province to which he belonged, and it is needless to say that his loss will be very severely felt by his family. We convey to them condolences in the bereavement which they have suffered, and join in the general mourning which has been expressed for the loss of our late colleague Senator Proudfoot.

ADJOURNMENT OF THE SENATE

THE QUESTION OF SENATE REFORM

Hon. Mr. DANDURAND: Honourable gentlemen, I intend to move that when the Senate adjourns this evening it do stand adjourned to Tuesday evening, the 27th of February, instant, at 8 o'clock p.m.

I ask the attention of my colleagues while I explain why I am making this motion, and at the same time answer the inquiry of my right honourable friend the junior mem-

ber for Ottawa (Right Hon. Sir George E. Foster) as to the reason why the Senate is not furnished with more work at the beginning of and throughout the course of the Session.

The speech which my right honourable friend has made on this subject has been heard, I am sure, every year during the twenty-five years I have been in this Chamber; and I am convinced that every year during the twenty-five years that preceded that time some Senator rose to ask why more public business was not introduced into the Senate and why more work was not given to it during a period of the Session when this House could apply all its faculties to the solution of the problems before it. I myself have made five or six speeches, perhaps more, on this very point; but I think I have discovered the reason why public Bills do not originate in this Chamber. I may say that during the Liberal Administration of 1896-1911, we had in this Chamber for a number of years the Minister of Justice, Sir Oliver Mowat, who was succeeded by the Hon. Mr. Mills. At the same time we had here the Secretary of State. Any Bills that would emanate from the Departments of those Ministers would be introduced in the Senate. They might be many or they might be few. But we had at the hands of those gentlemen no Bills that emanated from any other departments, and the reason is obvious. A Minister who has a Bill prepared by one of his officers or by himself naturally wants to introduce it himself. If he is a member of the other Chamber, he presents the Bill as his child. Naturally we do not receive it here until it has passed the Commons. Some Bills would be peculiarly interesting to the Senate and fitted for our committee work, but for the reason which I have given they start in the Commons. It is to meet that condition that I have on more than one occasion advanced the proposal that members of the Cabinet sitting in the other Chamber should, under our rules, be allowed to come to this Chamber for the purpose of introducing here their own legislation. When we meet again I may bring this matter to the attention of the Senate, and move that our rules be amended accordingly.

My right honourable friend has suggested that, if Ministers belonging to the other Chamber do not come to this House owing to our inaction in amending our rules, or unwillingness on their own part to come, we could distribute their work among a number of Senators instead of leaving all this kind of work to one alone. I think I submitted that idea in my speech on the Address last year. I am quite ready to support such an innovation, whether it be in the one form or the other. If the Ministers from the other House will not come here, I know of no reason why more Senators should not handle Government Bills. I would not stop at members on this side of the House. The Bills are numerous, but most of them are not party Bills, and if there were some Senators specially fitted to handle a Bill from one of the departments, even though he were sitting on the other side of the House, I would gladly ask him to take upon himself the responsibility of proposing and supporting that legislation in this House.

This explains why the Senate generally adjourns for a number of weeks when we have voted the Address. But this does not tell the whole story. My right honourable friend knows that the House of Commons takes at least five or six weeks during the Session to dispose of Supply in committee. We take five minutes; sometimes we have a short debate that lasts an hour. This alone would suffice to explain and justify the adjournment of the Senate for some weeks. The rest of the legislation of Parliament, whatever it be, whether it starts in the other Chamber or in this one, is handled by this Chamber of 96 members in much less time than it takes the Commons, with 235 members, to deal with it. This again explains to the members of the Senate and to the public why this House works only four days in the week—not sitting on Monday or Saturday —while the House of Commons works five days, not sitting on Saturday. Furthermore, very few of the 235 members of the House of Commons who make set speeches there care what has been said during the debate by twenty other members who may have preceded them. When they have prepared their speech they deliver it for their electors. Here we do not speak for the electors: we speak to the question; and during a short debate of a few hours no one would think of making in this Chamber a set speech which would be but a repetition of what had been said by two or three preceding speakers. A member introducing any subject makes a speech, and is answered by another member, and the matter is rapidly exhausted, because when we discuss a question we address ourselves to it, whereas very often the Commoners address themselves to their electors.

For these reasons I make this motion.

Hon. GEO. W. FOWLER: I suppose this is a motion that may be debated. I quite

appreciate the necessity of an adjournment for some length of time, in order to wait until the House of Commons has some business before it. But it does seem to me that two weeks, or nearly three weeks, is too long an adjournment. I question the wisdom of that. There are many things we can do while we are here. We can discuss public questions that require to be discussed; we can introduce measures ourselves that require to be introduced for the general benefit. But what will people say when we adjourn for three weeks? Notwithstanding the most excellent argument made by the leader of the Government, they will say: "Does not that prove the lack of necessity for such an institution as the Senate?" Therefore I think we should not take that long adjournment. I am not talking now for the reporter, but for the House. We know that there is a somewhat erroneous idea on the part of the unthinking and ignorant among the general public—ignorant, I mean, of the facts and the reasons —as to the necessity for the Senate, because they have not been informed thereon. I believe there is no more essential and necessary body in Canada than the Senate of Canada. I say this, not because I am a member of the Senate, but because I have always believed so; and I think any student of political history will come to the conclusion that it is for the good of the government of the country, and to prevent legislation becoming wild and hasty and improper and bad. A great deal of legislation from the lower House has been remedied in passing through this House; and the country should be grateful to the members of the Senate for what they have done in that regard.

I regret that there is not a greater interest taken by some of the members in the work of the Senate. There should be more hard working, industrious men, like the man whose loss we deplored a few moments ago. There are many members of this Senate who pay no more attention to the business of the House than they would if they did not belong to it at all. It is men like that who lend some appearance of right to the people who criticize the Senate.

There is still some time before six o'clock, and if we are going to have a long vacation of three weeks, honourable gentlemen will not mind if I run the risk of tiring them with my ideas as to a change in the constitution of the Senate. Unlike the honourable junior member for Ottawa (Right Hon. Sir George E. Foster) who advocates that there should be more members of the Government in the Senate, I take the ground that no man who is a Senator should be a member of the Government. The Senate should be a sort of advisory body to whom legislation would be submitted. There would be in it no leader of the Government and no leader of the Opposition. If you have a leader of the Government, you are bound to have a leader of the Opposition: one follows the other as night follows the day. But you should have the proper kind of men appointed to the Senate. I would not interfere with the system of appointment. I believe in a Senate appointed by the Government of the day. I believe that when men come to the Senate they should divest themselves of their partisanship. I know that is a very difficult task, but it would be rendered less difficult if there were no parties here, and no leader of the Opposition and no leader of the Government. When a man comes to this House and finds arrayed before him all the paraphernalia of Governmen and Opposition that he thought he had left in the other House, he finds it very difficult to divest himself of partizanship. I believe that every man who comes here should approach public questions with one idea alone, namely, the welfare of Canada, irrespective of whether it helps or hurts the party with which he was formerly affiliated. But so great are the infirmities of human nature, so strong are party feelings, that it is almost impossible for men to divest themselves of those feelings. That condition would be very greatly assisted if there were nothing to hope for but to take legislation when it comes before us and discuss it from the standpoint alone of what is best for the Canadian people, irrespective of the source from which it is introduced.

I would allow a Minister to come here and speak from the floor of this House and explain his position, or the points of a measure which he had introduced. I would allow him to be here to answer all questions that might be asked in the course of the debate, if he chose to remain for that purpose. But, of course, he would have no vote in this Chamber.

You may ask: how would you expedite legislation? That might be done by the selection from among the members of either a single member or of a committee of the Senate for that purpose. There must be some person charged with the duty of bringing matters before the House. Unless you have that, you are going to have stagnation and trouble and difficulty. It does seem to me that the proper course would be to charge somebody with that duty—and it is a very onerous duty—and pay him a certain amount over and above the indemnity paid to other

members. That would overcome the difficulty, and would tend to make the Senate what it should be—a non-partisan body receiving legislation from the other House, and looking at it with one eye only, and having that eye directed to the benefit of the people of Canada.

I would make some other reflections with regard to the improvement of the Senate. One of them would be that no man should be appointed to the Senate after he is 50 years of age, and no man should be allowed to remain in the Senate after he is incapacitated by reason of illness, or after he is 75. So we would have in the Senate men from the age of 30 up to 75—men in the full vigour of their manhood and their intellect; men capable of grasping the affairs of state and deciding what measures would be for the benefit of Canada.

Then, in order that a Senator should not be turned out, like an old horse turned to pasture, to end his days in poverty, there should be provided, as in the case of the Judges, a pension or superannuation allowance, which would be smaller, very much smaller, than the indemnity now paid, but would be sufficient, so that it should not be said that a Senator of Canada was obliged to beg for a living, or go to the almshouse, or depend upon charity.

It seems to me that would give us a Senate constituted in the best possible way. I have given this matter a great deal of careful consideration. This scheme may sound unreasonable to some people, who, like the population of the world outside, are unthinking, but I am willing to leave it to any honourable member who will study the question, and am satisfied that he will see it is not an unreasonable scheme or one that would be detrimental to the Senate itself. After all, the one thing we want to consider is the interest of the people of Canada. If we have here a body which can be improved, it is our duty to provide the remedy ourselves, and it should not be necessary to call in the assistance of any outsider. If this Senate is at all worthy of its name, there should be within it members with sufficient intelligence and sufficient patriotism to make the necessary reforms.

I do not believe in an elective Senate. If the Senate were elective you would have two administrative bodies with the same source of authority, and they might come into conflict, each claiming that it represented the sovereign people and obtained its mandate direct from the people. You cannot have that conflict between the nominative Senate and an elective House of Commons.

I would say also that this Senate, the model Senate of which I am speaking, should not oppose legislation founded upon a policy that had been placed before the people in an election campaign and upon which the party propounding it had been elected, because there the voice of the people has directly spoken, and I say, however mistaken or misguided the people may have been, when a majority of them have spoken, their word should be obeyed by this Chamber and by the other. In such an event there can be no proper conflict between the two Houses. But when the Government introduced a measure which to the members of the Senate appeared to be not in the best interest of Canada, the Senate should have the right to reject that measure, and they should reject it. If afterwards the Government introducing that measure goes to the people and with that measure as part of their platform obtains a mandate from the people, then I say the objections of the Senate should cease and the measure should be permitted to become law.

These, to my mind, are briefly some of the ideas that have come to me for a reformation or change of the Senate. To sum up, I do not believe in any change in the manner of appointments. I do believe in the changes of which I have spoken, as to members of the Senate being prevented from being members of the Government. If a man wants to be a member of the Government, let him go to the people and have them return him. That is the proper course to pursue. The Government ought not to take men who have no seats in the elective chamber, and with regard to whom the people have no chance of saying whether they are suitable or not, or whether they wish them as members of the Government or not. It is not in the interest of responsible government that such men should be foisted upon the country. Every man who holds a portfolio in any Government should be obliged to go to the electors and get their mandamus, their permit, for him to sit and to exercise the powers of office. All members of the Government would then be members of the Lower House.

I thank you honourable gentlemen, for listening so patiently to these somewhat innovating remarks, and trust you will ponder over them.

Hon. Mr. TURRIFF: I would like to suggest to the honourable leader of this House that when he is discussing with his colleagues the advisability of members of the Government coming here to give information about their Bills, it might be desirable also to discuss whether the Government should not require all private legislation to be intro-

duced in the Senate. I am firmly of the opinion that if all private legislation were considered here and licked into shape, more or less—

Hon. Mr. WATSON: Or licked out of shape.

Hon. Mr. TURRIFF: —or licked out of shape, as it would be if my honourable friend had charge of it—when it went to the Commons it could be dealt with there in a great deal less time that is required at present.

Hon. Mr. WATSON: It would probably never get there.

Hon. Mr. TURRIFF: I simply suggest to my honourable friend the leader that he might discuss that point with his colleagues and see if something along these lines could not be done.

Hon. Mr. DANDURAND: I have already suggested that there should be but one clerk to receive private petitions and Bills for both Houses, and that the even numbers be given to one House and the odd numbers to the other, in order that we might have 50 per cent of the private legislation coming to this Chamber and 50 per cent going to the other.

At present the method works in this way. The petitioner for private legislation sends his cheque; if he sends it to the House of Commons the Bill originates there; if he sends it to the Accountant of the Senate, the Bill is introduced in this Chamber. That is why I thought the procedure might be very easily arranged between the two Chambers, by having one clerk in charge of the receipt of petitions and Bills, and with authority to divide them equally between the two Houses.

The motion was agreed to, and the Senate adjourned until Tuesday, February 27, at 8 p.m.

THE SENATE

Tuesday, February 27, 1923.

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

Prayers and routine proceedings.

EXTRA PAYMENTS TO JUDGES

INQUIRY

Hon. Mr. GORDON inquired:

1. If the Government is aware that two Judges of the Supreme Court of Ontario have accepted $10,000 each from that province for services performed while in receipt of their regular salaries of $9,000 each per annum, in apparent violation of the "Act to amend the Judges' Act, sec. 34, c. 56, 10-11 George V, 1920."

2. What amount of "travelling and living expenses" was paid (a) to Mr. Justice Latchford during the fiscal years 1920, 1921 and 1922; (b) also to Mr. Justice Riddel.

Hon. Mr. DANDURAND: The answers are as follow:

1. No.

2. (a) In 1920-1, $1,013.15; in 1921-2, $1,037.90; in 1922-3, to Jan. 31, 1923, $867.65.

(b) In 1920-1, $105.00; in 1921-2, $58.30; in 1922-3, to Jan 31, 1923. $319.60.

NET DEBT OF CANADA

MOTION FOR RETURN

Hon. Mr. TANNER inquired of the Government:

1. What was the net debt of Canada at each of the following dates respectively?
   (a) March 31st, 1921.
   (b) Dec. 31st, 1921.
   (c) March 31st, 1922.
   (d) Dec. 31st, 1922.
2. In each of the periods of time following, namely:—
   (a) Fiscal year 1920-21.
   (b) Fiscal year 1921-22.
   (c) April 1st until December 31st, 1922, what was the amount of revenue received by the Government from the following sources?
   1. Customs Taxation.
   2. Income Taxation.
   3. War Profits Taxation.
   4. Sales Tax.
   5. Stamp Tax.
   6. Other taxation specifying same respectively.
3. In each of the periods mentioned in question two, what was the total revenue received by the Government?
   (a) From direct taxation.
   (b) From indirect taxation.
   (c) From other sources.

Passed as motion for return.

CANADIAN FREIGHT CARS IN UNITED STATES

INQUIRY

Hon. Sir EDWARD KEMP inquired of the Government:

How many freight cars the property of the National Railways were in United States territory according to latest statistics?

Hon. Mr. DANDURAND: On February 1st, 28,672 Canadian National (all lines) freight cars were located on foreign lines in the United States.

Hon. Mr. McMEANS: Have you any information as to what number there is at the present time?

Hon. Mr. DANDURAND: No; this is the answer I received from the Department.

Hon. Mr. McMEANS: Have you any information as to when these cars will be returned to Canada?

Hon. Mr. DANDURAND: There is a constant interchange of freight cars between Canada and the United States. Of course, the honourable gentleman is aware that these cars, when detained a certain number of days, are paid for, and that there is an exchange office at Chicago, to the maintenance of which all railways contribute, for the purpose of tracing the cars and reporting daily as to their movements. We can always know from day to day where the Canadian cars are, and it would perhaps be interesting to know, when there is a majority of cars on the other side, what is the total return to our railways for demurrage.

Hon. Mr. REID: May I ask the honourable leader what is the date of his return?

Hon. Mr. DANDURAND: The first of February.

THE NEW UNION STATION IN TORONTO

INQUIRY

Sir EDWARD KEMP:

When will the new Union Station in Toronto be used by the National Railways of Canada?

Hon. Mr. DANDURAND:

The Canadian National Railways represent only a partial interest in the new Union Station at Toronto. Before the station is opened for service, a number of related questions will require to be considered and decided by all parties interested. It is hoped that negotiations to that end will be shortly inaugurated by the Canadian National Railways' Management.

CANADA'S TRADE

MOTION FOR RETURN

Hon. Mr. SCHAFFNER inquired of the Government:

1. What was the volume of trade between Canada and the following countries:—France, Spain, Italy, Belgium, Australia, Japan and China, for the years 1911, 1916, 1918 and 1921?

2. What was the volume of export trade from Canada to each of the said countries during the said years?

3. And also, what was the volume of imports into Canada from the said countries during the said years?

Passed as motion for return.

GOVERNMENTAL PRIVATE CARS AND MOTOR CARS

MOTION FOR RETURN

Hon. Mr. FOWLER moved:

That an Order of the Senate do issue for a return showing:

1. How many private or official cars are there connected with the Canadian National Railways.

2. What officials of the road are given the use of private or official cars.

3. What is the average initial cost of a private or official car fully equipped.

4. How many men constitute the "crew" of a private or official car and what are their several positions and rate of pay.

5. Are these private or official cars supplied with food when used on trips and at whose expense.

6. Outside of private or official cars maintained by the Railway Department how many other private or official cars are maintained and used in connection with the administration of the Government of Canada.

7. By whom respectively are these cars used.

8. Are crews provided for these cars and at whose expense.

9. How many official motor cars are attached to the Department of Militia and Defence.

10. What was the initial cost of same.

11. What is the cost of the annual upkeep.

12. By whom and for what purposes exclusively are these cars used.

13. How many official motor cars other than those belonging to the Militia Department are maintained by the Government of Canada at the public expense in Ottawa and by whom are they used and what is the aggregate cost of maintenance of said motor cars together with their initial cost.

14. How many motor cars (if any) are maintained by the Government of Canada and what was the initial cost of said cars and what is the annual cost of maintenance of same.

15. How many chauffeurs are in charge of the official motor cars of the Department of Militia and Defence? What pay and allowances do they receive respectively.

16. How many, if any, chauffeurs are employed or paid by the Government of Canada outside of those employed by the Department of Militia and Defence.

The motion was agreed to.

THE BAKER MEMORIAL

SPECIAL COMMITTEE

Hon. Mr. POPE moved:

That a special committee composed of the Honourable Messieurs Bradbury, Casgrain, Foster, Griesbach and the mover, be appointed to confer and act with a like Committee of the House of Commons in further considering and determining the form of the Memorial to be erected in the Parliament Buildings to the late Lieutenant-Colonel Baker, M.P. for Brome, who lost his life on the field of battle.

The motion was agreed to.

BARRACK POINT, N. S., LANDS

MOTION FOR RETURN

Hon. Mr. McLENNAN moved:

That an Order of the Senate do issue for (a) all correspondence, telegrams, petitions and documents dealing with the sale, or lease to the Imperial Oil Company, or other company, or persons, of any part of the lands at Barrack Point, Sydney, N.S., with any department of the government and with the management of the Canadian National Railways, as well as any Orders in Council dealing with this matter.

(b) The correspondence, with instructions to and the reports of any engineers, or other officials of the Department of Railways, or of Public Works, or of the Canadian National Railways on this matter.

(c) A plan showing the relation of the land in question to the city of Sydney, tht Terminals of the Canadian National Railways and Sydney Harbour.

The motion was agreed to.

CRIMINAL APPEALS BILL

SECOND READING

Hon. Mr. McMEANS moved the second reading of Bill B, an Act to extend the right of appeal from Convictions in Indictable Offences.

He said: Honourable gentlemen, in moving the second reading of this Bill I do not desire to take up the time of the House unduly in discussing it. Last year a similar Bill was introduced and received the approval of this House, and was referred to a Special Committee. That committee made a report to the House stating that they had considered the Bill and desired further information upon it. Requests were accordingly sent out to the different attorney generals and judges in Canada for their views, and a request also was forwarded, through the Department of Justice, to the Home Office in England, asking for information. This information was gathered together during the Recess.

The present Bill is the same as that of last Session with the exception that the Bill of last year did not provide that the Court of Criminal Appeal could order a new trial. When the English Act was first passed the Court of Criminal Appeal in England were bound to deal with every case that came before them. They could take new evidence, and could diminish or increase a sentence, or could find a man guilty on a count on which he was not indicted.

The Bill of last Session was based upon the same grounds as the English Act, but, from information received, it has been thought better to provide in the present Bill that the Court of Appeal may order a new trial if they so desire. I may point out that the chief opposition to such a measure, if there is any opposition at all, comes from some of the Judges in the Eastern part of Canada, who base their opposition on the ground that they will have more appeals to deal with and that consequently their work will be increased. I have discussed the matter with some of the Judges of the Court of Appeal in the West, and one Judge in the Province of Manitoba told me that they would be inundated with appeals. I believe that the Judges are mistaken in this view. Since the committee met last year we have received detailed information from England, where, I understand, with a population of 30,000,000 or 40,000,000, there were 471 applications to appeal, 81 of which were allowed and dealt with by the Court. The Court of Criminal Appeal is composed of Judges of the King's Bench Division. In Canada, of course, it will be necessary to go to the Trial Judge or the Court of Appeal to obtain leave to appeal. In this country, with a population of about 9,000,000, I believe we have about 132 Judges; and yet some of the gentlemen who adorn the Bench seem to think that this might impose upon them further responsibility or more work.

I would ask that the Bill be read a second time.

Hon. Mr. FOWLER: Will the honourable gentleman permit me a question? In case of an acquittal, can the Crown appeal?

Hon. Mr. McMEANS: No. There is no provision for that in the English Act. The English Court of Criminal Appeal can take new evidence, or can increase the sentence or diminish it, or, if the evidence justifies it, can find a man guilty of an offence with which he has not been charged. For instance, if a man is charged with stealing, and the evidence shows that he was guilty of receiving stolen goods, he can be found guilty of the latter offence.

Hon. Mr. FOWLER: Suppose he were acquitted on the charge of stealing the goods, and the Court upheld that finding, could they find him guilty on some other count?

Hon. Mr. McMEANS: Oh, no, I think not. Suppose he were accused of stealing and were found guilty on the trial, and appealed, the Court of Appeal, if the evidence did not justify the conviction, might find him guilty of receiving stolen goods.

I only ask for the second reading of the Bill so that it may go to the committee for which I intend to move.

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

BILL REFERRED TO SPECIAL COMMITTEE

Hon. Mr. McMEANS moved:

That the Bill be referred to a special committee composed of Hon. Messrs. Barnard, Béique, Bennett, Beaubien, Belcourt, Dandurand, Foster (Alma), Fowler, Girroir, Lougheed (Sir James), Ross (Middleton), Tanner, Tessier, Willoughby, Gillis, Hardy, Laird, and the mover.

Hon. Mr. DAVID: Is this the same committee that was appointed last year?

Hon. Mr. McMEANS: It is the same except that I have added the names of two gentlemen who are not lawyers, and have dropped the names of Hon. Mr. Proudfoot and one or two others. The difficulty has been that the lawyers have been engaged in conducting the work of the Divorce Committee and have not been able to attend this committee.

The motion was agreed to.

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

THE SENATE

Wednesday, February 28, 1923.

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

Prayers and routine proceedings.

G. T. R. DETROIT GRADE SEPARATION

INQUIRY

Hon. Sir EDWARD KEMP inquired:

1. Has the Government made tentative arrangements with the City of Detroit for a four million dollar grade separation programme?
2. Have the officials of the Grand Trunk Railway signed the agreement, and if so, what amount of money will require to be furnished by Canada for this project?

Hon. Mr. DANDURAND: The estimated cost of the Detroit grade separation is $4,600,000, of which the Grand Trunk Railway Company's proportion is approximately $3,000,000 the city of Detroit being responsible for the balance. The work in question will be spread over a ten-year period.

CHICAGO G.T.R. TERMINAL STATION

INQUIRY

Hon. Sir EDWARD KEMP inquired:

1. Has the Government made any and if so what arrangements for the use of the projected State Street Terminal Station in Chicago?
2. What amount of money will require to be furnished by Canada for this project?

Hon. Mr. DANDURAND: The terminal in question is used by the Grand Trunk Railway, which, with four other railways, own the holding company, the Chicago and Western Indiana Railway. No definite action in regard to a new station is expected for several years; meanwhile, published estimates of possible cost are mere guesses. Should a new structure finally be decided on, it should be financially self-sustaining.

RAILWAY CONNECTION BETWEEN CANADIAN NORTHERN AND TRANSCONTINENTAL

INQUIRY

Hon. Mr. LYNCH-STAUNTON inquired of the Government:

1. Is the report that has appeared in the press that a contract has been awarded by the Board of Directors for construction of a railway between Canadian Northern Railway and Transcontinental Railway correct?
2. If so, what is estimated cost?
3. To whom has contract been awarded?
4. Was money voted by Parliament for this special vote?
5. If so, what vote was it included in?

Hon. Mr. DANDURAND:

1. A contract has been let for clearing, grading, culverts and bridges, on the line referred to.
2. Estimated cost of above work, $775,980.
3. Foley Bros. & Hervey.
4. Amount required to cover expenditure up to March 31, 1923, was provided last Session.
5. Vote 112, 1922-23.

THE VIMY RIDGE MEMORIAL

RESOLUTION ON GIFT BY FRANCE TO CANADA

Hon. RAOUL DANDURAND: Honourable gentlemen, I have much pleasure in moving the following resolution, which has already passed the House of Commons:

That Parliament do approve the acceptance by the Government of Canada of the gift graciously made by the Republic of France of a tract of land 250 acres in extent on Vimy Ridge at the site selected for the erection by Canada of a monument commemorating the exploits of Canadian soldiers in the Great War and in so doing records its sense of gratitude for and its appreciation of the motives which prompted France to associate herself with a project so dear to the heart of the Canadian people.

It will be deemed supremely fitting that the principal monument commemorating the exploits of our soldiers and testifying to Canada's eternal gratitude for their sacrifice and their achievements should be placed on the Vimy Heights where their glory shines so pure and so radiant. The battle of Vimy stands, among the innumerable clashes with the enemy, as a clear-cut victory of the Canadian corps which had the inferiority of the position and was facing a well prepared adversary.

We are thankful to the French Government for its generous gift and to our official delegate, the Hon. Mr. Lemieux, for the success he has attained, as well as to our many friends in France who interested themselves in this Canadian project. The dedication to our heroic dead of a piece of land which forever will be Canadian land, and the erection to their memory of a monument projecting its shade over their tombs will bring them nearer home and will bring us nearer to them.

No nobler cause could ever have drawn them into a world conflict. They fought against the enslavement of the world; against a materialistic and brutal Prussian hegemony. They fought so that justice should survive. They lie in the very midst of the nefarious work of the modern Attilas.

It was my good fortune, in August 1913, to journey from Amiens to Arras, to Vimy, Lens and Lille, on my way to a Peace Congress at the Hague. Town and country presented to our gaze an enchanting view. Arras and its medieval monuments; Lens, which looked as a city of women, all the men being in the coal mines underneath—Lille, Roubaix, Tourcoing, the mighty triple-headed industrial center; all around the fields blossoming; peace, contentment, and gaiety—such was the spectacle which this region and its inhabitants offered us.

The Hun has since come and gone. He has left that country in ruin. Arras is no more than an empty shell. Lens and hundreds of villages in that region have been completely wiped out, and the three industrial cities of Lille, Roubaix and Tourcoing were stripped of every piece of machinery which could be carried away, the balance being maliciously destroyed. The blossoming fields around Arras and Vimy are now vast cemeteries where our soldiers lie side by side with tens of thousands of their British and French comrades-in-arms.

These men gave their lives so that justice should triumph.

Have they died in vain?

Justice moves slowly, but it is moving onward. It is nearing the goal.

The Austro-Hungarian dual monarchy, which started on a punitive expedition against a small people, has returned shorn of its crown and of its subjugated states and provinces.

Germany, the haughty, the insolent, prussianized Germany which, unmercifully, cruelly, trampled under its iron foot little Belgium, has given to the world this supreme joy, in the hour of its abasement, of being amputated of two small pieces of territory,

Eupen and Malmedy, by its little neighbor whom it intended to annex and gobble up.

Yes, Germany has had to make restitution to all the despoiled countries—to France, to Denmark, to Poland—and it has lost all its colonies; but the irony of fate has willed it that the mighty Empire would be dismembered by little Belgium, the heroic victim of an infernal lust.

The humiliation fits the crime. Pride, plethoric pride, is justly humbled. But the criminal is not repentant. He is only sorry that he failed.

He has systematically, scientifically, ruined every industrial plant in Belgium and France, which he has had under his hand, in order to destroy his competitors, and he has returned to his haunt, to his unharmed, untouched land, to pursue his trade as heretofore, without any remorse; to work diligently during the day and to enjoy a soft bed during the night, unconcerned about the ruins he has made and the people to whom he has left but their cellars to live in.

Is justice halting? Will the villain escape, not the chastisement he deserves, not the cost of the war, but simply the obligation to repair? Justice is moving onward. The French Poilu duly represents it at this hour. He has crossed the Rhine and he has laid his hand on very valuable property, industrial and mineral—just such riches as were destroyed in Belgium and France. The recalcitrant debtor, the fraudulent bankrupt, will now have to pay. The Hun will only repair when he knows that he must.

There is a feature in this coercive expedition which gladdens my heart: It was at the Spa Conference, in July, 1920, that Hugo Stinnes, one of the barons of the Ruhr Valley, who should have presented himself in sackcloth before his victims to humbly sue for mercy, had the audacity to raise his voice in anger and to insolently accuse the Allies of suffering from the disease of victory. He was not then chastised for his arrogance, but little Belgium has also invaded Germany and is now holding the big bully by the collar.

Are we not justified in thinking that the spirit of our fallen soldiers accompanies their living comrades, and that, in the devastated regions where they lie, they join with the victims of the Hun in their clamour for justice?

With the resolution which I submit to this Chamber, we desire to affirm our sympathy and friendship for the French nation. We know that nothing will please her more than to assure her that our best wishes accompany her in her determination to obtain from Germany the full measure of reparation to which she is so justly entitled.

Hon. C. P. BEAUBIEN: Honourable gentlemen, for those who had the opportunity of knowing the French people better, it seems a more pressing duty of gratitude to associate themselves with the sentiments so ably and so feelingly expressed by one whose position in Canada and authority in France lend them additional weight and value.

The monument intended to be erected at the summit of the Vimy Ridge, will be imposing and beautiful—imposing because it will dominate the long sloping hill of the Calvary of untold sufferings and of final immolation of thousands of unsurpassed Canadian soldiers; imposing because its adamant granite will forever keep and reveal to the world the glorious name of that improvised army who vanquished where veteran soldiers had failed; imposing especially because it will be the pathetic mausoleum of Canada to her 20,000 missing children, lost beyond a trace in the horrible hecatomb. This monument will be beautiful because an able artist has given to it the best of his genius, and because those who by the thousand journey to it to mourn those who are no more, must see in it the lesson that remains forever of those who, superior to human nature, have willingly exchanged all the seductions of life for the horrors of the duty of death.

But this memorial pile will lay deep its foundations in the soil of France—in that sacred "Wide Acre" ceded so generously by the French Government to Canada, upon this occasion so fittingly represented by His Honour the Speaker of the House of Commons, a man whose sacrifice and sorrow had clearly designated him for these moving negotiations. It is this donation that we record to-day with due sentiments of gratitude in the annals of this House, so that they may officially voice the appreciation of the whole Canadian nation.

In doing so, is it not appropriate that we should also remember with deeper gratitude the eleven departments of France, with their thousands of cities and villages, containing no less than 85 per cent of her industrial life, which were sacrificed for the common cause of the Allies, and of humanity?

Is it not fitting also that, as we adorn the graves of our children, we should pause and bow our heads reverently over the million and a half of dead Frenchmen who composed more than half of the manhood of France between 21 and 42 years of age?

Is it not fitting that we should have also a thought for the millions of wounded and crippled French soldiers whose living bodies were made the rempart of civilization?

Is it not eminently fitting that, remembering the two first years of the war, when the Allies were recruiting and organizing their armies, we should have a deep feeling of gratitude to the nation who was then holding the breach, throwing in all that she held dearest—her own flesh and blood, her whole wealth, her land sacred by the passage of history and the touch of genius.

In a matter so closely related to the gigantic struggle, where the horror of injustice and the terror of slavery drove practically the entire world to combine for common salvation, is it not fitting also that we should remember the nation who is continuing the struggle of right against might?

I believe the very great majority of the Canadian people see with resentment, if not with anger, Germany, the aggressor, prospering, free of unemployment, practically also of bankruptcies, shipping more goods than before the war, building more ships than before the war, constructing more costly public works than before the war, and still evading by all possible trickery her just obligations under the peace treaty?

They see with regret, if not with sorrow, France, the victim, bled white, despoiled, stripped, and practically bankrupted, staggering under the crushing load of the war. But they see her with admiration undaunted and with unbroken spirit still facing her ruthless foe and taking the means to oblige him to fulfil at least a part of his due undertaking.

Having these thoughts deep in my mind, as we express our heartfelt gratitude to France, I for one cannot help adding in the language of that distinguished Englishman, Lord Rothermere, "Hats off to France."

Hon. J. G. TURRIFF: Honourable gentlemen, as a member of the Canadian Battlefields Memorial Commission, I would like to say just a word expressing my gratitude, and I am sure the gratitude of everybody else in Canada, for the generosity and kindness of the Republic of France in granting us this block of land on Vimy Ridge. I might point out that the Commission was quite prepared to buy a site there, but that for years it would have been practically impossible to secure this site by purchase. In the first place, the landmarks were practically all obliterated on that part of the Ridge, and many of the owners were dead while others had removed. The Honourable Rodolphe Lemieux, Speaker of the House of Commons, and a Member of the Commission, was asked to go over to France to see what he could do towards securing the site; and I can say, I think without fear of contradiction, that no other man in Canada

was in as good a position to handle the matter as that honourable gentleman. He is a man of standing not only in Canada, but is well known in Paris; and we all know of his ability and tact.

The French Government, in order to show their appreciation, and to join with Canada in commemorating the Canadians who had been killed during the war, and especially at the Battle of Vimy Ridge, decided that they would make a gift of this piece of land to the Canadian people. They were in a position to do so, as it had already been included in what they call the "Zone Rouge." They have given this land and have undertaken to settle with any claimants who may have owned portions of that land previous to the war.

As has been pointed out by the leader of the House, the monument to be erected is a splendid one. From all the Commission has been able to learn from connoisseurs, it will be one of the finest monuments to soldiers in the whole world. The work of completing this monument will ocupy some three or four years. There are eight or nine other monuments being erected throughout France and Belgium—three in Belgium and the remainder in France. The first monument to be completed is the St. Julien monument, which it is anticipated will be ready for unveiling about the 15th of May coming, and the others will be erected during the course of the next year or two.

I might say that while there have been some additions to the cost of this monument, there are others that will not cost as much as was estimated, due to the exchange and other things; and I think the total cost will be kept well within the original estimate. One particular item of cost was the securing of a building in London in which the models and statues could be prepared; but while that building has in the meantime cost considerable money, the High Commissioner for Canada in London assures us that when we are through with the building, in a few years, the lease, which has still seventy years to run, can be sold so that we will not lose any money, but possibly make a profit.

I am sure everybody is in sympathy with France in what she is undergoing at the present time. My own sympathies are altogether with France. Why our own country has not seen fit to take the same attitude I do not know, but to me it seems clear that Germany had made up her mind that she would not pay, and that she was not going to be crowded into paying. But I believe that, through the action taken by France, Germany will be forced to pay at least part of what she ought to pay, for the physical reparations that are required in France. I certainly hope she will be forced to pay, and that France will come out all right in the course she has undertaken.

Right Hon. Sir GEORGE E. FOSTER: I would like to ask the leader of the Government a question with reference to the gift—in perpetuity, I suppose, of course—of Vimy Ridge. What are the obligations that Canada has to assume in the matter? I have not noticed whether papers have been laid on the table in the other House giving full information in that respect. If they have been, then, if my honourable friend would give us the same information in the Senate, that would answer my question; but if not, what generally are the duties that devolve on the Canadian Government and the obligations that we undertake in connection with the grant that has been made of the land by the French Government?

Hon. Mr. DANDURAND: I have not the documents before me, but I have read the agreement or undertaking, and it may be stated in a very few words; it is the proper maintenance of that lot of land by the Canadian Government in perpetuity.

Hon. Mr. CASGRAIN: Fee simple in possession.

Right Hon. Sir GEORGE E. FOSTER: The agreement, then, has been laid on the table of the other House?

Hon. Mr. DANDURAND: I would surmise so. I can procure it for my right honourable friend.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, there is a homely saying that a gift horse should not be looked in the face.

Hon. Mr. CASGRAIN: In the mouth.

Hon. Sir JAMES LOUGHEED: Or in the mouth, or under any other condition. I hesitate to strike anything like a discordant note in reference to the resolution which has been so fittingly moved and seconded by my honourable friends; and yet at the same time I cannot overlook the fact that, from a perusal of the documents which have been placed upon the Table, there lacks that generosity or that graciousness on the part of France in reference to Canada which we would naturally expect as a recognition of the services which were rendered by Canada's sons to that great Empire, and under whose soil thousands of Canadians lie buried.

In the document, which will be found upon page 188 of the Commons Debates, I find

obligations imposed of a nature as onerous as would be imposed in the case of two individuals entering into a lease or a real estate transaction; and that, I think, is not in harmony with the spirit which should characterize an act of this nature.

I desire to refer to the second column on page 188 of the Commons Hansard, in which the agreement is set forth in its entirety, and in it this recital will be found:

Whereas the Government of Canada desires to erect on Vimy Ridge (Pas-de-Calais), in the centre of a park which they intend to lay out, and the maintenance of which they will assume, a monument to the memory of the Canadian soldiers who fell on the field of honour in France during the war of 1914-1918, the French Government put at their disposal the necessary land which will remain the property of the French Republic.

So that it is an entirely mistaken idea that the French Government is handing over in fee to the Dominion of Canada this so-called park, or grant of land.

Then, following the exactions which have been imposed by the French Government upon the Government of Canada, we may peruse to some advantage Article II, which reads—

Hon. Mr. DANDURAND: If my honourable friend would read the first article—

Hon. Sir JAMES LOUGHEED:

The French Government grants, freely and for all time, to the Government of Canada, the use and free disposal of a parcel of land—

But that disposal must be controlled by the statement made in the preamble.

Right Hon. Sir GEORGE E. FOSTER: That is not free disposal; it is free use.

Hon. Sir JAMES LOUGHEED: Yes, that is as to user. The word "disposal" is simply tantamount to the term "user", but the absolute title to the property remains in the Republic of France. Then we come to the obligation which is imposed on the Government of Canada, and which will be found in Article II of the agreement, reading as follows:

The Government of Canada pledge themselves to lay out this land into a park and to erect thereon a monument to the memory of the Canadian soldiers fallen on the field of honour in France during the war of 1914-1918.

They moreover pledge themselves to provide for the maintenance of the park and monument, in default of which French Government would resume the free disposal of the park, except however the land on which the memorial is erected.

In my judgment that sounds a discordant note in this document which I think destroys the graciousness of the act which we are called upon to consider; and I am surprised that France, considering the conditions under which this grant is made, should impose obligations of this character upon this country. It does not need the transfer of 250 acres of land to keep alive the memory of the gallant acts of the sons of Canada who are buried under the soil of France. Those heroic acts will live for all time, entirely irrespective of monuments or of grants of land, and the brightest annals of future history will record the prowess and gallantry of the sons of Canada who fell on the battlefields of France. I regret, honourable gentlemen, that the thousands of our sons who went from Canada and to-day lie buried under that soil should receive the bare recognition from that great Republic of a grant limited, bound up, by conditions and obligations such as I have pointed out.

France could not have been too gracious in its recognition of the services rendered by Canada, not only by freely giving this land to the Dominion of Canada, but by entering into an obligation for all time to maintain, and to maintain as Canada would desire, this park or grant of land, which, under the terms of the agreement, has to be maintained by Canada itself. Is it a gracious undertaking? Is it a nationally generous act on the part of that Republic that the Dominion of Canada should be called upon, in a country thousands of miles distant, to maintain this large tract of land, this park, for all time, subject to the imposition of those obligations? Was it not sufficient for Canada to build a monument which is said to be the finest monument which will be erected to the fallen dead of any of the Allies?

Hon. Mr. DANDURAND: Will my honourable friend allow me to inform him that it was the Canadian Government, through its representative, that asked for the gift of these 250 acres; it is not imposed upon us.

Hon. Sir JAMES LOUGHEED: Precisely; but France should have been gracious enough, immediately it was intimated that the Government of Canada desired, with a generosity unexampled, to erect a monument to her fallen sons in France, to have said: "We freely give you anything you want, and freely enter into an obligation for all time to maintain such a monument and such grounds."

Hon. Mr. BEAUBIEN: Would the honourable gentleman allow me to ask him a question? Is he aware at all of the obligations assumed by the French Government towards its own people in relation to the upkeep of that very zone? And does the honourable gentleman realize what would happen if this 250-acre plot, after having been given to Canada, were not kept as the French Govern-

ment has bound itself to keep it up, as a cemetery—a land sacred to those who have fallen there? That is one thing I would like to know, and whether he would not look at it more favourably under those circumstances?

Hon. Sir JAMES LOUGHEED: My honourable friend apparently misapprehends the position I am taking. My position is this, that when there was intimated to the Government of France, on the part of Canada, the intention to erect a monument in the heart of France to its fallen dead, France should have responded at once by a generous recognition of the services and the sacrifices which were made by the people of Canada in this great war, and should have said: "For all time to come we shall not only maintain this monument, but we do it freely, and as a recognition of the services and the sacrifices of Canada to France in the great war through which we have passed."

Hon. Mr. BEAUBIEN: Would my honourable friend bear with me for a moment more—because this is a very serious matter? What would happen if nobody assumed the obligation to maintain this sacred plot of land for all time to come?

Hon. Sir JAMES LOUGHEED: I say that France should have done it.

Hon. Mr. BEAUBIEN: Somebody must assume it. Will my honourable friend admit that somebody must have the obligation to maintain that land for all time to come?

Hon. Sir JAMES LOUGHEED: Allow me to put to the House a case in illustration of my point, if I am not imposing on the Senate. If this war had been fought out in Canada, and if 10,000 sons of France had fallen upon our soil and had been buried within the boundaries of Canada, would not the Government of Canada have responded with alacrity to a proposition for the building of a monument, and the maintenance for all time of such a monument and park as would bear testimony to the generations to come of the country's appreciation of the conduct of the sons of Frnace? I say there would be no hesitation on the part of Canada to have done this, and it was as little as Canada might expect that France should have met that situation as Canada would have done under similar circumstances.

Hon. F. L. BEIQUE: I think it is to be regretted that there is to be found a voice, and such an authoritative voice as that of the honourable gentleman, in dissent from the feelings that have been so fittingly expressed by both sides of this House, and by both sides of the other House, on this question. I take it that the honourable gentleman does not fully comprehend the conditions under which this agreement was arrived at. I could understand that there would be some ground for his attitude if he were in a position to say that Canada had demanded that France should assume the maintenance of the area. I am quite certain that that position was not taken by Canada, and surely the Canadian people would not have approved of the Hon. Mr. Lemieux going to France and not only asking that land be given for the purpose of erecting a monument to our Canadian sons, but consenting that another nation than the Canadian nation, another government than the Canadian Government, should maintain that cemetery or that monument. Even if it had been voluntered by France—and I take it that it would have been very improper on the part of France to have made any suggestion of that kind—I trust that it would have been refused by the Hon. Mr. Lemieux on behalf of the Canadian nation.

Hon. Mr. POIRIER: And resented.

Hon. Mr. BEIQUE: And resented. Well, surely it would never enter the mind of the French Government to make any suggestion of that kind. I understand that the French Government was asked if the Canadian Government could be allowed to purchase a proper area of ground for the purpose of erecting and maintaining a monument to the Canadian soldiers—to buy it, or to expropriate it. The demand was answered not by the granting of permission to do what was asked, but by the offer of a piece of land to the extent of 250 acres. Then, what do we find in the agreement? We find that it covers the use of the land—and in English and in French the same words are to be found—the disposal of it, the disposition of it. I admit that under the circumstances, the ownership being reserved in the Government of France, it should be taken as meaning the free use of it for all time to come for the purpose for which it was asked and for which it was needed—the erection of a monument to our Canadian sons. Surely it would not have been proper for Canada to have asked or to have expected that either France or England or any other government would maintain that cemetery of ours. It is a cemetery to our sons, and it is but proper and convenient that it be maintained by the Canadian Government.

Hon. GEORGE LYNCH-STAUNTON: I must admit that when I first heard the argument advanced by the honourable leader of

this side of the House it struck me as quite reasonable; but when I listened to the answer my mind changed to a great extent. We are building this monument in France, not to show France 's gratitude to us, but for the purpose of perpetuating the memory of our sons in Europe, so that for all time men who come and men who go will see what Canada has done for the remembrance of her children in the great war. But I do think that while that was the proper step for us to take, it was the duty of France —not as an act of generosity, but as a duty— to grant us our request. Though there is no person who has a warmer feeling for France than I have, I do think that it was ungracious to add any condition to that grant. I do think that, if France made us a grant of a site for a monument to our sons, she should have relied on the consideration, the generosity, the rare thoughtfulness and gratitude of the Canadian people to maintain that cemetery in a suitable manner for all time, without being dictated to by France or her Government.

I do think that we should not accept a site for a monument for our sons with any condition attached to it. It should be ours— under our jurisdiction, under our care, and if we forget, as men do sometimes forget, the care of the cemeteries of their dead, that should be our disgrace, and there should be no forfeiture made to France of the land that was given to us. I do not see that it is in memory of our sons that we are to maintain a park in France. I do not see why we should be bound to maintain a park for the recreation of the people of France or of any other part of Europe. We are to erect a monument in memory of our children. If the park is not maintained, are we to forfeit the monument? Are the French people entitled at a future time to take down the monument?

Hon. Mr. DANDURAND: The agreement does not say so.

Hon. Mr. LYNCH-STAUNTON: I have not read the agreement, but the land is to revert to France.

Hon. Mr. DANDURAND: No. I beg the honourable gentleman's pardon.

Hon. Mr. FOWLER: How are you going to maintain the monument?

Hon. Mr. DANDURAND (reading):

They moreover pledge themselves—

that is, the Canadian Government—

—to provide for the maintenance of the park and monument, in default of which the French Government would resume the free disposal of the park, except, however, the land on which the memorial is erected.

Hon. Mr. LYNCH-STAUNTON: I did not hear that part of it.

Hon. Mr. DANDURAND: That is, if we do not maintain the park properly, then the French Government will do it in our stead.

Hon. Sir JAMES LOUGHEED: No; they will take it back.

Hon. Mr. LYNCH-STAUNTON: I understand it is a condition of the grant to us of a site for the monument that we shall maintain a park in France.

Hon. Mr. CASGRAIN: Certainly.

Hon. Mr. LYNCH-STAUNTON: I do not think that is right. There should be no condition attached to the grant. We should not be asked to maintain a park at all.

Hon. Mr. DANDURAND: We asked for the 250 acres of land.

Hon. Mr. LYNCH-STAUNTON: But did we ask for it on the condition that we should forfeit it if we did not maintain it in a manner suitable to the French? We might maintain it at a standard suitable to ourselves, but not suitable to the French. They might ask us to maintain a park with all kinds of things in it—an amusement park. They might make an endless amount of money. Then, this is a matter of business, and at least there should be a limit to the amount that we are bound to spend annually.

Hon. G. D. ROBERTSON: Honourable gentlemen, I would like to add a word to the discusssion that has taken place on this subject, and to refer particularly to Article IV, previously mentioned, which appears on page 188 of the Commons Hansard, and which provides:

There shall be obligatorily mentioned on the monument the names of all units of the same class of the Canadian army having fought on Vimy Ridge during the same period of time.

There are many Canadian soldiers lying buried in France—some of them, unfortunately, in unknown graves—who aparently are not to be remembered, and I would suggest to the Government and to the War Graves Memorial Commission, that there is a feature that ought in some way to be rectified.

Hon. Mr. TURRIFF: May I inform my honourable friend that it is provided that the names of 15,000 soldiers of the Canadian army whose bodies were never found are to be placed on the monument on Vimy Ridge. The missing total about 20,000. The names of 5,000 of them will be placed on another monument, near where they fell.

Hon. Mr. FOWLER: Why the names of missing men? Does that apply only to missing men?

Hon. Mr. TURRIFF: No, but it is provided by another commission that a headstone shall be placed on every grave where the body of a Canadian soldier is known to be buried.

Hon. Mr. ROBERTSON: I thank the honourable member from Assiniboia (Hon. Mr. Turriff) for the information he has just tendered. Speaking further to the subject I wish to associate myself entirely with the views expressed by the honourable member from Hamilton (Hon. Mr. Lynch-Staunton), which are, I think, to the effect that Canada should have been given free scope in this matter and should not be bound by restrictions or terms such as we find in an ordinary lease between landlord and a tenant. I am sure that every honourable gentleman in this House, and the Canadian public generally, have a full realization and appreciation of the sentiments of the people of France towards Canada as a result of the part Canada played in the Great War. Fitting recognition on our part of the grant of this land by the French Government is proper; but I do respectfully submit, honourable gentlemen, that a full dress parade such as is being put on is entirely out of keeping with, and far beyond, the necessities of the case. As the honourable leader of this side of the House (Hon. Sir James Lougheed) said a few minutes ago, had the conditions been reversed Canada would never have thought of imposing such restrictions or requiring any such agreement.

I hope that the memory of our dead will not be used for a purpose such as I fear is being accomplished in connection with this resolution. It is too sacred a matter. There are in this country too many families who have been saddened and will mourn for many years to come, and will not approve of this —what term may I use?—I think the proper term is, performance. For them it is an opening up of wounds which have perhaps in some cases partly healed. I think it is not the function of Parliament to pass resolutions of a character that will have that tendency.

Only a small proportion of the soldiers who lie dead in France will be commemorated by this monument on Vimy Ridge. I am glad that it is being erected. I hope that it may be kept in a becoming manner, and may be a credit to Canada as well as to those whom it commemorates. But I do feel that the War Graves Commission should have a care for the rest of those who lie over there, and that the valour and the sacrifices that have been made by the Canadian soldiers, whose memory we desire to honour, should not be overshadowed by expressions of gratitude to the Government of another country for granting us, under certain conditions, a long-term lease of 250 acres of land.

Hon. J. P. B. CASGRAIN: May I ask the honourable leader of the Opposition a question? By what process of international law could France or any other country give away a part of its territory, absolutely enclosed within itself? That would be impossible. All that the country can give us is the use of the land in perpetuity. Surely the piece of land itself remains part of France, no matter what is done. France could not give a part of its territory to any foreign nation. It would always be part of France, would it not? Perhaps the honourable leader of the Opposition could tell us what he desires, and to what he objected at the beginning. Is it that France did not give the land out-and-out to a foreign country.

Hon. Mr. LYNCH-STAUNTON: No, it is just a grant.

Hon. Mr. CASGRAIN: One moment, if you please. I was asking the honourable leader of the Opposition.

Let us come down to earth and be practical. It is provided that the land shall be returned to France if Canada does not maintain it. This mounment is to stand for centuries and centuries to come. What may be the position of Canada two or three centuries hence we do not know, but it is necessary to provide for the future. Suppose that in a century or two, for one reason or another, this land is neglected. Suppose that all this has been forgotten. Suppose we are not on friendly relations with France at that time. If weeds should be grown up and the ground there left desolate, would it not be fit and proper for whoever may be ruling France in those days, two or three centuries hence, to reassume this land and say, "We cannot allow weeds to grow in this sacred ground"? Is there anything more painful than walking through a cemetery to see—as, I am sorry to say, we see often in our own province, and in other provinces too—graves overgrown with weeds and tombstones that are almost covered by vegetation. If such were the conditions, would it not be fit and proper for the French Government, or whatever Government would then be ruling that part of the world, to say, "We will take back this land and keep it as it should be kept—sacred to the memory of those who

have fallen." I would like to hear from the honourable leader of the Opposition.

Hon. Sir JAMES LOUGHEED: The honourable gentleman has asked me a question. I took no exception to the provision that the use of the land should be enjoyed in perpetuity. My reply was in answer to what my honourable friend said. Some honourable gentlemen on this side asked a question, and my honourable friend at once said, without looking into the agreement or, apparently, without familiarizing himself with the contents, that the land was given in fee simple. The land is not given in fee simple.

Hon. Mr. CASGRAIN: It is so far as a nation can do it.

Hon. Sir JAMES LOUGHEED: I take no exception to the tenure under which the land is held, but what I do object to is that this agreement should embody within its four corners the different restrictions which are imposed upon the Government of Canada.

Hon. Mr. DANDURAND: Honourable gentlemen, I confess my regret that the form of the agreement has given occasion for remarks which will read rather queerly when the report reaches the donors of this land. I regret it infinitely. When the Canadian representative was in Paris he was looking for the purchase of 250 acres of land on Vimy Heights and was trying to ascertain how he might go about it, since there were, as the honourable gentleman from Assiniboia (Hon. Mr. Turriff) has stated, no division marks. He got in touch with one of the Ministers of the Government, stated his errand, and was invited to return. When he did return, the Cabinet having examined into the situation, the Minister whom the Canadian representative was interviewing said purely and simply: "You need not look for the owners of the land; we have certain regulations that will cover this blood-soaked ground, which we call 'la region rouge,' and we will make a gift to your country of the 250 acres which it seeks." That was the simple decision and statement of the French Republic. The Canadian delegate was invited to return to sign a deed of agreement, and every honourable gentleman in this Chamber well knows that, the Cabinet having decided to grant to the Canadian people the use in perpetuity of 250 acres of land, the matter was then referred to a legal gentleman attached to one of the departments, who drafted this agreement. What must be considered above the cold terms of the agreement is the simple act of the French Government in saying: "You will not buy the 250 acres which you seek; we will give you the land."

Now, what is the objection to the form of this document? It is that the Canadian Government is required to maintain the land. I may say that I have it from the lips of the Canadian delegate that he himself stated: "We want 250 acres of land. It is more than we shall need for the monument, but we want to dedicate this land to our Canadian soldiers, and we will maintain it." That is the obligation which was mentioned by the Canadian delegate. The reference to maintenance in the agreement is simply a confirmation of the Canadian Government's undertaking, but the French Government or the draftsman saw fit to add that if in the course of time those 250 acres were not properly maintained, the land should revert to the French Government. All those who know that region know that it is but part of an area which is to be dedicated by the French Government to the soldiers of the various nations who have fallen there. It is but part of a big piece of property which will have to be maintained in a certain form, and I agree with the statement made by my honourable friend to my left (Hon. Mr. Casgrain) that it is proper for the French Government, in making that gift, to reserve the right of re-entry if it should happen that some of those pieces of land allotted to Canada, to England, and to Belgium should become neglected. In that event the land should be maintained by the French Government.

I do not see that there is any special reason for raising objection to the form of this document. Of course, you have before you the cold print, but what we thank the French Republic for is not the form of the draft. It is not a humiliating agreement. In spite of my honourable friend's statement that France should have felt that for all time the Canadian people would have enough heart and sentiment to maintain the ground—in spite of that statement, we must remember that centuries come and go and that the property remains there, and we do not know in what condition the ground will be maintained in perpetuity. I hope that there will be in perpetuity a Canadian Government to maintain it, and that this provision will not apply. But, looking at the document itself, I cannot feel that it contains any conditions against which we should rail. For these reasons I move, seconded by Mr. Watson—

Hon. Sir JAMES LOUGHEED: Before my honourable friend sits down may I make this observation? An impression has been left on the House that this side was somewhat censorious as to the negotiation of the transaction with the Government of France by the representative of Canada, Hon. Mr.

Lemieux. I am sure that Canada's delegate did not impose those restrictions upon the Government which he represented, and I know from what I have observed in the press, from the discussion which has taken place in the House of Commons, and from what I have learned otherwise, that every credit is due to Canada's representative for the manner in which he negotiated this transaction. Yet, notwithstanding the ability which he brought to bear upon the negotiation, exception is taken to the attitude of France in imposing the restrictions of which I have complained.

Now, in answer to my honourable friend as to the question of re-entry. I apprehend that the Government of France can exercise the right of eminent domain, which is exercisable by all governments and can, without making any provision in the document, re-enter and take possession of the land at any time.

Hon. Mr. FOWLER: I was trying to get some information as to what this is to be a monument to. Is it only to the men who fell at Vimy Ridge? Is it not to perpetuate the memory of all the men who fell in all the various battles of the war?

Hon. Sir JAMES LOUGHEED: Apparently not.

Hon. Mr. FOWLER: Then I protest absolutely against it. No matter what heroic incidents took place at Vimy Ridge, there were others equally heroic at other places, and many a man fell in some unknown skirmish. The memory of the sacrifice of those men should be commemorated just as much as the memory of the men who fell in the more spectacular fight at Vimy Ridge.

Hon. Mr. DANDURAND: I might inform my honourable friend that there is a chain of monuments, eight or nine in all, and that this is to be the principal one. This, I am happy to say was decided upon without any Government interference, while my honourable friend (Hon. Mr. Fowler) and my right honourable friend (Right Hon. Sir George E. Foster) were in power.

Hon. Mr. FOWLER: We are only discussing a monument at Vimy Ridge, which, in addition to the names of the men who fell at Vimy Ridge, is to contain the names of 5,000 of the missing.

Hon. Mr. TURRIFF: Fifteen thousand.

Hon. Mr. FOWLER: I do not know how many men were missing.

Hon. Mr. TURRIFF: Twenty thousand.

Hon. Mr. FOWLER: What about the other 5,000?

Hon. Mr. TURRIFF: Their names will go on the other monuments. It was thought better to put their names on the monuments near where they fell or were missing.

Hon. Mr. FOWLER: Is there a monument for every battlefield?

Hon. Mr. TURRIFF: No. There are either eight or nine.

Hon. Mr. FOWLER: I thought they were all grouped in this park.

Hon. Mr. TURRIFF: Oh, no. I can give my honourable friend the names of them.

Hon. Mr. FOWLER: It suggests itself to me that this matter was very ill-considered. A certain amount of land is to be devoted to a park. Why not have all the monuments, no matter where the battles took place or where the men fell, grouped in one place so that they could be cared for? That would seem to me to be infinitely better, because you are not putting a monument on every battlefield where the Canadians distinguished themselves.

Hon. R. S. WHITE: I think I might answer the honourable gentleman's question. I understand that the Canadian graves are maintained in all parts of France where there were battles. Those graves will be maintained notwithstanding the monument to be erected at Vimy Ridge. Vimy Ridge is simply the central point. As I understand the honourable gentleman from Assiniboia (Hon. Mr. Turriff), the smaller monument is to the men who fell at Vimy Ridge, and the larger is to the men who fell in the other parts of France. I am informed that this larger monument would bear the names of some 17,000 men, some of whom were missing and some of whom were killed and over whose graves there is no mark.

Hon. Mr. FOWLER: To all the dead?

Hon. R. S. WHITE: Men who may have fallen in other parts of France, or elsewhere. This is to be a central monument, and Vimy Ridge is the site selected for it.

Hon. Mr. FOWLER: Are the names all on this monument?

Hon. Mr. TURRIFF: I will try to give my honourable friend the information. The men who fell throughout France and Belgium, and whose bodies were found, were gathered into cemeteries near where they fell and were buried there. That has been done by an

Imperial Commission of Great Britain and all the overseas Dominions, who are erecting over every grave a headstone with the name of the soldier buried there.

The question of whether it would be better to erect one monument or several to commorate the Canadian dead was discussed, and it was decided, I think rightly, to erect nine monuments in different parts—six in France and three in Belgium—near the places where great battles had been fought and where large numbers of Canadians had been killed. It was decided to erect the principal monument on Vimy Ridge because the Battle of Vimy Ridge was the first battle in the war in which the Canadians acted as an independent unit, and furthermore it is a high ridge and offers a beautiful site. For the reason that a large and expensive monument was being erected, and that there would be thousands and tens of thousands of Canadians and people from other countries going there, and that if there were only a few acres of land around the monument, hotels and restaurants where all sorts of objectionable buildings might be put up close by, it was decided to try to get a considerable area. The French Government has very cordially and kindly given the land. It has been given just as fully as if it were given by patent or in fee simple. It is given in perpetuity as long as it is used as a resting place for our dead soldiers. What more than that can we want? If we do not want to use all the land we can give it back at any time. There will be no great expense incurred in keeping it up. It is not in an agricultural country, but is in a rocky range of hills, and it is the intention to plant Canadian trees there—maples and others—the same as is being done at the sites of the other monuments. We are planting millions of trees around these monuments.

I am sorry that there has been any discussion of this kind. It seems to me that it will rather cause the reflection that we do not appreciate what France has done. I think France has done the proper thing, and as a Canadian I cannot see any objection to the stipulation that we should maintain this property for all time as a resting place for our Canadian dead.

Hon. Mr. BEAUBIEN: I would like to add just a few words to what I have already said.

I must first of all express surprise at the statement that a foreign government can own a tract of land in any other country in any other way than that provided for in this agreement. I do not think such a statement will redound to the honour of the Senate of Canada. No other method could be resorted to than the one which was used in this instance. My honourable friend stretched out his hands in a gesture of ample generosity and asked if the positions were reversed what would have been done. I can tell him. He would have taken up his statutes and would have studied and scrutinized them, and then he would have taken up his pen and followed letter by letter the words of that document. There was and is no other way of drafting it.

The second point raised is the condition attached to the deed. A great deal has been made out of a very small matter. The French Government took possession of that land in virtue of a law, which law requires that Government to maintain that land as a cemetery. The lawyers who hear me, including the leader of this side of the House, know as well as I do that such land could not pass unless it passed with the obligation of maintenance attached to it. The Government of France could not have taken the property promising that it would be maintained, and then freed itself of this inherent obligation by unconditionally turning the land over to a third party. For that reason this resolution was unanimously approved of in the other House by the leaders of the three parties. When one country deals with another, most people, even if they have objections, refrain from expressing these objections in such a manner as we have witnessed to-day. For my part, I want to disassociate myself from the criticism aimed at the resolution, or from anything in the future, whatever my ties may be, that would connect me to an exhibition of that kind.

Hon. Sir JAMES LOUGHEED: You are free to do it.

Hon. Mr. ROBERTSON: Not being a lawyer, I would like to ask my honourable friend one question. If it were legally proper or possible for the Graves Commission and Canada's representative to go to France and offer to purchase a site, it surely must have been possible for Canada's representative to obtain a deed in fee simple by purchase. If that be so, I as a layman cannot see why it is not possible for France to make a gift to Canada in the same way.

Some Hon. SENATORS: Question.

The Hon. the SPEAKER: The Honourable Mr. Dandurand moves, seconded by the Honourable Mr. Watson:

Resolved, that the Senate unite with the House of Commons in the said resolution by inserting in the blank space therein the words "Senate and," and

That His Honour the Speaker do sign the said resolution on behalf of the Senate, and that a message be sent to the House of Commons by one of the clerks

at the table to acquaint that House that the Senate have agreed to the said resolution by filling in the blank space therein with the words "Senate and."

The motion was agreed to.

Hon. Mr. DANDURAND: I desire to move:

Resolved, that the following joint address be sent to His Excellency the Governor General:

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

May it please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, beg leave to approach Your Excellency with our respectful request that you will be pleased to transmit our joint resolution that Parliament do approve the acceptance by the Government of Canada of the gift graciously made by the Republic of France of a tract of land 250 acres in extent on Vimy Ridge at the site selected by Canada of a monument commemorating the exploits of Canadian soldiers in the great war, and in so doing records its sense of gratitude for and its high appreciation of the motives which prompted France to associate herself with a project so dear to the hearts of the Canadian people, in such a way as to Your Excellency may seem fit, in order that the same may be presented to the President of France.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a message be sent to the House of Commons by one of the clerks at the table to acquaint that House that the Senate have passed an address to His Excellency the Governor General praying His Excellency to transmit our joint resolution to the President of the Republic of France approving the Government's acceptance of the gift made by the Government of France of a tract of land on Vimy Ridge for the erection of a monument commemorating the exploits of Canadian soldiers in the great war, in such way as His Excellency may see fit; and to desire the concurrence of the House of Commons in the said Address by filling in the blank space therein with the words "and House of Commons."

The motion was agreed to.

DOMINION ELECTIONS (FEMALE ELECTORS) BILL

SECOND READING

Hon. L. O. DAVID moved the second reading of Bill C, an Act to amend the Dominion Elections Act as regards the qualifications of female electors.

He said: Honourable gentlemen, the last electoral law gave the right to vote to every woman in Canada of the age of twenty-one years. When the question came before the Senate, I moved to replace the words "twenty-one" with the word "thirty," in order to make our law similar to that of England. I thought that what was good for England should be good for Canada. There was no vote taken on the motion but it was declared lost. At the time I did not judge it proper to divide the House. Last year I moved a resolution to declare that it would be expedient to amend the law in that direction. A vote was taken, and I was happy to see that a good many of the members of the Senate shared my view. I promised them that at every Session as long as I was a member of the Senate, I would endeavour to have my views accepted by this honourable House. I keep my promise. I bring up the question in the form of a Bill, and I hope that the House will vote unanimously for it. If I persist on this question it is because I am sincerely and deeply conscious that the introduction of women, and especially of young girls into politics, is erroneous, and contrary to the spirit of our constitution, to the working of our British institutions, and to the welfare of our families and our country in general.

The limiting of the right to vote in Britain to women over 30 years old was evidently because the members of the British Parliament shared the views of those great English statesmen, Brougham and Fox, and the other great men who in 1832 and 1834 discussed that question and laid down the principle, as a fundamental one in suffrage, that the right to vote should be given only, to use words of Brougham, "to the greatest number of those who were able to give an intelligent, independent, and honest vote." They were of opinion that women generally could not give an independent vote, and a great number of them not even an intelligent vote—I mean that they could not vote with knowledge of politics or the knowledge necessary to cast a good vote. The Bill presented in France, which was wisely rejected by the French Senate, had a similar clause, limiting woman's right to vote to those over 30 years of age.

What has been done in England and in France should be done in Canada. We are always happy to say, when interpreting our Constitution, that we are guided by English precedents, and are proud to say that the English parliamentarians are our advisers in all these matters. Let us prove that this is true, not only by word, but by deed. I first intended to adopt the English law in its entirety, but finally concluded that my bill would perhaps be more acceptable if it were limited to young unmarried women from 21 to 30 years old; but I would have no objection to a sub-amendment applying the law to married women of that age, which I think would improve my Bill.

Can girls from 21 to 30 years of age give an intelligent vote?—I mean a vote with the knowledge necessary to give a good vote? Where will those poor girls learn politics, like boys—because it is argued that we give the right to vote to boys of 21 years. Yes, but there is a great difference. Will you allow your girls, your young daughters, being 21, 22 or 23 years old, to do as boys do—frequent clubs, public meetings, publicly discussing political questions, and doing as young men generally do, even in their schools and colleges? Where will our daughters learn politics? Is it in those clubs and political meetings that they will learn what they need to know in order to be wives and mothers? No. What good will politics do them? Nothing good, but a great deal of evil. When we ask if girls can give an intelligent vote we must conclude that they cannot, because they cannot get the training, the education, which is required to enable them to give a good vote.

But can they give an independent vote? No, for they will vote like their father, or their mother, or their brothers. Well, if they vote like their father and their mother, you will have a multiplicity of votes; but if they are to be independent, what will be the result? You will then have the vote of the father—the head of the family, who has studied politics for 20 or 30 years in order to be able to give a good vote in the interest of his country—cancelled by the vote of a poor little girl, very often a poor little servant, who does not know the first word of politics, not even what the word "tariff" means. There was a woman at the last election who refused to vote because she wanted to vote for Sir Wilfrid Laurier—who was dead, poor man. He might have been happy if he could have known this woman's wish.

In old times the head of a family, the man who was responsible for the welfare of the family, and who had worked for 20 or 30 years for its welfare, was the only one empowered to represent the family in public matters; but what do we see now? Every day we find that his authority is diminished, to the great detriment of society. Naturally the progress of education has made it necessary greatly to extend the suffrage, and naturally we could not object to that; but I think our politicians are going very far in that line, so that all the parliaments of the world will soon be at the mercy of majorities imbued with radical and communistic principles, and what is going on in England would lead us to believe that perhaps British institutions themselves will not be able to withstand that danger. But I do not want to discuss that matter now.

The discussion in the English Parliament shows how much the right to vote was appreciated and regarded as a privilege; but can it be considered so precious when it is given to anybody, even to those poor girls and little servants who do not know anything about politics? What will those poor girls do when the father will vote on one side and the mother on the other, and the brothers on opposite sides? Imagine the troubles that will be caused by those disunions in families. And how can we subject our daughters to the annoyances which will be the result of such voting?

Then, consider the cost of the insertion on electoral lists of thousands of names of girls who will not vote, or who will do so only as they are told? It would be very amusing and instructive if members of the House of Commons would say what they think, and what they have heard and seen at election times.

Perhaps we do not attach the necessary importance to the fact that we are a young country, which requires all its moral, intellectual and physical strength in order to reach its high destiny. But if our women are to do their fair share in the patriotic work of that development, they must not be deterred from the duties which they are called to perform as wives and mothers. What we want in a young country like Canada in the way of development is wives and mothers, and the more we have of politics among women the less we have of mothers and children. Those women are doing much good outside of politics by exercising their activities in charitable and social spheres, in making their homes agreeable and happy, in giving society good, honest and patriotic citizens, and in taking part in helpful work. That ought to be enough to make them appreciate their noble mission, to satisfy their ambition, and to occupy all their time. Unfortunately we are living in an age when the fundamental laws of society and the main laws of nature are upset, and we do not realize enough what pernicious effect the theories which are running through the world will have upon the future of society.

I submit to the wisdom of this House the present Bill, and I know it will receive all possible consideration. If there is a public body whose mission and duty are to guard the principles which must govern the social and moral order of our society it is the Senate, which has all the qualifications required to fulfil that mission.

With these remarks I move the second reading of the Bill.

Hon. JULES TESSIER: I told the honourable gentleman who has introduced this Bill that I would assist in its discussion, and that I would be glad to be convinced by the strength of his arguments. I understand that the honourable gentleman wishes that no vote should be given to young ladies who are under 30 years of age. He is well qualified to speak on this question, as he is the proud father of nine daughters.

There is no doubt that very young women are apt to be influenced easily by ulterior motives, and very light motives, and that they are not in a very steady position, if I may use that expression, to give a wise vote. After 30 years of age they are more accustomed to the business of life, and they can resist with a great deal more tenacity the attacks of canvassers, and at that age they can give a vote with a great deal more wisdom and independence in the interest of the country.

I am quite convinced of the strength of the arguments which have been brought out with so much clearness and eloquence by the honourable gentleman. He has gone into the discussion of woman suffrage with a great deal of force. To my mind that question does not come under this Bill, which is only intended to restrict the suffrage as indicated. I am quite happy to second his motion, and I am disposed to support the Bill.

Hon. GEO. W. FOWLER: I must say that personally I am in favour of this Bill; the only objection to it is that it does not go far enough, and wipe out female suffrage altogether. I am an opponent of female suffrage. I think it would be in the best interests of the country if even the male vote were restricted somewhat from manhood suffrage. I believe in a property qualification. It may be old-fashioned and all that, but it seems to me that a man who has not some stake in the country has no right to a vote or say with regard to the country. Distinctions are made in some towns in allowing certain persons to vote on ordinary matters presented at election time, and allowing only ratepayers on property to vote on questions relating to the expenditure of money. As I say, this Bill does not go far enough to suit me. However, I have always gone on the principle that half a loaf is better than no bread, and if my honourable friend can succeed in getting his Bill through and thereby shutting out the vote of some of those flappers and ignorant girls who have a vote to-day, and whose vote is as effective as the vote of my honourable friend himself, I think he will have accomplished something.

I do not quite understand why he would allow a woman to vote at 21 if she is married, while a woman who is single remains without the vote until she is 30. There may be many girls of 21 who are much better qualified to vote than are some married women at 30. There is nothing about the marriage tie that gives a woman the capacity to vote. It may have effects along certain lines, but it certainly does not have any along that line. I do not see why my honourable friend did not place the limit for every woman at 30 years of age. It would not do to go further, because if you did you would abolish votes for women entirely; no woman would admit being 35 in order to get a vote, even if she were 50 according to the number of her birthdays; but I think my honourable friend should have made 30 the limit for all, instead of making a distinction between single women and married women. However, I shall have great pleasure in voting for his Bill, even in its present form, because I am absolutely opposed to woman suffrage.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I am in favour of the Bill—very much in favour of it. Like my honourable friend on my left (Hon. Mr. Fowler), I am not in favour of female suffrage, and this curtails some part of it. In my opinion it may curtail it much more than is supposed, for when the question is asked, in conversation, "Are you going to vote at this election, my dear?" I hear the answer, "Why, no, dearie, I wouldn't think of voting: I am not old enough to vote." And so on, and so on. I think, with the limit at age 30, we shall have a good margin of safety. Many over that age will not admit that they have the right to vote.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, it seems as though either the proposition does not excite much interest among the membership of the Senate or else there is a singular unanimity of opinion in favour of my honourable friend's proposal. It is a somewhat serious matter to undertake to change the franchise unless we have thought it over thoroughly, and it at least merits a discussion. We in this House are not dependent upon the electors for our seats—that is, directly; indirectly probably most of us are. This is a matter which more particularly pertains to the House of Commons, by whom the suffrage is primarily fixed, and whose members must take the suffrage on the basis established.

I have been listening very carefully for an argument that would convince me that my honourable friend (Hon. Mr. David) was right and that if I took the other side I should be wrong, and I must say, with all due deference

to my honourable friend's presentation, I cannot see the logic that is in it. In the first place, he differentiates, it seems to me, between the feminine portion of the community and the male portion as advantageous possessors of the vote, and he brings to us the argument that the reason why a girl who is 21, or who has not reached the age of 30, should not vote, is simply because she is a girl and not a boy. He does not seem to have any quarrel with the immaturity or lack of information and knowledge that may be found in a boy of 21. His speech would lead us to believe that he differentiates thus between the feminine and the male capability for voting.

So far as my experience has gone, I have found girls just about as intelligent as boys. I have taught in schools, in colleges, in universities, and have had a good deal of experience of boys and girls in that line. I take it that it is a fair thing to say that the girls of a family, taken by and large, are just as intelligent as boys of similar age in the same family. I believe that on the average they are more intelligent than the boys.

Hon. Mr. WATSON: The girl matures earlier.

Right Hon. Sir GEORGE E. FOSTER: Why, then, does the honourable gentleman discriminate? If aptness of knowledge or maturity of judgment of the girl as compared with the boy depends on age, then he has an argument; but if it does not absolutely depend on age, why should he apply the restriction in the case of one and not apply it in the case of the other? I would just as soon trust to a young girl of 20 up to 30, having as good a judgment and as sound a knowledge of the issues which ordinarily come up in the choosing of a representative as a male member of the family. I believe that her moral sense is likely to be somewhat sharper, if anything, than that of the male member. I would as soon trust the vote in her hands as in the hands of the boy of similar age. That is, I do not think that there is any reason to differentiate between the woman and the man simply on the ground that one is a woman and the other a man.

The honourable gentleman argues that the woman who is past 30 must necessarily be wiser and have better information than the woman between 21 and 30. My experience does not carry out that contention. There are many things in which years add wisdom, but I am not at all certain that you will find a case for differentiation in a simple matter of ten years' difference in age and that you can in that way fairly allow the right of voting to one and deny it to the other.

The honourable gentleman depends somewhat on the argument of the young girl being under the force of the parent or older member of the family. Well, for my part I cannot see that that argument is applicable to the difference of age between 21 and 30. Your young girl between 21 and 30 may be married or may not. If she is not married, she goes for her opinion very often to her father or her mother, and she is guided a great deal by what father or mother thinks; but, while deferring to them—perhaps following them—she does not necessarily give up her own independence of thought. She agrees with them because, after talking the matter over they have common ground and common thought upon it; not simply because one is the daughter and the other is the mother or the father of the daughter. But you do not escape from that dilemma in regard to a woman of 30 who is married. Her husband takes the place of the father in the family of which the girl is a member when she is unmarried, and the compulsion of the husband is apt to be just as strong as the compulsion of the father. So I do not see that my honourable friend overcomes the difficulty by limiting the vote as he proposes in respect to the matter of age.

If in discussing the suffrage we were in the independent position of being able to fix the terms of a suffrage which we thought would be best all round, I do not say that I would choose the suffrage as we have it at present. But we can never get back to that position. You cannot expect to wake up one morning and find that the wheels of progress, which have been turning continuously for 50 years towards the enlargement of the suffrage, have during the night-time been turned back. We have not a clean slate on which to begin anew; we have to take things as they are; and all of us, I think, pretty well subscribe to this proposition, that once a suffrage has been fought for and gained, it is not in democratic countries afterwards curtailed. The drive is toward a still further enlargement, if further enlargement is possible. So I think we waste time in saying what we would do if we only had a clean slate on which to work.

Coming down, then, to things as they are, we see that woman suffrage has been granted. I would not be one who would say to a girl having equal rights with a boy in the family, "Your brother has a right to vote for So-and-so, but you have not a right to vote for So-and-so, because you are not intelligent enough to vote." I would not assume that responsibility, and I do not think the ground is a fair one to take. The girl is generally

apt to give just as straight and well-based a vote as the boy; and in many cases her home instincts and her womanly instincts will lead her to choose the better representative, whilst the boy, not having quite those same instincts, would perhaps give his vote to the worse of two candidates.

I am an advocate of a woman doing whatever a woman is capable of doing. I do not think we have any right to shackle a woman simply because she is a woman. Man has made the laws from the earliest generations. He has made laws as unjust towards womanhood as laws could be made—and there are some of them that are yet on the Statute Book, and that never would have been made if there had been equal suffrage at the time that these laws were canvassed and put upon the Statute Book. We have gone the distance of suffrage to woman. I therefore would not limit it outside of the limits of the suffrage to the man. A boy of 21 years of age has a right to vote: I would give the girl of 21 a right to vote as well.

We are living in a different age from what we were living in 25 years ago, or 20 years ago, or even 10 years ago. There is more moving in the minds and hearts of men and women than was moving then. Legislation has taken a far wider range than it had before. It has to do with the home and what tends to the protection, the progress, and the happiness of the home, and I trust woman's instincts and woman's purity and woman's perception and woman's tact in all those subjects, and I would trust women to go straighter to a decision, and to a better decision, than the male portion of the community. So I would not for my part be one who would restrict or restrain in that respect.

Now, with all kindliness towards the views of my honourable friend, I do not think we ought to interfere with the suffrage as it is at present in that respect, by discriminating against the womanhood of the country.

Hon. RAOUL DANDURAND: Honourable gentlemen, although I have not made any preparation, I intend in a few words simply to give expression to my views on this question, as I have long held them. The right honourable gentleman Right Hon. Sir George E. Foster) has, on the whole, fairly expressed them for me in far better terms than I could ever hope to do. He has to my mind, rightly said that a move towards a reformation of the suffrage would perhaps come better from the House of Commons; yet, we have a right to discuss questions of this kind and to go on record when they are presented to us.

I have expressed the view that inasmuch as all laws govern women as well as men, women are interested to the same degree as men in the form and in the matter of the laws. In democracies laws are supposed to be made with the consent of the governed. That being so, why should not women, who are governed by these laws, have a voice and a share in their making? I admit the equality of women with men in society; I admit that they have a similar degree of interest in the welfare of society; I admit their equal rights in the administration of society and of the laws which are framed to govern society. Although holding those views, if I had had my way in going about the solution of the problem at its inception, I would have held a referendum in order to obtain the opinion of the women as to their general desire to exercise the franchise. If a large majority, or let us say a majority, of the women expressed a desire to maintain the situation as it was, without enlarging the suffrage to include themselves, I would not go further; but, recognizing their equality with men in the welfare of society and its management, I would not deprive them of the right if a majority of them claimed it.

My honourable friend who is moving to limit the suffrage to women who are 30 years of age and over claims that there is a certain inferiority in girls. That point, I think, has been fairly disposed of by my right honourable friend the junior member for Ottawa (Right Hon. Sir George E. Foster). The sponsor for this Bill has repeated two or three times "poor girls" and "poor servants." Those poor girls and poor servants have poor brothers, and yet he agrees to giving them the vote. Are they not on an equal footing?

Hon. Mr. DAVID: No.

Hon. Mr. DANDURAND: Cannot the furnace man of my honourable friend, who may be totally ignorant, or who may know just enough to read and write, annul the vote of my honourable friend at the same poll where he casts his ballot? Yet my honourable friend accepts that situation. Any man who is 21 years of age, even though he has had no training whatever, may follow my honourable friend into the poll and annul his vote, and yet my honourable friend is not scandalized at that.

Hon. Mr. DAVID: I do not want to double the evil.

Hon. Mr. DANDURAND: We in Canada are now governed practically by universal suffrage. I admit that that suffrage is not perfect; it has not given the last word of

wisdom in its judgments; but are we not all agreed that it is much superior to any other form of government? Have we not had occasion to rejoice at autocratic government being wiped out in Europe in the last war? Do we not all feel that, although democracies may make mistakes, may even give governments that are far more costly, yet the whole of the community has had a voice in shaping the destiny of the country, and bears a share of responsibility, and feels that it is governed through its own will, and that every four years it can cure the evil that its error of judgment has brought about?

We are governed by universal suffrage. What actuates that suffrage, represented by hundreds of thousands of votes in this country and in some countries by millions of votes? What actuates it, I ask? Do all the voters vote upon one and the same question? Are they all actuated in solving a certain problem? In ninety-nine cases out of a hundred there is a diversity of questions presented to the electorate, and the reasons that actuate electors are sometimes most extraordinary; but when the vote has been counted a government is installed and governs according to the will of the majority. This is the least evil form of government that centuries have brought about. I admit with my honourable friend that the result will be no better if that suffrage is doubled. I believe that the giving of the franchise to the two sexes in countries where it has been practised for some years has not resulted in any great difference in the vote. Young girls, as well as wives, have been influenced by their surroundings, by the atmosphere about them, by their own makeup. They have grown up with certain ideas; they are swayed by the interests of their class; and in nine cases out of ten they have voted with their fathers, because they have read the same paper, have listened to the same arguments, and have been swayed by the same passions. But if women claim the right to vote—and I am not sure but that a majority of the women in Canada would have gone to the poll and claimed that right—it is very hard, as the right honourable gentleman has said, to go back upon an extended suffrage and to try to limit it. The women have been granted the suffrage, and now that they have it I cannot see that it is possible to take it away from them or to limit it in any way. If my honourable friend, or someone in the House of Commons, were to move for a referendum on the question of the limitation of woman suffrage, I would be ready to support him in this House; but I recognize the equality of position of the two sexes, and that women have a similar right to that of the men to exercise an influence in society if they so desire. I remember that Paul Bourget, a novelist of considerable standing, a member of the French Academy, and quite a philosopher, was asked a few years ago when passing through this country if he was in favour of woman suffrage. I may as well state that Bourget is somewhat monarchical in his views; he has not much confidence in democracy. His answer was: "Why not? They could not do worse than the men."

Hon. Mr. DAVID: That is a poor consolation.

Hon. Mr. DANDURAND: There was a time, although it is waning, when girls were always to be found under the parental roof. There was a time when, in nine cases out of ten, if not in ninety-nine out of one hundred, men took care of women. We did not find girls earning their own living, those who did so being the exceptions. But what do we find to-day? Are men taking care of women to the great degree that they did? In large cities do not see thousands, or tens of thousands, of girls of 21 years of age who have already been earning their living and acquiring experience outside of the home in all walks of life? They are an army. When they are doing the same things as boys of 21, why not treat them on a parity? For these reasons, I will, with regret, vote against my honourable friend's motion.

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

NORTHWEST TERRITORIES BILL

FIRST READING

Bill 7, an Act to amend the Northwest Territories Act.—Hon. Mr. Dandurand.

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

THE SENATE

Thursday, March 1, 1923.

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

Prayers and routine proceedings.

EXPLOSIVES BILL

FIRST READING

Bill E. an Act to amend the Explovises Act. —Hon. Mr. Boyer.

VIMY RIDGE MEMORIAL

On the Orders of the Day:

Right Hon. Sir GEORGE E. FOSTER: Before the Orders of the Day are called I wish to call the attention of the leader of the Government and the members of the Senate to yesterday's resolution and the discussion which took place thereon. The resolution was, as I understand it, simply to return our thanks to the French Government for their donation of 250 acres of land as a cemetery, in which a monument might be erected to the Canadian soldiers. I think it was somewhat unfortunate and regrettable that a tendency was given to the discussion which went beyond that purpose; and a remark at the end of the address of the leader of the Government, which I will ask liberty to quote, is the reason why I rise at this particular moment to make one reservation. The honourable gentleman said:

> With the resolution which I submit to this Chamber, we desire to affirm our sympathy and friendship for the French nation.

With that I have every sympathy, and to that I have no objection. But the honourable gentleman went on to say:

> We know that nothing will please her more than to assure her that our best wishes accompany her in her determination to obtain from Germany the full measure of reparation to which she is so justly entitled.

Subsequent remarks made by the seconder of the resolution more strongly led to an implication that in passing this resolution solely with reference to the Vimy Ridge donation we are giving our assent to the particular line of policy which is being pursued by France in Germany to-day. My honourable friend knows that there is a distinct and wide divergence of opinion amongst the Allies with reference to the mode of operation which has been adopted as a policy by France, and, whilst I voted for the resolution, which is as expressed upon the Order Paper, I desire to dissociate myself absolutely and entirely from any implication that by the passage of that motion I am, or this Chamber is, led to stand by and approve the particular policy now being carried out by France in the Ruhr. If my honourable friend wishes to test the opinion of this Chamber, there is a way in which it can be done. It ought not, even by implication, to be done on the motion which was before us yesterday.

Hon. Mr. DANDURAND: The remarks which have fallen from the lips of my honourable friend should, I believe, have been made yesterday when the debate was in progress. The only consent that he gave by his silence was to the official document that I presented. The statement made by any member in the debate is a personal statement of his own feelings, and it may be qualified by the speaker following.

Right Hon. Sir GEORGE E. FOSTER: Will my honourable friend allow me? I wish to make just one remark. My honourable friend, as leader of the Government, can hardly, to my mind, make that plea. The resolution which was passed, going as it will go to the French Government and probably to the French Chamber with the assertion of the sympathy of this Chamber with what France is now doing, will be taken by them as an approval by the Senate and by the Canadian Government of the plan which is now being carried out. My honourable friend will see that that is my objection, and that is why I have spoken.

Hon. Sir JAMES LOUGHEED: Before my honourable friend (Hon. Mr. Dandurand) rises again in his place, may I, with the permission of the House, make this observation? The resolution was introduced hurriedly and, I venture to say, without adequate knowledge on the part of the House. I myself did not know until yesterday that it was coming on. There was an absence of information from my honourable friend, and I am sure that information would have been of great interest and must necessarily be submitted to the House before we can have a full grasp of the subject. Before the resolution is transmitted to the Government of France we ought to know what are the designs of the Government of Canada in reference to the creation of a park of 250 acres. We very well know that the land is intended not for graves, but for the creation of a park and its maintenance in perpetuity. Now, the question arises, what would it cost to make this land into a park that would be in harmony with all the surroundings? What would it cost annually to maintain a park of 250 acres in the very heart of France? It seems to me the Government must have some designs. They must have made some estimate. They must not have entered upon an undertaking involving so much expenditure without giving matured consideration to the subject. As this matter has been introduced simply by resolution, not by Bill, and has taken the House by surprise, I think my honourable friend owes it to himself and to the House to furnish us with the fullest information as to what the scheme will involve in cost to the Government of Canada.

Hon. Mr. DANDURAND: This resolution came from the House of Commons through the hands of His Honour the Speaker, and when it was brought to the attention of this Chamber I asked that it be taken into con-

sideration the next day. I might as well have said the next week, but there was hardly anything on the Order Paper for the following day, and the resolution, without any representations or any criticism, was placed on the Order Paper for that day. I must confess that, if I had suspected that there would be criticism of any part of the document which was laid before Parliament, I would have allowed far more time for the Senate to consider the document. I could only form an impression from the fact that in the Commons three short speeches had been delivered by the leaders of the three parties, expressing congratulations and approving of the form of the resolution. I was under the impression that a similar procedure would be followed in this Chamber.

Now, my honourable friend rightly asks what will be the cost of the erection and maintenance of the monument.

Hon. Sir JAMES LOUGHEED: No, no. We are already committed to that, but we are not committed to the creation of the park, except under this resolution.

Hon. Mr. DANDURAND: The creation of the park?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND: This falls within the scope of the Commission created by my honourable friend's Government.

Hon. Sir JAMES LOUGHEED: No; excuse me. My honourable friend will recognize that the scope of the Commission and its duties have already been defined, but this is something of a special character that has been entered upon since last Session of Parliament. It has not been submitted to Parliament except by a vague resolution, and neither branch of Parliament is in possession of information regarding the very large expenditure which I know will be invloved in carrying out the idea.

Hon. Mr. DANDURAND: I think, with all due respect, my honourable friend is in error as to what body will have to study the question which he submits to this Chamber. That body will be, I have reason to affirm, the Commission. That Commission, appointed by the late Government, sent one of its members to France with authority to acquire 250 acres. When he received from the French Government the gift of 250 acres, he corresponded with the Canadian Government for the purpose of obtaining authority to sign the deed of acceptance which was being submitted to him. Now I think that Parliament—this branch as well as the other—is entitled to a full statement as to the cost of the general plan; the cost not only of the maintenance and administration of this piece of land, but of the whole scheme for the erection of eight or nine monuments.

Hon. Sir. JAMES LOUGHEED: Oh, well, we are already committed to that.

Hon. Mr. DANDURAND: We are committed in principle, but I am not sure that we know what will be the total cost.

Hon. Mr. CASGRAIN: There is no estimate.

Hon. Mr. DANDURAND: This will come before us, and I hope it may come in such a form that we shall have an opportunity to express an opinion upon the whole scheme when a demand is made for money for the purpose of carrying it out. The Commission has been given some powers, but, while it may make its decisions, I suppose it can do nothing without the sanction of Parliament: that is, without Parliament voting the money required. So I am sure that this Chamber, as well as the other, will be entitled to full information when Parliament is asked to pass a vote in this connection.

Hon. Sir JAMES LOUGHEED: Will my honourable friend be good enough to bring the information down to the House at the earliest possible day, in order that the Government of Canada may not be so far committed as to be unable to retrace its steps, to the scheme which we so hurriedly discussed yesterday, without having any information upon it. My honourable friend will clearly understand and recognize that this is a new undertaking in addition to what has already been assumed by the Memorial Commission. It is not intended that the Memorial Commission shall go on entering upon unlimited undertakings for all time to come. Whatever they commit the Government of Canada to will have to be paid for out of the exchequer of Canada; consequently both branches of Parliament should have the fullest knowledge as to the expenditure to be involved.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman (Hon. Mr. Dandurand) allow me to ask him a question? Do I understand from this discussion that the Commission has been given absolute power to erect as many monuments as they choose, or a stated number of monuments, in France? Is or is not the scheme for the erection of memorials to be submitted to Parliament before it is acted on?

Hon. Mr. DANDURAND: I will ask Council to give me all the information which my honourable friend now seeks. This Commission is of rather long standing. It has done considerable work. I understand that a building has been either erected or rented in London in which models are exhibited and in which the architect in charge of the erection of that monument is working. I do not know what is the expenditure, nor whether any information on that point has been given to the other Chamber or not. My honourable friend (Hon. Sir James Lougheed) can tell us whether he brought the information to this Chamber.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: However, considerable work has been done.

Hon. Mr. LYNCH-STAUNTON: But what I want to know is this. Giving the proposal only a cursory consideration, I think it is quite wrong to put up more than one monument in France. Half a dozen monuments scattered all over France will be neither as imposing nor as desirable, to my mind, as one great monument. To find them on every battlefield and everywhere would, it seems to me, make them common, just as a great mountain is noticed, while a dozen lesser mountains are not. I think it is for Canada's Parliament, not for a commission, to decide ultimately the form of a memorial to our soldiers in France. That is the business of the people of Canada, and I would like to know if Parliament has authorized any person or any commision to carry out this work without further reference or submission to us of the plans and schemes.

Hon. Mr. TURRIFF: Honourable gentlemen, I may say for the information of my honourable friend that the Commission works altogether under the direction of the Minister of Defence, Hon. Mr. Graham, at the present time, and everything done is done with the full consent and approval of the Minister, who consults with Council. In securing this tract of land on Vimy Ridge the Commission had the approval of the Minister, the Prime Minister and the other members of the Government. The amount of money needed for the erection of these monuments was set apart some years ago. Whether my honourable friend is right in his contention that there should be only one monument, or whether there should be nine, is a question of personal opinion. It was considered by the Commission that the work entrusted to them would be carried out better by the erection of one main monument on Vimy Ridge and eight others elsewhere—three in Belgium and six in France. That scheme is being carried out. The principal monument, on Vimy Ridge, will be in size and in merit, according to all the information we have been able to get, the equal of any monument that has ever been erected in this world in honour of the soldier dead.

Hon. Mr. CASGRAIN: It is going to be "some" monument.

Hon. Mr. TURRIFF: Yes, it is going to be "some" monument. The Commission expect to erect that monument and prepare the grounds and erect the other monuments at an expenditure within the amount of money that was set apart for the purpose.

Hon. Mr. LYNCH-STAUNTON: Will it be as great as the pyramids?

Hon. Mr. TURRIFF: I have never heard that the pyramids were erected to commemorate dead soldiers.

Hon. Mr. LYNCH-STAUNTON: I thought so.

Hon. Mr. BRADBURY: I would like to ask the Government whether it is proposed that the monument on Vimy Ridge shall be a purely Canadian monument. I am led to understand that it is not to be so—that the names to be put on that monument will comprise those of the soldiers who fell on Vimy Ridge, irrespective of the nations to which they belong. I would like to know whether that is correct or not. Is it to be a purely Canadian monument, or is it not?

Hon. Mr. DANDURAND: That is a detail as to which I cannot give my honourable friend any information at this moment; but perhaps the representative of that Commission in this Chamber could.

Hon. Mr. TURRIFF: Honourable gentlemen, the monument is a purely Canadian monument. If I remember rightly, the names of the divisions, or possibly the battalions, of the soldiers who took part in the battle of Vimy Ridge will be mentioned on the monument; but the names on the monument will be only—

Hon. Mr. CASGRAIN: Canadian names.

Hon. Mr. TURRIFF: Only the names of the missing; not the names of individual soldiers who were killed in battle and buried in cemeteries in the vicinity. Those cemeteries are under the control of another commission, an Imperial Commission, in which all the Overseas Dominions are represented, and a separate headstone will be placed on

each of the graves. But on this monument will be placed the names of 15,000 of the Canadian missing, and the remaining 5,000 names will be put on another monument in the vicinity of the place where the soldiers fell.

Hon. Mr. BRADBURY: Are those the only names to be placed on this monument?

Hon. Mr. SCHAFFNER: They will be only Canadian?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. TURRIFF: So far as I understand, those will be the only names.

Hon. Mr. ROBERTSON: Will the honourable member from Assiniboia (Hon. Mr. Turriff) inform the House whether or not the estimate to which he refers, and which, in his opinion will cover the whole cost, will include the cost of maintaining the 250 acre park to the end of time?

Hon. Mr. WATSON: No.

Hon. Mr. ROBERTSON: As well as the building of the monument?

Hon. Mr. TURRIFF: No, honourable gentlemen, I do not pretend for a moment to say that. The making of a park on Vimy Ridge will not be so very expensive. The work will consist largely in building some roads through it and planting trees The matter has not been much discussed, but I do not think it would be the intention of the Commission to put all of that 250 acres into park. At every place where monuments are erected a considerable area of land has been secured, and that land is being prepared and planted out. I am sure nobody would like to see the land immediately surrounding a monument left to every Tom, Dick and Harry to do what they liked with it. I think it is well that it has been stipulated that the land given to us shall be kept in condition and maintained as a park. In almost any part of Canada you will find cemeteries in which lie Canadian and British soldiers who fell fighting for their country. To-day they are so utterly neglected that we would be ashamed to show them to visitors, though they are the resting-places of soldiers who fought and died for their country. It will not take a great deal of money, and I feel sure that there will be no call on the exchequer of Canada for any further money than has been already set aside for these monuments.

DOMINION ELECTIONS (FEMALE ELECTORS) BILL

MOTION FOR SECOND READING NEGATIVED

The Senate resumed from yesterday the debate on the motion of Hon. Mr. David for the second reading of Bill C, an Act to amend The Dominion Elections Act (as regards the qualification of Female Electors).

Hon. F. L. BÉIQUE: Honourable gentlemen, I had intended to give a silent vote on this Bill, and as usual to try to see eye to eye with my esteemed friend, the honourable member from Mille Iles (Hon. Mr. David); but I have had to examine into the question more closely and form an opinion of my own, and on this occasion I shall have to walk by myself. The honourable member was logical, as he always is. He stated yesterday that, being against the female franchise, he feels bound to try to curtail it as much as possible; but as far as I am concerned I am not able to follow him to that extent. I do not propose to go into the discussion of the question at any length, but merely desire to place before this honourable House two or three thoughts that have occurred to me, without taking the time to elaborate them.

I am afraid that we have not a proper conception of the right of suffrage in our modern democratic society. We do not sufficiently bear in mind that it is a great privilege, the proper exercise of which is bound to have a profound influence on the progress of society. I think we do not fully appreciate the fact that it is nothing short of taking part in the framing of laws and the administration and government of the country. In our childhood enough attention is not given, either in family life or in schools, to the importance of the franchise and its exercise. Male or female, we are all moulded in great measure by our mothers, and, as they are the main factors in forming the character of our citizens, they should, to my mind, be best equipped for that great task.

One of my honourable friend's main objections was that young girls have no opportunity, before the age of 30, to form proper opinions as to the exercise of the franchise. But we all know that political clubs have been and are being organized by and for women, where political, economic and social questions of all kinds are discussed. If we are to have female suffrage, women of all classes and of all standings, young as well as older girls, should be induced to follow the discussions in such clubs. They would thus be better prepared to form, direct, and educate

their children when they became mothers. As a rule, women are much more religious than men, and have a stronger sense of morals, and I believe them to be better equipped for social work, which is an important part of politics, because a great many of our laws bear on social matters. One of the reasons why I have been induced to believe that the female franchise may not be an evil is that I am convinced that women are better prepared than men for work of that kind, which is one of the most important features of our modern society.

Another consideration which weighs in my mind is that a large number of women, both married and unmarried, are inclined to waste a good deal of their time in frivolous occupations because they have not been made to understand, as they have been growing up, the satisfaction and pleasure which are to be found in a truly useful life for both the family and society. This applies especially in large cities and industrial centres. My comforting belief is that the day has passed for unequal treatment to men and women, except in matters in which nature itself makes a distinction. For these reasons I shall be unable to support the second reading of the Bill.

Hon. Mr. DAVID: If there are no other members of the House who desire to speak, I will close the debate with a few remarks.

I regret that my honourable friend, the honourable member from De Salaberry (Hon. Mr. Beique), does not share my views, because generally we are of the same opinion. I would be inclined to say to him, "Tu quoque, Brute?" But I would replace the latter word with "brother" or "friend"—"You also, my friend?"

I want to refer to two or three objections which have been made in the course of the debate. The honourable member for Kings and Albert (Hon. Mr. Fowler) said that he was in favour of my Bill. I regret that I do not see him here, for if those who favour my Bill are not present I have reason to fear the result. That gentleman regretted that the limitation in the Bill did not apply to married women as well as to girls until they are at least 30 years old. Well, yesterday I stated that if a sub-amendment was made in that direction I would be happy to receive it, and I thought it would improve my Bill. We must now, however, take the Bill as it is, and test the view of this House. There will always be time to bring in a Bill on the line suggested by my honourable friend from Kings and Albert.

I was not surprised to find that the honourable junior member for Ottawa (Right Hon. Sir George E. Foster) was opposed to my Bill, because having been a member of the Government that passed the original Act he is only defending his child, which is the act of a good father. The honourable gentleman has had a good many of such children, but his feelings are too tender in relation to this one. The principal objection made by the honourable member was that he did not see why the girls from 20 to 30 years old were not entitled to vote as well as the boys of the same age, that they had as much intelligence, and perhaps more, than boys. I have no objection to admitting that in many matters, but not in everything, girls of that age are as intelligent as boys. What I meant was that in politics girls have not acquired and cannot acquire the knowledge, the education, and the training that boys have acquired, and consequently are not in a position to give a good vote. I say that they cannot acquire that knowledge and that education without going outside of their own sphere and neglecting their duties—duties which they will be called upon to fulfil as wives and mothers. I said, and I repeat, that they should prepare themselves to be good housekeepers and to make home happy for their husbands and their children. That is enough for them, and it is not in a political sphere, in clubs, or in public meetings, that they will acquire that knowledge.

Let me add that, after looking into the question, I find that there is not another country in the world where fewer restrictions and conditions are attached to the voting of women, particularly girls. I believe I am justified in thinking that the opinions and views expressed in England should receive a great deal of consideration in this House. I like to speak of what takes place in England and to quote, as I did yesterday, the opinions of great English politicians like Brougham and Fox and others who have made England what she is. Listen to the English law:

> A woman, 21 years of age, is entitled to be registered as a local government elector where the conditions of her occupation of property would entitle her if she were a man.
>
> Thirty years of age where she is the wife of a man who is entitled to be so registered in respect of premises in which they both reside.
>
> A woman, thirty years of age, must be entitled to be registered as a local government elector for the occupation of land or premises of £5 yearly value, or of a dwelling house, or is the wife of a husband who is entitled to be so registered.

So you see, honourable gentlemen, that there is much greater restriction in the English law than there is in ours. I have not with me the book containing the law of the United States, as I did not think I would be able to speak at any length to-day; but in that country women are subject to all kinds of

conditions and restrictions. So I think I am justified in discriminating between the male and the female vote, as I have done in my Bill, especially between the franchise of girls and that of boys of the same age. I would be happy to hear from some honourable member the name of another country in which girls can vote as freely as they can in this country.

Another objection raised by the honourable gentleman from Ottawa (Right. Hon. Sir George E. Foster) was that such a Bill should be presented and discussed first in the House of Commons, because the members of that House are more interested in such a question than the members of the Senate. Well, notwithstanding my respect for the honourable gentleman, and the respect in which he is held generally, I take the liberty of differing from him on this point. It is because the members of the House of Commons are so interested in this question as it may affect their position that I think the members of the Senate are better qualified to treat it with impartiality and independence. I was told by some members of the House of Commons that they would be happy if something were done to restrict the suffrage, but that it could not be done in the House of Commons. I contend, honourable gentlemen, that the Senate is not obliged to wait for the House of Commons to move before doing what is considered good and proper and in the interest of the country. The Senate stands too high in my estimation for me to entertain such an opinion. The Senate is not the servant of the House of Commons; it was instituted in order to exercise a check upon and to revise the legislation passed by the House of Commons.

What harm will be done if this Bill is passed? It will be sent to the House of Commons to be dealt with. What harm would be done if the Senate were to express the opinion that, for the welfare and peace of our families, and in order that women may do what is required of them in the interest of the country, it is inopportune that the right to vote should be given to these poor little girls who do not care for it? How many girls have I met who said: "We do not care about having this right." I have known women at the heads of women's clubs which were in favour of woman suffrage who said: "Preserve to us the right to vote, but take it away from girls, and we have nothing to say."

Honourable gentlemen, I do not want it said that in matters concerning the moral and social order of our country the Senate cannot or must not say or do what it thinks proper because the House of Commons has not expressed its view. I will go further and add that, even after a law has been passed by the House of Commons and has been accepted by the Senate, if the Senate is of opinion that it shopld be amended, it is the duty of the Senate to amend it, and thereby give evience of its usefulness and sincerity.

The Senate divided on the motion for the second reading of the Bill, and the same was negatived on the following division:

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Honorables messieurs	Honorables messieurs
Beaubien,	Lougheed, P. C.
Bennett,	(Sir James),
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Casgrain,	Murphy,
Chapais,	Poirier,
David,	Pope,
Lavergne,	Ross (Middleton),
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	Willoughby—16.

NON-CONTENTS

Honorables messieurs	Honorables messieurs
Barnard,	McCoig,
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Black,	McHugh,
Blain,	McLean,
Bradbury,	McLennan,
Cloran,	Planta,
Crowe,	Prowse,
Dandurand, P.C.,	Pardee,
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Fisher,	Smith,
Foster, P. C. (Sir George),	Tanner,
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Macdonell, C.M.G.,	Webster (Brockville)—37.
McCall,	

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

THE SENATE

Friday, March 2, 1923.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill E, an Act for the relief of Margaret Elizabeth Moran.—Hon. Mr. Barnard.

Bill F, an Act for the relief of Ethel Lillian Duncan.—Hon. W. B. Ross.

Bill G, an Act for the relief of Florence Mary Ramsden.—Hon. W. B. Ross.

Bill H, an Act for the relief of Ross John Craig.—Hon. W. B. Ross.

Bill I, an Act for the relief of Florence Dodds.—Hon. Mr. Bennett.

Bill J, an Act for the relief of Blanche Hilton.—Hon. Mr. Bennett.

Bill K, an Act for the relief of May Woodbridge.—Hon. Mr. Bennett.

Bill L, an Act for the relief of Alice May Smith.—Hon. Mr. Bennett.

Bill M, an Act for the relief of Albert Ernest Mould.—Hon. Mr. Willoughby.

Bill N, an Act for the relief of Winifred Rose Foster.—Hon. Mr. G. V. White.

Bill O, an Act for the relief of Emily May Small.—Hon. Mr. Ratz.

Bill P, an Act for the relief of Irene Herdsman.—Hon. Mr. Ratz.

Bill Q, an Act for the relief of John Frederick King Hall.—Hon. Mr. Pope.

Bill R, an Act for the relief of Herber Martin.—Hon. Mr. Harmer.

Bill S, an Act for the relief of Frederick John Saunders.—Hon. Mr. Harmer.

Bill T, an Act for the relief of Robert Archibald Logan.—Hon. Mr. Blam.

Bill U, an Act for the relief of Violet Marie Finn.—Hon. Mr. Blain.

VACANCY IN SUPREME COURT OF NOVA SCOTIA

INQUIRY

Hon. CHARLES E. TANNER rose in accordance with the following notice:

That he will inquire if it is the intention of the Government to cause an appointment to be made to fill the vacancy in the Supreme Court of Nova Scotia, and if so when the appointment will be made, and that he will call attention to the matter.

He said: Honourable gentlemen, in connection with this inquiry I would like, if I can, to impress upon the Government the desirability of making the appointment referred to. I am asking if it is the intention of the Government to fill the vacancy which now exists on the Supreme Court Bench of Nova Scotia. I hope my honourable friend the leader of the House will be able to tell me that it is the intention to make the appointment at an early date. I would like him to be able also to tell me that that means that the appointment will be made immediately.

I may inform the leader of the House that this subject is engaging very considerable attention in the province of Nova Scotia. The Supreme Court of that province is so constituted that all the work, including trials, circuit business, chamber work and appeal cases, is in the hands of one Court, which ordinarily is composed of seven judges. At the present time there are only six, and one of those, if I am correctly informed, is absent on sick leave.

I am quite satisfied from the information I have received that the Government has been urgently pressed to make an appointment for the reason that the public business requires it. I have no direct information from members of the Court themselves, but I should be surprised if my honourable friend would not admit that he has received communications from the Chief Justice of the province to this effect, and in addition has received representations from other leading men in the province pointing out the need of making an appointment.

It seems to me an extraordinary thing that the Government should delay this appointment so long. The death of Mr. Justice Longley, which occasioned the vacancy, took place on March 16th, 1922, so that his place on the Bench has been vacant now for nearly eleven months. My observation in regard to other provinces is that there has been no lack of diligence on the part of the Government in making appointments. I observe that when vacancies occur in the province of Quebec, in the province of Ontario, and in the western provinces, they are filled with reasonable dispatch. I can remind the House of the fact that last year political exigencies as I understand, made it necessary, in order to provide a friend of the Government in one of the western provinces with a seat on the Bench, to have legislation passed in the Provincial House creating the position; and immediately thereafter to put legislation hurriedly through this Parliament for the purpose of providing a salary. After that legislation was passed there was a very little delay in making the appointment.

The impression is gaining ground in Nova Scotia that whereas political exigencies in other cases caused the Government to hasten in making appointments, in this case they are holding the Government back. I would like my honourable friend to tell me whether that is true. I would like him to tell me whether this seat on the Bench in Nova Scotia is being held for the purpose of accommodating some politician. Personally I have no objection to politicians being apointed to the Bench; in many cases they make very excellent and reputable judges; but I would consider that the first obligation of the Government was to find a lawyer of repute to fill the vacancy. If my honourable friend wants the name of competent lawyers in Nova Scotia, I can give him the names of men who are friends of the Government.

Hon. Sir JAMES LOUGHEED: And who are willing to accept the appointment.

Hon. Mr. TANNER: I have conversed with some of them, and I know they are friends of the Government, and some of them would accept it. I could give the names.

Hon. Mr. FOWLER: What is it—D. D.?

Hon. Mr. TANNER: No, I am referring to men who are not in politics at all, but men of high standing who would fill the position most acceptably and who would have the absolute confidence not only of the Bar of Nova Scotia but of the people of that province. I am at a loss to understand why my honourable friends should be holding up that job for Mr. D. D. McKenzie, Solicitor General, when there are eminent lawyers of the Liberal persuasion, as well as eminent lawyers of the Conservative persuasion, who would accept the position. I would like my honourable friend, if he can, on behalf of the Government, to give an explanation, because, I want to assure him, there is widespread consideration of this matter in Nova Scotia and the people of that province are wondering why other provinces should be served so expeditiously in this regard while the province of Nova Scotia is compelled to wait.

I said a moment ago that I had no objection to the appointment of a politician—that is, a man who is in public life, and a friend of the Government. I was interested enough in the matter to look into the record in that regard, and I would like to give it to my honourable friend. I find that between 1878 and 1896, under Conservative administration, there were eight appointments to the Bench in Nova Scotia, and that only three of the eight appointed were taken from the ranks of politicians, the other five being selected as distinguished members of the Bar. Between 1896 and 1911 my honourable friend's friends made five appointments to the Bench in Nova Scotia, and every one of the appointees was a politician at the time of his appointment. From 1911 to 1921 the Conservative Government and the Union Government made five appointments, and not one of the five appointees was in active public life as a politician at the time the appointment was made. I think the record of the party that I have heretofore supported is a very creditable one, and I would like to see my honourable friends emulating that example, and, forgetting the political exigencies which would seem to surround the present Government in regard to this appointment, select one of the eminent lawyers of Liberal persuasion in Nova Scotia to fill the seat.

Hon. Sir JAMES LOUGHEED: Why not of Conservative persuasion?

Hon. Mr. TANNER: In conclusion, let me read a resolution recently passed by the Bar of Nova Scotia. It was passed on the 8th of February, and was, I understand, transmitted to the Government. For the information of the House, I may say it is signed by the Hon. W. J. O'Hearn, Liberal Attorney-General of Nova Scotia, who happened at the time to be President of the Bar Association. This is the resolution:

> The following resolution was unanimously passed at a special meeting of the Council of the Nova Scotia Barristers' Society, held yesterday:
>
> That we respectfully but earnestly request that the Government of Canada, in the interest of the administration of justice in Nova Scotia, appoint only to high judicial positions persons whose professional attainments and legal experience fit them for such important office. We respectfully submit that political services, however great and useful, are not sufficient to justify judicial appointments unless the appointee has also outstanding professional qualifications, and that the importance of maintaining the high traditions of the Bench for juristic learning and ability should be a controlling consideration. We also express our entire concurrence in the recommendation of the Canadian Bar Association re judicial appointments passed at the last annual meeting of that Society.
>
> W. J. O'Hearn,
> President.
> J. L. Barnhill,
> Secretary.

One can read between the lines, honourable gentlemen, that there is a fear in the minds of the members of the Bar Association that this Government is not going to maintain the traditions of the Bench. They are fearful that the Government intend to select a politician and not a lawyer to fill the vacancy which now exists. I hope that will not be the case.

Hon. Mr. DANDURAND: I am sorry that it has been the custom to answer an inquiry on the Order Paper without giving the Department the advantage of the information contained in the supplementary remarks of the inquirer. The information in my possession at present falls somewhat short of the lengthy and interesting remarks of my honourable friend. Of course, the inquiry went as it was to the Department of Justice, and I thought the answer, short as it was, would be perfectly satisfactory to my honourable friend. The answer is:

> It is the intention of the Government to make this appointment at an early date.

I hope it will not be made so rapidly as to prevent the Minister of Justice reading the

remarks of my honourable friend as they will appear in to-day's Hansard.

Hon. Mr. BENNETT: May I ask the leader of the Government whether, in the event of this appointment being made in Nova Scotia, there will be enjoyed a condition similar to that given by the honourable gentleman's party when they were previously in power, namely, that if the judge did not like the office he could have the Lieutenant Governorship?

Hon. Mr. DANDURAND: I think the condition was just the reverse. The one to which my honourable friend refers was that if the gentleman did not get the Lieutenant Governorship he would get a judgeship.

Hon. Mr. BENNETT: The honourable gentleman is referring to a case in Quebec. I am referring to a former case in Nova Scotia.

NUMBER OF CIVIL SERVICE EMPLOYEES

INQUIRY FOR RETURN

Hon. Mr. BRADBURY: I desire to direct the attention of the leader of the Government to the inquiry I made on February 1st, just a month ago, regarding the number of Civil Service employees. I would ask that the reply be expedited. Every Department ought to have the particulars at their fingers' ends, so that the public might know how many civil servants we have, and what they are costing Canada; but a full month has passed and there is no reply yet.

Hon. Mr. DANDURAND: I laid on the table a return which I think bore on that matter, but perhaps not exactly, in answer to a request by the honourable Senator from Mille Iles (Hon. Mr. David). At all events, I will press the Department for an answer to the query as made.

The Senate adjourned until Tuesday, March 6, at 8 o'clock p.m.

THE SENATE

Tuesday, March 6, 1923.

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

Prayers and routine proceedings.

MARRIAGE BILL

FIRST READING

Bill V, an Act to make lawful the marriage of a woman to her deceased husband's brother, or such brother's son.—Hon. Mr. Hardy.

Hon. Mr. DANDURAND.

VANCOUVER HARBOUR COMMISSIONERS BILL

FIRST READING

Bill 16, an Act to provide for further advances to the Vancouver Harbour Commissioners.—Hon. Mr. Dandurand.

VIMY RIDGE MEMORIAL

The Hon. the SPEAKER presented a message from the House of Commons as follows:

That Message be sent to the Senate to acquaint their Honours that this House doth agree to their Address to His Excellency the Governor General, respectfully requesting that His Excellency will be pleased to transmit our Joint Resolution to the President of the Republic of France approving the Government's acceptance of the gift made by the Government of France of a tract of land on Vimy Ridge for the erection of a monument commemorating the exploits of Canadian soldiers in the Great War, in such a way as to His Excellency may seem fit; by filling in the blank space therein with the words "and Commons."

Hon. Mr. DANDURAND moved that His Honour the Speaker be authorized to sign the said joint Address on behalf of the Senate and to present the same to His Excellency the Governor General.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, in view of the discussion which took place in this Chamber some days ago, when the resolution was submitted, and of the absence of information as to the expenditure involved in carrying out the proposal embodied in the resolution, it is very undesirable to dispose of this matter until the Government furnishes this House with the information which has been asked for. As I pointed out the other day, it is scarcely conceivable that at this time, when the Government of Canada can hardly furnish funds for the public buildings required for the housing of our public service, a large amount should be spent in a country 3,000 miles distant in creating a park of 250 acres and providing all that that implies for its maintenance in perpetuity. I feel satisfied in saying that this country will not endorse an expenditure of that character. I further say, and say it advisedly, that there has been so much misapprehension as to what is involved that it is not seemly for the Government to proceed in this matter until it furnishes this Chamber, at any rate, with the information desired.

I would point out in this connection that if the matter had been submitted to the House by way of a Bill, and the Government had not furnished the information which must necessarily be forthcoming at an early or more distant date, such a Bill would not

pass. Is it seemly that by a resolution of this kind all the safeguards of Parliament should be evaded? This proposed expenditure has not been put in the public Estimates. It has not been submitted to this House. Simply a resolution of courtesy to a foreign Government has been brought down, and we are asked to join in that resolution without having any information upon this very important subject.

I voice my opposition to this with very great hesitation because I know the delicacy which necessarily is involved in seemingly criticizing the relations between our Government and that of the Republic of France, more particularly owing to the very crucial situation which obtains to-day between that great country and Germany. Nevertheless there is a duty which members of Parliament have to perform, and that duty is, I hold, to insist that Parliament be furnished with adequate information touching expenditures, particularly expenditures which we know will run into very large sums of money. I venture to say that the creation of that park will cost anywhere from one-quarter to one-half million of dollars, and that the maintenance of it will cost, in perpetuity, $50,000 a year. Is Canada prepared to send a staff of men from our shores to France and to have them established there for all time to come, in order to maintain that park—a park that will not be visited by Canadians and will be of no advantage to this country. I am surprised, in view of the discussion which took place a few days ago, that my honourable friend (Hon. Mr. Dandurand) should seek at this moment, without furnishing the House with the information which was asked for, the passage of the final stage of this resolution.

Hon. JOHN G. TURRIFF: Honourable gentlemen, I regret very much that this matter has come up again for discussion. It seems to me that we are treating the gift that France made to Canada in rather a small way in the discussions we have had, and in the further debate that my honourable friend apparently wishes to bring on in connection with the matter.

My honourable friend makes out that it is going to cost from a quarter to a half million dollars to prepare that park, and $50,000 per annum afterwards to maintain it. I would like to know where my honourable friend gets that information, for all that the Commission possesses is absolutely contrary to such an estimate. As I said here the other day, I do not believe that the amount originally estimated in connection with the different monuments that are being erected in France and Belgium will be exceeded. It is not the intention of the Canadian Battlefields Memorial Commission to continue maintaining those parks. They will be handed over to the Imperial War Graves Commission to maintain, as that Commission is looking after all the graves in France and Belgium.

One honourable gentleman opposite complained the other day that all the bodies were not buried in one grave. Why, there are two thousand cemeteries in which the British and Canadian soldiers in France and Belgium are buried, and the Imperial War Graves Commission is going to look after those cemeteries; and it is anticipated that in the course of four, five or six years the monument on Vimy Ridge, as well as the park, will be completed and handed over to that Imperial Commission, in which Canada has an eight per cent interest, to be kept up and looked after in the years to come. I cannot possibly understand, therefore, how my honourable friend gets the idea that it would cost from $250,000 to $500,000 to set out the park, or $50,000 a year to maintain it.

Hon. Mr. SHARPE: Has my honourable friend any figures at all to show us what it would cost?

Hon. Mr. TURRIFF: No, I have not.

Hon. Mr. SHARPE: You are on the Commission.

Hon. Mr. TURRIFF: No one can make any estimate in that matter. My honourable friend the leader on the other side of the House has made his estimate.

Hon. Mr .SHARPE: Do you not think we are entitled to some definite statement before we pass this resolution?

Hon. Mr. TURRIFF: I have already stated twice that it is anticipated that the estimate for this work will not be exceeded in any respect.

Hon. Sir JAMES LOUGHEED: Will my honourable friend pardon me if I interrupt him?

Hon. Mr. TURRIFF: Certainly.

Hon. Sir JAMES LOUGHEED: When the appropriation was made for the memorials to which my honourable friend refers, this one was not thought of. This is a special expenditure, entirely outside of that contemplated by the Memorial Commission. My honourable friend knows that; and I would further say that it has nothing to do with the maintenance of graves, or of cemeteries, or of the Vimy Ridge monument; it is an entirely

special undertaking which was never contemplated at the time the Commission was organized.

Hon. Mr. TURRIFF: Honourable gentlemen, wherever a monument is being erected the Commission had to secure land on which to erect that monument. In some cases a small area has been obtained, in others a larger area; but when it came to the erection of this largest monument to be erected on Vimy Ridge it was thought by the Minister of National Defence and by the Prime Minister that as the country around the spot where the monument is to be erected was not an agricultural country, but a range of rocky hills, it would be advisable in the interest of Canada that a larger area should be obtained. The Commission did not ask for any particular quantity of land, but the Commission's officers over there selected a piece of ground on Vimy Ridge, and when it was decided to try to secure a somewhat larger area, the Government of France came forward and very honourably, very kindly and very generously offered to give us 100 hectares of land or 250 acres.

A great deal of criticism was made here the other day by my honourable friend the leader on the other side of the House, who likened the gift to a bargain between a landlord and a tenant. Some other gentlemen likened it to a real estate deal. The grant has come to the people of Canada in exactly the same words by which the Government of France granted to the British people the ground in which to bury their dead. It could not be otherwise, for, as I understand, no Government gives land to any foreign country except for a residence for the ambassador of that country. Therefore in that respect there has been nothing to object to in the slightest degree. That land has come to Canada for all time as long as it is used for the monument.

Hon. Sir JAMES LOUGHEED: No, for park purposes.

Hon. Mr. TURRIFF: For park purposes, and in the same way as the land was given for the burial of our dead. What objection can there be to that? It seems to me that this criticism of France for giving this land in the way it has been given is altogether uncalled for, and altogether unworthy of this House. That is the way it appears to me, though of course other gentlemen may have their own ideas.

Hon. Mr. BRADBURY: May I ask the honourable gentleman a question? This matter has been discussed on two occasions, and nobody that I have heard in this House has yet enlightened us as to the likely cost of this monument itself.

Hon. Mr. TURRIFF: I have stated twice to my honourable friend, who has asked me this question before, that two or three years ago, when honourable gentlemen opposite were in power, they decided on something in this line being done, and it was estimated that $1,500,000 would be necessary, and that amount was set aside for the purpose, part of it being voted each year. I say again that from all the evidence the Commission has obtained the amount is not going to be exceeded in building these monuments and carrying out the intention of the Government of some two or three years ago.

During the debate the other day some honourable gentleman said that the Government of Canada, and not the Imperial War Graves Commission, should have had to decide on this matter. I have since looked the matter up, and I find that a committee of the House of Commons was appointed by my honourable friends opposite to do this very thing, and they recommended to the Government of that day that another Commission, the War Memorials Commission, should be appointed to give effect to their proposals. That is exactly what has been done, and I would say to my honourable friend from Selkirk (Hon. Mr. Bradbury) that so far as we can tell the cost is not going to exceed what was originally estimated for all the monuments. It is quite true that some money will be required to prepare the land, or part of it, but we are not bound to put the 250 acres into a park or flower-beds. There will, however, be a large piece of land around the monument set out as a park, in order to prevent buildings of all sorts being erected and businesses carried on in the vicinity of the monument. Is that not a proper work? Is that not right? Would the people of Canada want to see the monument erected to their dead sons in the vicinity of all sorts of buildings, some common hotels, and possibly gambling places? Anything at all might be there is there were not land enough to prevent it.

The proposition has been discussed at meetings of the Commission at which I was present, that part of this land might probably with advantage be given back in exchange for a piece of land for a main road extending from one of the main roads to the site of the monument. If it is decided that the whole of the ground is not needed, all that we have to do is to ask France to take it back and

use it for any purposes that they desire. We only need to spend money on land that is necessary in connection with that monument. I am not prepared to say, nor is anyone else, just how much it will cost. We have an engineer, General Hughes, of Vancouver, who has charge of that work, and when he makes a thorough examination of it he will report what he expects it will cost to put that land in shape for a proper park within the meaning of the gift of the land around the monument. It is not going to be very expensive, and I expect we will be able to keep that also within the amount estimated for the whole work.

The French Government have imposed no conditions on Canada, except that the land be kept for the purpose for which they gave it; and they make the same reservation in land that is set apart for any cemetery in France.

I might add that the placing of the names on our monument at Vimy Ridge was undertaken by the Imperial War Graves Commission. It was decided that 15,000 names of our Canadian boys who were killed, but whose bodies were never found—the missing ones, of whom there were some 20,000—would be put on this monument at Vimy Ridge. We will get a credit from the Imperial War Grave Commission of something like $45,000, which will be about the cost of putting those names on the monument; so that I think there is not much ground for criticism in that respect. I do not care how much the Canadian Commission is criticised. You may criticise it as hard and as much as you like, and you will not hurt my feelings at all; but I think that the criticism of France in this connection has been utterly unworthy of Canada, and I hope we shall have no more of it. To my mind it will be something that we shall be ashamed of eventually, when we consider the gift that was made to us freely and without any restrictions for all time to come, except that the land be maintained for the purpose for which it was given to us.

Hon. Mr. DANDURAND: Honourable gentlemen, I would like to enter my protest at the statement made by my honourable friend opposite that I have been somewhat hasty in moving this resolution. I took for granted that it was a matter of course, as the procedure had been carried on to the point of authorizing His Honour the Speaker to put his signature to a resolution of both branches of Parliament.

But if my honourable friend, before he registers his vote on this motion, desires detailed information which I have not in hand, I am ready to adjourn the vote to whatever day will be suitable. I draw his attention to this fact, however, that he is making very much ado about nothing, or about very little indeed. It was his Government, which he adorned in years past, which organized the Commission to raise these monuments to our dead in France. It is that Commission, constituted as it was when he left the Government, that is now functioning and administering this whole matter, having received a mandate from his Government and from Parliament. There is this variation—and I even hesitate to say that it is a variation—that the Commission have come before us and stated that for the principal monument they have secured 250 acres of land.

Now, I understand that $1,500,000 was voted, or was mentioned as the outside figure, and it was resolved that the amount would be set aside. Every year we put a certain amount of money at the command of my honourable friend and his Government in the Supply Bill to carry out the scheme which had been propounded and no doubt reported on to his Government. That undoubtedly implied, as stated by my honourable friend from Assiniboia (Hon. Mr. Turriff), the purchasing of land upon which to erect those monuments.

In the exercise of their mandate the Commission decided that for the principal monument on Vimy Heights they would need a certain larger area, 250 acres, or 100 hectares—which does not represent a very large piece of property. In their judgment they saw fit to send a delegate across, in the person of Hon. Mr. Lemieux, deputing him to try to secure 250 acres of land. It was not the Government that sent the delegate across. So far the Government had no responsibility. When Mr. Lemieux succeeded in securing the 250 acres instead of purchasing them, getting the land in perpetuity, he thought he should be empowered by the Government to sign the agreement, and he cabled to that effect, and the authority was given him.

So to-day I present the simple motion to give to His Honour the Speaker the right to sign the resolution in order to implement the work of that Commission as organized by my honourable friend and the Government to which he belonged.

Now, the question has been asked: what will be the cost of that monument?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: By my honourable friend from Manitoba (Hon. Mr. Bradbury). I do not suppose he insists on getting a definite answer at this moment, because

it does not affect the resolution and the agreement which is before the Senate. The resolution is simply that we thank the French Government for allowing us the use of the 250 acres of land. Of course we may, on this resolution, declare our dissent from this undertaking of the Canadian Battlefields Memorial Commission. The query of my honourable friend is: what will be the cost of the upkeep? —because I suppose that is all; there is nothing else, except perhaps the levelling and beautifying of the ground. The cost of the upkeep of those 250 acres is what my honourable friend wants to know. Well, I do not know whether a statement of the cost has been prepared by the Commission. I may say that I have inquired when the Commission made a return or report to the Government, and I was informed only last week that it was the colleague of my honourable friend, the ex-Minister of Militia, General Mewburn who every year from his seat in the House made a statement of the operations of that Commission. He made such a statement last year, to which I would refer my honourable friend the leader of the Opposition, and the honourable gentleman from Manitoba (Hon. Mr. Bradbury). I will look it up myself.

I understand that another statement will be made this year. I will try to obtain the information for my honourable friend, but I may inform him that the Government will have to apply to the Commission to ascertain the probable cost of upkeep of this 250 acres.

Hon. Sir JAMES LOUGHEED: May I be permitted to make this observation? I am sure that my honourable friend would not deliberately do me the injustice of interpreting any remarks which I have made as a criticism of the policy of the Battlefields Memorial Commission. That is a commission which has been doing certain work in the way of erecting monuments upon the various battlefields with which Canada was associated in the late war. I am not directing the attention of the House in any way to any of those monuments, or to the maintenance of any of the graves, which are very properly maintained in France, and which I hope will for all time to come be maintained, at the expense of this Government. What I am directing the attention of the Government to is the fact that they have entered upon the entirely new undertaking of creating a park of 250 acres, or nearly two-thirds of a mile, in the heart of France, on Vimy Ridge. My honourable friend is too good a parliamentarian to overlook the fact that if this resolution involved a like expenditure in the Dominion of Canada, Parliament would be furnished with the most detailed information before committing itself in any way to the undertaking. Much as we appreciate the action of France in giving the Dominion of Canada the use in perpetuity of the 250 acres, subject to certain conditions, I say we should not commit ourselves to that undertaking until Parliament is furnished with all the details of expenditure. Surely that is not an unreasonable thing to ask, and I should not, by reason of asking for that information, provoke the sensitiveness of some of my good friends from the Province of Quebec. There is no better parliamentary practice than that information should be furnished to Parliament touching all expenditures; and because the expenditure is to be made in a foreign country and is to be continued for all time for the purpose of maintenance, it does not follow that we should dispense entirely with the long-established practice of Parliament simply by a gracious resolution of thanks. Furthermore, my honourable friends may think I have taken an extreme view as to the park; yet I will venture to say that it would be difficult to find any modern park of 250 acres the creation of which has not involved an expenditure of at least $250,000, and the maintenance of which does not cost $50,000 a year.

Now, I hope my honourable friends will acquit me of being censorious or unnecessarily critical in this matter. I simply say that we are evading a well-established practice of Parliament in committing ourselves to this undertaking by merely passing a graciously-worded resolution to France. If the matter had been brought down in any other way it would have been fully debated in both Houses. I am told by some of the members of the other House that when this resolution went through they had no conception that it involved expenditure; they thought it was simply a graciously-worded resolution, a conventional courtesy which this Government owed to the Government of France, and they gave no more thought to it. But it has happened that some of the inquiring minds in the Senate of Canada, which, in the opinion of some people, has little to do with the expenditure of public money, have thought it desirable that this information should be obtained. I think my honourable friend owes it to the House to furnish that information.

The Battlefields Commission is of course but the creature of the Government. Whatever expenditure it makes is made out of the public exchequer. The members of that Commission are not making it out of their own pockets; they are taking the money from the taxpayers of Canada; they are simply the

channel through which the expenditure goes; and I am sure that this side of the House will be quite as prepared as the side on which my honourable friend sits to do full justice to France in the matter of giving whatever recognition should be given in connection with the concession which has been made.

Hon. Mr. CASGRAIN: Speaking from the land surveyor's point of view, I must take exception to what my honourable friend the leader of the Opposition has said. My honourable friend said that 250 acres would be equal to two-thirds of a square mile.

Hon. Sir JAMES LOUGHEED: It is more than half a mile square.

Hon. Mr. CASGRAIN: The honourable gentleman comes from the Northwest, and knows that half a section is 320 acres.

Hon. Sir JAMES LOUGHEED: That is half a mile by a mile. A quarter section is half a mile square.

Hon. Mr. CASGRAIN: The honourable gentleman should not persist. It is much nearer to a third of a mile square.

Hon. Sir JAMES LOUGHEED: No, no.

Hon. Mr. CASGRAIN: There are 640 acres in the square mile, and 250 acres cannot be more than half of that, and my honourable friend wants to make it two-thirds. But my honourable can correct that in the revised edition of Hansard.

Hon. Mr. BRADBURY: I desire to say just one word in reply to the leader of the Government. I would not like honourable gentlemen to think that the question I asked was any criticism of cost, because I do not think that any amount of money we could spend would be too much to commemorate the sacrifices made by Canada. But I agree with what has been said as to the upkeep of the 250 acres. I do not think it is necessary. I approve of the appointment of a Commission to build monuments in different parts of France, but this is to be one great monument, and I was just wondering if it was a mark of any great generosity on the part of a country for which we had sacrificed so much to sell or give us this park on the understanding that we were to keep it up in perpetuity. One way to arrive at a measure of what is fair or generous is by comparison with what took place after Waterloo. Many honourable gentlemen have seen the great monument that stood on the site of that battlefield. By whom was that built? Was it built by the British or maintained by the British? No, honourable gentlemen: It was built by the Netherlands, Belgium, and Holland as a recognition of the great services rendered by Wellington. I have in my hand a statement which I think I will place on record for the purpose of comparison:

> The mound at Waterloo was built between 1823 and 1826 is about 200 feet high. The Lion was cast in Belgium, the sculptor being Van Geel, and the cost of everything apparently borne by the Netherlands, (Belgium and Holland being united at that time). After Waterloo King William of Orange gave Wellington and his descendants, not only the income from about 2,500 acres of land, but also a pension not to exceed eighty thousand francs, which was paid from the Belgian Treasury.
>
> In 1890 the remains of English soldiers which had been buried in various parts of the Netherlands were collected and interred in a cemetery provided by a Committee of English and Belgians.
>
> In 1903 a monument was put up at Waterloo to French soldiers the cost being defrayed by public subscription in France.

Now, it may be said that that is hardly a fair comparison; but I maintain that it is. I believe that if France had wanted to be generous—and I believe they would have been if they had been approached properly—they would have said: "Build your monument here," and would have allowed Canada to spend the money on the monument, but would have said, "We will take care of it."

Hon. Mr. DANDURAND: The honourable gentleman was probably not in the House when I made the statement that it was the Canadian delegate, the representative of that Commission, the Hon. Mr. Lemieux, who insisted that Canada should have the land and maintain it herself. So France simply complied with our request. The Chamber may criticize the action of our representative, but should not criticize the action of France in saying: "What you ask you will get. You are coming here to purchase a piece of land from private individuals. We will not permit you to purchase it: we will give it to you."

Hon. Mr. BRADBURY: I do not criticize the action of the great Republic of France. As I said, if our delegate had approached France in the proper way, I have no doubt at all that France would have done the same as Belgium did many years ago. I do not blame France so much as I blame the delegates who went over.

Hon. Mr. GRIESBACH: May I point to the honourable gentleman that the Belgians charge 25 cents to go up to the top of that monument.

Hon. Mr. TODD: Does the honourable gentleman think that the people of Canada want Belgium and France to keep up a monument to our soldiers? I think the trouble is that this whole matter has been treated

too much like the building of a wharf. When the expenditure comes down in the Estimates, are honourable gentlemen on this side going to ask to have it reduced?

Hon. Sir JAMES LOUGHEED: It is not the memorial.

Hon. Mr. TODD: The park is just as much a memorial to the soldiers as the monument. You cannot dissociate the one from the other. I am opposed to the agitation on this side of the House. In the last debate that we had on this question, honourable gentlemen were protesting against France; now the great majority who speak against this resolution are praising France. Possibly, if this matter is adjourned for four or five days more, they will praise the whole undertaking.

Hon. Mr. BEAUBIEN: I want to add just one word more. I am sorry to see the course this whole matter has taken. The question asked now is whether or not we are going to spend money to honour our dead. After all, it comes to that. I am sorry for it. It shows, after all, how fast time flies, and how short is memory. Did anybody think, three years ago, when this Commission was appointed, and when, I understand, they were authorized to spend $1,500,000, that the Canadian nation would have hesitated to maintain a park given to it for the purpose of honouring its fallen children, and more especially, those 20,000 soldiers who have no graves at all—those who are really "the unknown soldiers of Canada." For my part I am sorry. I do not think the Canadian people will take very kindly to this proceeding. We may be, after all, within our rights as parliamentarians to inquire whether or not the money is properly spent; but, on a resolution of this kind, for the purpose of thanking France for a donation, I do not think we should stop and say, "We do not know whether we will accept, because it may cost too much."

The question having been put:

Hon. Mr. DANDURAND: Does the honourable gentleman insist upon the postponement of the passing of this resolution?

Hon. Sir JAMES LOUGHEED: Does not my honourable friend think that he owes it to the House to bring down some information?

Hon. Mr. DANDURAND: If my honourable friend desires this information, I will ask to have the resolution placed on the Order Paper for Thursday.

The Hon. the SPEAKER: I may point out that it will be necessary for some honourable gentleman to move the adjournment of the debate.

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

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

THE SENATE

Wednesday, March 7, 1923.

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

Prayers and routine proceedings.

ALBERTA COAL DEPOSIT

DISCUSSION AND INQUIRY

Hon. RUFUS H. POPE rose in accordance with the following notice:

That he will call the attention of the Senate to the importance of what is known as the Hoppe coal deposit in Alberta, and will inquire of the Government the present position thereof?

He said: Honourable gentlemen of the Senate, I rise to call attention to a question that I consider of very great importance, not merely to a certain area of Canada, but to the whole country. I refer to the coal deposits and the development of the Peace river country.

There is little use in our proceeding with a policy of immigration if we are not prepared to take care of the people who have already come to this country. In this particular instance there is a two-fold object which may be accomplished by the Government of the day. There is a wonderful coal deposit in Alberta, formerly known as the Hoppe coal mine, and now known as the Isenberg coal deposit. I referred to this matter last year, and, if permitted, I cannot do better than quote briefly from what I said upon that occasion as to the importance of the matter—since that time my opinion has been, I think, justified by events:

Locally this area has a most extraordinary value because it is the last deposit of coal on the way to the Peace river country. The Peace river country will to a large extent find its outlet on the Pacific ocean. This coal area is situated about 75 miles from the National railway, and in building a railway to this coal area we would be proceeding 75 miles in the proper direction towards developing the Peace river country. I am not giving my own opinions, but those of authorities on this question. Therefore, from the national point of view this great asset should not be parted with by the Dominion and given to a licensee by any Minister of the Crown. If Canada ever parts with this property it should be by Act of Parliament and in the full light of day. This coal field is 500 miles nearer to Winnipeg than the coal fields of the United States, and there are in this deposit, within 75 miles of the National rail-

road of Canada, millions of tons of anthracite—enough to supply not only the Great West, but an area for 1,000 miles around the area itself. It is within 30 miles of being as close to Fort William as the Pennsylvania coal fields, and is nearer than those fields to the Pacific coast states. If you develop this coal field you can offset the declaration sometimes made in the United States that they will starve us for coal in the East; this will give us the opportunity of replying to them that if they do so we can starve them in the West.

Since I made that statement conditions have become aggravated. Canada has had a certain warning—I do not say it is, and I trust it is not, final warning—from the United States that the time is approaching when, if they see fit to keep their coal for their own use, they will do so. We have seen such a statement in the press made with more or less authority. I quite understand that the time has not yet arrived; but, honourable gentlemen, a warning should be sufficient for a young nation like Canada, endowed with such wonderful natural resources of all kinds, to spring to her feet to protect herself and to see that no foreign nation shall have an opportunity of bringing her down to her knees. That is the position I take in this respect.

Now, with reference to the Peace river country, the opening up of land is an invitation to people to come and settle there. Many have said that people should not have settled so far away from railroads. The answer is that the Government should not have given them the opportunity to do so. In opening up homestead lands you extend an invitation to people from the four corners of the earth to come and settle in that particular place. As I understand the obligations of a Government towards its people, the first is to maintain law and order. The next duty of Government is to see that financial arrangements are such that the people may do their business, exchange their products, buy and sell. When they have done so, the next duty of Government is to provide for the transportation of those products to the markets of the world. Those are the fundamental obligations of any Government, whether the present one or the Government which preceded it. When we opened up those lands in the Peace river country and asked people to come there from all parts of Canada, the United States and other countries, we assumed the obligation of taking care of those people by providing them with markets, with transportation facilities, and with the necessary financial arrangements. I have here, honourable gentlemen, a private report in reference to those people, from a gentleman whom I have known for many years. I do not care to use his name, but can give it to any honourable gentlemen who desire it. This gentleman has been conducting a banking and financial business in that northern country for ten or twelve years. I knew him in the West before he went north, and I have never in all my experience known of a better pioneer banker. In fact, he is a model. I wish many of our banks had just such a man as he, to penetrate into new settlements and offer the people aid and assistance in a practical way, as this gentleman has been able to do. Here is his statement. Somebody suggested, if you please, as a relief for the people who were leaving that country, that there should be a colonization scheme to bring in more people to settle there. The fact that nobody can settle in a section of that sort should have presented itself to the gentleman who made that proposition, which evidently does not appeal to my friend.

The colonization scheme will not do any good to the Peace river district, as prospective settlers are advised that there is no use coming here until we get a coast outlet—

An outlet for their products to the Pacific ocean.

While in Edmonton, on different occasions, I found this to be true.

The trains are leaving here packed with passengers, most of them for the Western States, and the incoming trains are practically empty. The last one to arrive had two Inspectors, Dominion Lands Branch, a retired engineer on a visit, a Priest and one woman—none of them producers.

The following are the approximate figures of part of the investments in the Peace River District by various institutions, governments, etc.:

Banks	$2,300,000
Loan Companies	1,000,000
Soldiers' Settlement Board	1,000,000
Cow Bill	320,000
Seed Grain and Relief, Provincial and Dominion	10,000
School and town debentures	250,000
Total	$4,880,000

To this can be added the millions comprising the assets of the individual settlers and the cost of the Edmonton, Dunvegan and British Columbia Railway system and Government utilities such as telephones which will be lost if the district is allowed to go to decay.

The word "decay" is a very strong one to be used in a young country like Canada; and, when it comes from a man of the responsibilty of this gentleman, should command attention in either this or the other House of Parliament.

The farmers are discouraged beyond belief, not that they have lost faith in the land but in having no profitable market, and an alarming number are ready to throw up everything and get out. I am enclosing an original statement from one of my customers who has given me permission to use it for any purpose. The land is situated close to Bear Lake and there is not a better producing farm here. Three hundred and twenty acres are cultivated. In June, 1919, his state-

ment showed a surplus of $28,000 with no liabilities. At that time he borrowed $5,000 to purchase stock. His assets are practically the same to-day with the exception that he owns a larger quantity of stock and owes $6,000 all told. He came here with practically nothing in 1910, and homesteaded and through hard work got into the enviable position shown by this statement. To-day he is offering to turn over his equity in everything he owns for $1,000 which he considers will be enough to send his family East and permit himself to get out and make a fresh start in some other country. This is not the exception to the rule. The going of one attracts several others and it is only a matter of a short time before there will be a general exodus.

One bona fide settler had the courage to pass the portal at Edmonton recently from Miles City, Montana, with farming equipment and stock. He was impressed with the country and intends to come back when conditions are better, but in the meantime sold out last Saturday. One team of 1,300 lb. geldings sold for $44, and one gelding 1,400 lb. 5 years old sold for $23. These were the pick of the horses he had in Montana. Before leaving Miles City he sold horses of the same weight for $450 per team.

You can buy cows and similar stock in that north country for from $5 to $8 apiece.

Numerous cases can be quoted where the grain shipped by carloads did not pay the freight by about $25 and upwards. After the end of this year it will be found necessary to close about half the schools, as settlers are unable to pay taxes.

What seems to me the only solution to our difficulties is the building of a railway from Grande Prairie to connect with the C. N. R. at or near Brulé Lake. It might be argued that this would do serious damage to the E. D. and B. C. Railway which is not self-supporting now, but in my estimation it would have the opposite effect. With the fame our land has for producing and with a Coast market our population would soon reach the point where both railways would be warranted.

From the enclosed map—

Which I have not got—

—it will be seen at a glance that a line to Brulé would serve the whole of the farming districts in the Peace River, including Pouce Coupe, by giving them a very direct connection with Vancouver or Prince Rupert.

And that road would come down by the route I referred to last year when I spoke of the Hoppe coal mines. In this way it would serve in the development of those mines, as well as in the development of the Peace River country and the relief of the people there.

In war times the farmers were urged to produce, which brought the country into a high state of development. Now, with poor markets and the farmers playing a losing game, we find the land being allowed to go back. A few lean years appeared to be good medicine to bring people back to pre-war conditions, but they are now getting more than they can recover from in our part of the country unless relief is given soon.

I have been very closely in touch with the affairs of a large number of the settlers here through taking their financial statements and knowing their private business for so many years that I feel that I should know local conditions as well as anyone. I also feel that I could have my assertions endorsed by all the associations or public bodies operating here, although I have never taken an active part in any of them.

I have urged those about to get out to stay and carry on in the hope of better times being round the corner, and now doubt if the advice were sound, as they are getting deeper in the mire and losing what they might have saved if they had followed their own inclinations.

When the pioneer farmers, who withstood the rigors of the winter trails to get here and survived for years before the railway arrived, cannot succeed, it is not likely that newcomers from other countries could.

If you are in a position to make any definite statement, not necessarily to me, but through the proper channels, it would only be humane to do so. No matter whether the decisive answer were favourable or otherwise, the individual could judge for himself if he should stay or get out and bend his energies in other fields where he could make a success.

That is the statement of a gentleman who, I believe, knows very well the conditions in that country, and it is as strong evidence as could be presented.

Last year, when the Bill respecting the cancellation of leases of Dominion lands was before this House, I proposed an amendment to the Bill to prevent that coal field being disposed of to speculators. My proposal was that it should not be disposed of except by Act of Parliament. I did that because I believed, first, that it was essential to provide fuel for Canada, and second that its development was absolutely essential in the interest of those people who are now suffering. My estimation of its importance at that time is thoroughly corroborated by circumstances to-day. In a debate which occurred in another place the other day the statement was made that the expense of shipping coal to the East from the West brings the cost up to $18 a ton. In answer to that I find the following:

Edmonton, March 4.—Recent statements in the House of Commons by Hon. Charles Stewart, Minister of Mines, in which the Minister was reported to have said that Alberta coal was too far away to be moved to Ontario with profit, evoked a discussion at the meeting of the Edmonton branch of the Canadian Institute of Mining and Metallurgy here on Saturday.

Mr. Stewart was reported to have given the cost of transporting Alberta anthracite to the east at $16 a ton, but various members who spoke on the subject claimed that the present rate was $12.50 a ton.

Hon. Mr. TESSIER: $22 in Quebec.

Hon. Mr. POPE (continuing):

It was stated that there was at present in effect a rate from the coal spur, near Edson to Prince Rupert of $3.40 a ton. If this rate, which is a mountain rate, were applied on a ton mile basis to Toronto, the rate would be approximately $8 instead of $12.50, which is the existing rate. The Prince Rupert rate is a rate applying to car lots and if coal were hauled east in train lots with a fast service it should be possible to give a considerably lower rate than the rate quoted.

A strong resolution to this effect was passed, and copies wired to the Minister of Mines, and the president of the Institute of Mines and Metallurgy, which is now in session in Montreal.

You have that in contradistinction to the statement made by Mr. Stewart and those who corroborated him in the other House last week.

In the course of his remarks Mr. Stewart said that it would cost $4,000,000 to put a railroad into the coal deposit at High River. I am not discussing the anthracite coal deposit at High River, as I do not know anything about it except that there is one there. I am speaking of coal that I do know something about, that the Department of Mines knows something about, that the entire public of Canada knows something about—and about which, if my information is correct, somebody else knows something about. I have here a statement as to the quality of that coal which was given to me yesterday by the Department of Mines. This Hoppe coal deposit is not an undeveloped property. There are five tunnels on the property that should belong to the Dominion of Canada, and it should not be trifled with. These tunnels run in to a depth of one hundred or two hundred feet. Above these tunnels, and above the water level, which means the cheapest mining in the world, there are, according to statistics, millions of tons of anthracite.

Hon. Mr. TESSIER: Do I understand the honourable gentleman to say that they belong to the Government?

Hon. Mr. POPE: Yes, sir; if it does not give them away. That is why I am talking to you—so that they will not be given away.

Hon. Mr. TURRIFF: Did the Government make the tunnels?

Hon. Mr. POPE: The honourable gentleman knows who made the tunnels. That German, Hoppe, made the tunnels. I need not tell the honourable gentleman who made them. The analysis of the fixed carbon in this coal runs as follows: in an 8-foot vein it is 63.4; in a 9-foot vein, 69.8; in a 17-foot vein, 74.0; in a 12-foot vein, 69.4; and so on all the way down. This analysis runs as high as 83, 82, 73, 81, 69 of fixed carbon. Now, compare this with the highest class of coal which the United States produces. Anybody who burns coal from the United States knows that what I am going to quote is not true of the coal ordinarily brought from that country, because if next spring he looks at the pile of material left from his winter's fires and figures out the number of units of heat it took to warm that material, he will realize that the coal we are getting from the United States to-day is not of a very high class. The fixed carbon in coal from the Lehigh coal market runs as follows: egg size, 88; stove size, 83; nut coal, 80; pea coal, 79; buckwheat coal, 76. And, mark you, that comparison is unfair to our coal, because the American coal is mined at great depths, and is as good as or better than any coal they can expect to get, while ours is comparatively near the surface.

Now, honourable gentlemen, this is not a coal mine; it is not a single vein; it is a great coal field. And I plead with you to see that it is not given away to any bundle of speculators, no matter who they may be. This is our coal; it is the future coal of this country. An area within a radius of 1,000 miles of that deposit includes the Pacific coast, California, the state of Washington, the Dakotas, and the whole of the Canadian Northwest. That deposit is within thirty miles of being as near to the head waters of navigation as Pennsylvania; and while we have trains lying idle from the time when the wheat has gone out, which is about now, until next autumn, it is useless to tell me that we, owning these national railroads, cannot afford to operate those trains, even at a loss so far as overhead is concerned, in order to furnish coal to keep the people of this country warm, and to keep our money in our own country. To trifle with this thing, to hesitate, is to be lost.

Hon. Mr. WATSON: It is to be frozen.

Hon. Mr. POPE: Yes, frozen if you like. I want to tell you that in the province of Ontario this spring many children will be in their graves who would have been alive if we had had plenty of fuel for the poor people to warm themselves with. There is a human side to this question that should appeal to everybody. It is not only a matter of commercial or transportation development. We must realize our responsibilities in putting people into the Peace River country. If the Government would undertake the construction of this road from Pouce Coupe or a point near Park Gate on the Transcontinental, a matter of 75 miles would take it to the coal field, and another 75 miles would take it to Grande Prairie. Engineers have gone over the first 75 miles, and from conversation with men who made the survey I personally know that it is an easy road to construct. I do not know about the balance; but I am told by people who have been over it that it is through a country not only of coal, but of forest and minerals, and agricultural possibilities all the way. In the first 75 miles you pass over areas of steam coal and veins 100 feet wide of lighter grade coal that could be handled with a steam shovel and loaded on a train as cheaply as you could load earth.

Now, if you undertake this railroad, what do you do? You provide the only line of transportation that will enable those people to remain in the Peace River country. They cannot export their products to the East but by the Pacific Ocean, else no farm-

ing is possible in that northern country. It requires only the building of a railway 150 miles long to secure prosperity for those people, and when they come to this Government I hope they will be successful in their application. They are here to-day presenting their claims, and I am speaking on their behalf, in order that the Government may have the fullest information that any honourable gentleman in this House possesses in reference to the matter. It is important in the interest of that northern country that they receive what every citizen is entitled to, namely, transportation for their products to the proper market.

There would be no difficulty in building that railroad of 150 miles. I do not know what it would cost to-day, but it would be an easy road to build. Suppose it cost four, six, or eight million dollars, it would at once give employment to those people of the Peace River district and provide work for their teams of horses, thus helping them to earn a livelihood, and enabling them to remain in that country, which otherwise they might be forced to leave. It would immediately give value to their assets, for which they have worked hard. The road would also furnish us with coal, which now belongs to the Canadian people and is at our disposal for the general benefit of Canada as well as of those northern citizens. That railroad could be built completely inside of twelve months, and that coal could be coming down east to us within that period, as well as taking care of that western country.

But what have I heard on the streets of Ottawa, from the first day I arrived in this city? One of the first things I heard at the opening of Parliament was that this coal field had been given back, or was on its way back, to the representatives of Hoppe and Isenberg, whoever these people are. I said: "No, that cannot be; that question was brought up in our House last year, and I had the honour of proposing an amendment to the Bill that was before us, adding thereto a clause by which this property would not leave the national ownership except by act of Parliament." It is quite true that the Government did as all Governments do—stuffed the Senate with Bills at the last hour, when there was no time to consider them. We have always been stuffed like a stuffed turkey at the end of the Session. I do not blame this Government more than any other, for if we are fools enough to sit here to be stuffed we will always find a Government that will stuff us. They brought in this legislation at the last moment, and it was amended as I say, and then there was a conference between the two Houses.

I was not on that conference, but a gentleman who came back from it told me that while they thought better not to insist upon the amendment, they had been assured on a "gentlemen's agreement"—if you like to put it that way—that this property would not be parted with until the people of Canada, through its Parliament, had been consulted. I thought possibly there would have been something more on record than I find in Hansard, but I do find that the question was brought up in the House of Commons, and I read something there that perhaps is important enough for us to consider for a moment:

> Mr. Mackenzie King: Rather than drop the entire Bill we are prepared to let section 5 go.
>
> Mr. Meighen: That would leave the Bill in the form in which it was first introduced into the House.
>
> Mr. Mackenzie King: Yes.
>
> Mr. Meighen: That is to say, the cancellations will now be confirmed as valid.
>
> Mr. Mackenzie King: Yes.

That is, the cancellation of the Hoppe or the Isenberg claims would be considered valid. Very good. Then, later on.

> Mr. Meighen: The view taken by the Senate on the matter is the view I expressed in this House, but I do not wish to argue now either in support of one side or the other of that question. The Bill as it stood when it left this House provided that all cancellations should stand as valid save only those in respect of which litigation had been entered or a petition of right applied for. That proviso has been struck out by the Senate. The Bill, as the Government advises us to accept it now, will make all cancellations valid. My experience of the Department convinces me that no man whose lease has been cancelled has anything better than the flimsiest technicality on which to base a claim against the Crown.

According to what is said there, we have the right to anticipate from the rumour which is becoming intensified every hour, that the promoter, who is inside these buildings every day, is associating with himself men who would, if the report is true, reflect on the motive of the members of this Chamber as to independence. I have no proof of that, and I make no charge, but I may tell you that I saw that promoter to-day, and I see him half of the time moving about this place and making his arrangements. I understand that he has arranged for the sale of this property in England for $3,000,000. I understand that they intend first to put up $100,000 in order to pay the arrears on the leases, and when that is done there is an Order in Council waiting that will violate the gentleman's agreement that was made by the House of Commons with the Senate one year ago. That is the reason that I hasten to inquire of the Government in reference to this matter.

I notice that in the House of Commons last year Mr. Cannon, who I suppose is some big gun over there, said:

Mr. Cannon: I have only this to say, that the Senate is attempting in these last few days to increase their privileges and rights. I think that the Senate should realize that the House of Commons, being the elective House, is more responsible to the people than the other Chamber, which is not elected, and which is irresponsible, and this being the last day of the session, I would recommend to the Government in view of what has taken place that the sooner we have Senate reform the better.

Well, while a Cannon is all right in the small sphere in which he revolves, he is really a miniature. I remember when Mr. Metcalfe, of Kingston, some years ago in the House of Commons, referred to another gentleman, Mr. McMullen, who was narrow and contracted, and who kept interrupting him. Finally Mr. Metcalfe said: "My honourable friend who interrupts me has a soul that is just so big that if it were put inside of a peanut shell it would have more room to wabble about than a pollywog in Lake Ontario." I might transfer that to somebody else in regard to what he has to say about us.

No, honourable gentlemen, this honourable body is not a joke; it is a part of the constitution of Canada, part of the British North America Act, one of the Houses of Parliament, and it is our obligation to see to it—not from a partizan point of view at all—that the interests of the citizens are protected when anybody tries to rob the nation. That is why we are here. There is no other reason why we should draw our salaries. Such an occasion as this may not often occur, but we have to assume the responsibility. I admit that it is much easier to slide down hill than to crawl up; it is much easier to avoid responsibility than to accept it; but if we are not prepared to take our proper place in the protection of the great rights of this country when they are infringed upon by any unfairness upon the part of any Government, be it Liberal or Conservative or Progressive, or by whatever name it may be called, then I say we are unworthy of the position we occupy.

I am not qualified to argue this matter from a legal point of view, for I am not a lawyer, but a farmer, and we farmers have something to do besides studying law. But we have splendid legal talent here, and I would ask that the legal gentlemen take this matter into consideration, even though by permission it be adjourned for a day, in order to find out its precise legal aspect. What I have ascertained is that the Hoppe lease has been transferred to Isenberg, and that now the Hawaiian Trust Company and the widow of Isenberg are the legal representatives of whatever Hoppe and Isenberg had. I find that on June 14th they sent a petition of right asking for a fiat under which to proceed. I am also informed that on the 23rd of June they forwarded another petition, setting forth the matter in a different light as they saw it, and asking for a fiat. The Department of Justice said that they must make a selection, and asked them on which of those petitions they proposed to act, and they selected that of the 23rd. This is important, because the Department of Justice, fearing that there might have been some illegality or technicality to void the service of notice of cancellation of the lease, prepared and served a second notice of cancellation between the dates of the 14th and the 23rd, so that if they secured their fiat they would go before the Court after they had been served with a notice that the Department considered sufficient to guarantee the cancellation.

I believe the information I have received to be absolutely correct. At the Department of Justice I met an official who seemed to be well posted, who gave me the foregoing particulars. Now I understand there is an Order in Council passed waiting for operation. I hope that part of the information is incorrect, for I do not think these people had any right to acquire interests in those coal lands. I have no objection to any man getting back his money after he had expended it on that or any other property. If he wanted to go to arbitration or to a court of justice or a court of equity and plead his case, I would say that if he found a first-class thing for Canada and spent some money on it he should have his money back with interest. But that is not the object of this fiat. It relates, as I understand it, to the ownership of this property by these people; and do you think that the widow and this man Murdock, who is running around here, intend to operate that mine in order to relieve those northern people and furnish coal for Western Canada, the Northwest Territories, and the people of Eastern Canada? Not on your tintype, gentlemen.

This puts the matter up to the Government, and I say to the leader that he never stood in a more responsible position to the people of Canada than he does on this question. The matter will not be allowed to pass by in silence. If my voice is not sufficient there will be other voices raised, because we are going to have justice for Canada and for those northern people, and we are going to obtain that coal, as a guarantee that in the future we will be under no special obligation to any nation in the world for the fuel of Canada. If my honourable friend is not prepared to

answer the question I have placed on the Order Paper, I would like to know how this property stands in every detail, what the Government have done to alienate it from the public domain, and whether it is the intention of the Government to so alienate it.

Hon. Mr. DANDURAND: Honourable gentlemen, I had occasion to state a few days ago that it was unfortunate that the Government should be called upon to answer a question before it had been enlarged upon. I am in the fortunate position, however, of being able to tell my honourable friend that when the answer comes it will cover not only the broad general question, but the detailed and precise questions to which my honourable friend wants an answer. So that I would ask him to leave his question on the Order Paper till to-morrow.

The Hon. the SPEAKER: In order to put the matter in proper shape, I think some honourable gentlemen should move the adjournment of the debate.

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

ST. JOHN-MONTREAL FREIGHT RATES

INQUIRY

Hon. Mr. FOWLER inquired of the Government:

1. Is it or is it not a fact that a carload of goods can be shipped from Montreal to St. John at a lower rate than a carload of similar goods from St. John to Montreal?
2. If so, why?

Hon. Mr. DANDURAND: As this inquiry does not mention any particular kind of goods, the Traffic Department of the Board of Railway Commissioners can only deal generally with it in the following terms:

The standard class rates, which are the maximum rates approved by this Board, apply in both directions between Montreal and St. John, N.B., (448 miles), and are as follows:

Rates in cents per 100 lbs.—1, 144; 2, 125½; 3, 108; 4, 90; 5, 72; 6, 68; 7, 50; 8, 52½; 9, 54; 10, 49. (C.P.R. tariff C.R.C. No. E-3904.)

The special, or working, class rates are also the same in both directions, viz:

Rates in cents per 100 lbs.—1, 104; 2, 91½ 3, 79; 4, 65; 5, 52½; 6, 49; 7, 37½; 8, 40; 9, —; 10, 36½. (C.P.R. supplement 3 to tariff C.R.C. No. E-3219.)

Commodity rates are published from St. John to Montreal on certain articles originating at that point, and there being no movement from Montreal to St. John, class rates (which are higher) would be applied. Similarly, commodity rates are published on certain articles from Montreal to St. John which do not ordinarily move in the opposite direction, and the higher class rates would apply from St. John to Montreal.

Where commodity rates are published from both points on the same article, it is noticed the rates are the same. For example, the following rates are published from St. John to Montreal, and from Montreal to St. John: Ship handling gears, carloads, 23½c. per 100 lbs.; Iron and steel bars, 28c.; Scrap iron and steel, 28c.

KOOTENAY PARK EXCLUDED LANDS

INQUIRY

Hon. Mr. GREEN inquired:

1. Has any of the land excluded by Order in Council of the 2nd February, 1922, from the Kootenay Park, as the same was established by Order in Council, of the 21st April, 1920, been sold or otherwise alienated by the Government, and if so to whom and when?
2. Have any applications been made for the purchase or leasing of any of such excluded lands, and if so by whom and when?
3. If any of such excluded lands have been sold or otherwise alienated, what is the quantity of such lands so dealt with and upon what terms as to price and time of payment were the same disposed of?

Hon. Mr. DANDURAND:

1. No.
2. No.
3. Answered by one and two.

The honourable gentleman will find a statement, bearing upon the questions put, which may be of interest to him.

KENT NORTHERN RAILWAY

INQUIRY

Hon. Mr. BOURQUE inquired of the Government:

1. If, in New Brunswick, the only branch line railway not taken over by the Government, is the Kent Northern Railway?
2. If this railway serves an important farming, fishing and lumber district?
3. Have any negotiations been carried on by the Government or the Railway Board, with a view to acquiring such railway? If so, when were such negotiations commenced, and what point have they reached and when was such point reached?
4. Is it the intention of the Government to acquire said railway, and if so, when?
5. What is being done at the present time towards the acquisition of said railway?
6. What representations have been received by the Government and from whom, in respect of the necessity of the acquisition of said railway?
7. What reports have been received by the Government, and from whom, with reference to the condition of said railway and the advisability of purchasing it?

Hon. Mr. DANDURAND: The Kent Northern Railway was one of a number of short lines in Quebec and the Maritime Provinces, connecting the Intercolonial, which the Government contemplated leasing under Branch Line legislation of 1910, in view of which engineers in 1910 and again in 1913 made a report on the physical property of the road, and the traffic possibilities of the territory served.

The proposal to lease these roads fell through, and in 1915 legislation was passed

authorizing the construction, purchase or lease of the branch lines in question. In the Appropriation Act, No. 2, Chap. 52, Statutes of Canada, 1918, provision was made for the purchase of the Kent Northern Railway for $60,000. This offer the owners failed to take advantage of.

Since the change of Government, a deputation waited on the late Minister of Railways, and urged that the railway be acquired. At that time the deputation was informed that the question of purchasing additional branch lines would have to wait the reorganization of the Canadian National Railways.

Should any concrete proposal be received from the owners of the Kent Northern Railway, it will be referred to the Management of the National Railways for consideration and report.

Hon. Mr. REID: Honourable gentlemen, with reference to this matter, may I draw the attention of the honourable leader of the House to the fact that when it was decided to purchase the branch lines in the provinces of Nova Scotia and New Brunswick we fixed a certain rate per mile at which we would take over any one or all of those railways, and, as I remember it, we purchased all the railways in New Brunswick and Nova Scotia at the same rate per mile, with the exception of the Kent Northern, which refused to accept that rate. I hope that if the Government decide to purchase the Kent Northern they will treat it exactly the same way as they did the several other railways in those two provinces.

Hon. Mr. DANDURAND: I will draw the attention of the Acting Minister of Railways to the remarks of my honourable friend.

THE INSOLVENCY LAW

MOTION

Hon. L. O. DAVID moved:

Resolved, that it is expedient to amend the insolvency law, and especially to apply it only to traders.

He said: The older members of this House know that it has been my custom to introduce here all kinds of motions and questions for the purpose of having them discussed in the public interest by honourable members of this House, in order to show that the Senate is not idle. I will continue to do so in the same spirit. I sometimes do not care much about the vote, and have often withdrawn my motion after the discussion had taken place and I had attained my object, as I attach more importance to the views expressed by honourable members of this House than to their vote. But, honourable gentlemen, I must say that when I shall have ascertained that the members of this House take no part in the discussion of the questions which I raise, I will give up the job, because I have no personal interest in bringing up these questions, and also because I am not able now, as I was 20 years ago, to speak at length. The fact is, honourable gentlemen, that I make these motions and raise these questions rather for the purpose of having other members of the House speak than for the purpose of speaking myself. This is exactly what I desire in the present instance. I hope that the honourable members of this House will discuss this question. There are many persons in another place, including, I am informed, even a Minister, who are anxious to know what are the views of public men on this matter.

When the Bankruptcy Bill came before this House it was contended by some honourable members of the Senate, and especially by the honourable member for DeSalaberry (Hon. Mr. Béique), the honourable leader of the House, and the honourable member for Red Deer (Hon. Mr. Michener), that there were grave doubts as to its constitutionality, because it applied not only to traders, but also to any man who wanted to take advantage of the law; even to notaries, doctors, lawyers, and farmers. I do not know what lawyers of the past would have thought could they have known that the Bankruptcy Act would apply to their successors. However, it was stated at the time that the law was required by the English-speaking provinces, and especially by the Prairie Provinces;—and you know, honourable gentlemen, that the voice of the representatives of the Prairie Provinces is very strong and they know how to get the Government to listen to it. We had at the last Session many proofs of the power of that voice.

Now let us consider for a few moments the results of that law. Those results have opened the eyes of a good many people who were in favour of it, and we now hear people everywhere complain of its mischievous operations.

One of the effects has been to increase considerably the number of bankruptcy cases. I have here a statement showing what has taken place in Montreal in connection with the operations of this law. You will see the difference between the years before it was in force and the period since its inception. In 1915 there were 525 cases of insolvency in Montreal; in 1916, 282; in 1917, 286; in 1918, 213; in 1919, 162; in 1920, 169. Since the law has come into force; in 1921, 901; in 1922, 1,094; and for the last two months, January and February, 215. If the increase continues in

the same proportion, the figures will be distressing at the end of the year.

Another result of the law has been to give rise to all kinds of dishonest devices to defraud creditors. I could establish that assertion by numerous facts. There was a resolution passed at the last Session of the Quebec Legislature which embodies the views of all our people of the province of Quebec without distinction:

That this House regrets that the Bankruptcy Act as amended incites dishonesty and fraud, causes serious trouble to both trade and industry, which is of a nature to ruin credit, and it requests the federal Government to repeal that Act.

Owing to the condition of my voice, I will not speak at length; but I wish to consider particularly the effect of the law upon our rural population. I contend that it has demoralized our farmers in causing them to lose the honourable feeling that bankruptcy is dishonest and that the payment of their debts is a sacred duty. That honourable feeling won for them the respect and confidence of all other classes of our community.

I find that I cannot continue, honourable gentlemen. I would ask that the debate be adjourned until to-morrow, and perhaps I shall then be in a better condition.

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

DIVORCE BILLS

SECOND READINGS

Bill E, an Act for the relief of Margaret Elizabeth Moran.—Hon. Mr. Barnard.

Bill F, an Act for the relief of Ethel Lillian Duncan.—Hon. Mr. W. B. Ross.

Bill G, an Act for the relief of Florence Mary Ramsden.—Hon. Mr. W. B. Ross.

Bill H, an Act for the relief of Ross John Craig.—Hon. Mr. W. B. Ross.

Bill I, an Act for the relief of Florence Dodds.—Hon. Mr. Bennett.

Bill J, an Act for the relief of Blanche Hilton.—Hon. Mr. Bennett.

Bill K, an Act for the relief of May Woodbridge.—Hon. Mr. Bennett.

Bill L, an Act for the relief of Alice May Smith.—Hon. Mr. Bennett.

Bill M, an Act for the relief of Albert Ernest Mould.—Hon. Mr. Willoughby.

Bill N, an Act for the relief of Winifred Rose Foster.—Hon. Mr. G. V. White.

Bill O, an Act for the relief of Emily May Small.—Hon. Mr. Ratz.

Bill P, an Act for the relief of Irene Herdsman.—Hon. Mr. Ratz.

Bill Q, an Act for the relief of John Frederick King Hall.—Hon. Mr. Pope.

Bill R, an Act for the relief of Herbert Martin.—Hon. Mr. Harmer.

Bill S, an Act for the relief of Frederick John Saunders.—Hon. Mr. Harmer.

Bill T, an Act for the relief of Robert Archibald Logan.—Hon. Mr. Gordon.

Bill U, an Act for the relief of Violet Marie Finn.—Hon. Mr. Blain.

NORTHWEST TERRITORIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 7, an Act to amend the Northwest Territories Act.

He said: Honourable gentlemen, the object of this Bill is to allow stipendiary magistrates to try, outside the Northwest Territories, and under the laws and procedure of the Northwest Territories, persons charged with having committed crimes within the Northwest Territories. The immediate purpose of the Bill is to permit of the trial of several Eskimos who are charged with having committed a crime in the Northwest Territories, and who are at present on Herschell Island. It is not deemed that that place offers the proper facilities—guardhouse and court, I suppose—to enable these offenders to be brought to justice; and for this purpose the Northwest Territories Act must be amended.

Hon. Sir JAMES LOUGHEED: Can my honourable friend point out the necessity of a stipendiary magistrate appointed for the Northwest Territories, or the unorganized territories, sitting in any of the provinces of Canada for the trial of cases which may have originated within the territories? It seems to me to be rather unique to have a stipendiary magistrate appointed for the Northwest Territories practically exercising his jurisdiction within the provinces of Canada.

Hon. Mr. DANDURAND: This is in the Yukon territory.

Hon. Sir JAMES LOUGHEED: That may be, but it gives the magistrate authority to sit in any province in Canada and to try a case, the cause of action for which may have originated in any of the territories of Canada. The constitutional soundness of a stipendiary magistrate having authority to sit in one of the provinces of Canada and try a case of that kind is a question on which I am not prepared to express any dogmatic opinion at the moment; but it seems to me rather an extraordinary power to give him, and at the moment it also seems to me unnecessary, because I cannot conceive of a cause of action arising that could not be tried in the territories, either organized or unorganized. For instance, this measure would give the stipendiary magis-

trate authority to sit in the city of Montreal to try a case which had arisen in the Yukon or the Northwest Territories. Is it necessary to go to that extent? We are establishing a precedent which may possibly be made use of on some future occasion to bring about a combination of circumstances which would be undesirable.

Hon. Mr. TURRIFF: I do not pretend to know anything about this Bill, but about a week ago in one of the daily papers I saw the statement that its object was to enable the court to get a jury—that in most parts of the Northwest Territories you could not get a jury of men who would qualify under the Act.

Hon. Mr. DANDURAND: I see the difficulty in the mind of my honourable friend. He wants to know why were not magistrates outside the Northwest Territories empowered to deal with cases arising inside the Northwest Territories. I see that by this Act the Department of Justice extends the jurisdiction of magistrates appointed for the Northwest Territories to the extent of allowing them to sit within the provinces. At the moment I am not certain as to the status of the Yukon, although this Bill is for the purpose of allowing magistrates in the Northwest Territories to go anywhere in Canada to try cases that have originated in the Territories. I will draw the attention of the Department of Justice to the point raised by my honourable friend, and we may discuss it further when the Bill is taken up to-morrow in Committee.

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

PUBLICATION OF DIVORCE PROCEEDINGS

On the Order:

Consideration of the 24th Report of the Standing Committee on Divorce, in the matter of the recommendation that Rule 135 of the Senate relating to Divorce be amended, etc.

Hon. Sir JAMES LOUGHEED: I desire that this order should stand. It is a question whether we can acomplish what we desire by rule or regulation of the Senate, or whether an amendment to the Act will be involved.

The object of the proposed amendment is to prevent the publication in newspapers of the proceedings of or evidence taken before the Divorce Committee. At the present time a certain paper in Canada is publishing in its entirety the evidence taken before the Committee on Divorce. It is very undesirable that this class of parliamentary proceedings should be reported in the press of Canada. Heretofore the press have refrained from doing it, and I am not prepared to say they have the right to do it; but in one particular case that has come under our observation it has been done. Something further than an amendment to the rules of the Senate may be necessary to carry out the object which the Committee has in view. For that reason, it is my intention to take up this question with my honourable friend.

Hon. Mr. DANDURAND: What is the substance of the report?

Hon. Sir JAMES LOUGHEED: It is to preclude the publication in the press or otherwise of evidence taken before the Committee on Divorce. The hearings on divorce are conducted in camera, practically, and the publication of reports of the Committee has never before been attempted: but recently it has been attempted, and to some extent successfully.

Hon. Mr. DANDURAND: I suppose they take advantage of the printed reports of the evidence that are distributed.

Hon. Sir JAMES LOUGHEED: Yes.

The Order stands.

DIVORCE BILL

FIRST READING

Bill W, An Act for the relief of Harriet Ethelwyn Kingsley.—Hon. Mr. Bennett.

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

THE SENATE

Thursday, March 8, 1923.

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

Prayers and routine proceedings.

CARGOES OF UNREGISTERED TRAWLERS

MOTION FOR RETURN

Hon. Mr. TANNER inquired:

1. Was any fish trawler which was not registered in Canada allowed in 1922 to land fish at any maritime province port without payment of customs duty on its catch?

2. (a) From what trawler or trawlers was fish so landed?

(b) What was the respective value of each cargo so landed?

(c) At what port or ports were such cargoes landed?

(d) On what date respectively was each cargo landed?

3. Under what (a) provision of the customs law of Canada or (b) other authority was any such cargo of fish allowed to be so landed?

4. Is it the policy of the Government of Canada to allow fish trawlers not registered in Canada and not manned by Canadian fishermen to land their catches at Canadian ports without payment of customs duty?

Hon. Mr. DANDURAND: I have been asked to suggest to my honourable friend that he transform his question into a motion for a return. He may do so now.

Hon. Mr. TANNER: I have no objection whatever to transforming my inquiry into a motion for a return, although I must confess that I am unable to understand the logic of the request. I understand that a motion for a return is made when the answer is one of great length. The answers to the question which I am asking must necessarily be brief; they cannot take up very much time either in their compilation or in the printing. However, I am quite prepared to defer to my honourable friend's request if I can get an answer.

Hon. Mr. DANDURAND: I may inform the honourable gentleman that the request was not made directly to me by the Minister; but an official in the Secretary of State's Department, who very likely received the request from somebody else, transmitted it to me. For this reason I do not know exactly why the request is made.

Hon. Mr. TANNER: As I say, I am quite willing to accede to the request. I would like to have the answer expedited. I have had two or three inquiries on the Order Paper since the beginning of the Session, and have not seen any indication of speed on the part of the Department.

The inquiry was passed as a motion for a return.

CANADA'S FUEL SUPPLY

SPECIAL COMMITTEE APPOINTED

Hon. J. S. McLENNAN moved:

That a Special Committee of this House, of five members be appointed to consider the question of the fuel supply of Canada, its most efficient use, and whether such Committee can assist the work of the Dominion Fuel Board.

He said: Honourable gentlemen, before taking up the wider aspect of this question, to which I desire to call the attention of the House, I would like to endorse entirely and absolutely the view expressed by the honourable Senator for Brome (Hon. Mr. Pope) yesterday, that the so-called Hoppe areas should be safeguarded for the ultimate use of the people of Canada, and not be disposed of in any other way inopportunely or prematurely. All the evidence we obtained before the Special Committee pointed to the fact that these were reserves of coal of a very high quality, and of the utmost value, and that, when there is a population to justify their development, they will prove to be of reasonably easy access. I would like also to endorse the opinion that I understood him to express, that if there are to be deficits on the National railroads of Canada the people of Canada would bear them more cheerfully if they were created by our using these railways for the transportation of the coal of Canada to supply the wants of the people of this country, rather than in the way that they are now created year after year, and, unfortunately, with not too great prospects of their being reduced to a bearable condition.

Coming now to the general aspect of the fuel problem of Canada, I desire to say, before dealing with it, that in my opinion, in every discussion in either House of Parliament, or wherever the fuel situation of Canada is discussed, in public or private, due recognition should be given to the way in which Canada has been treated by the United States. Never in my knowledge of international dealings has one country been better treated by another than has Canada in respect to coal been treated by the United States. In 1917, when this trade was first considered otherwise than as a matter of ordinary commercial relations, President Wilson established the principle that Canada should be treated exactly as if it were a part of the Republic; namely, that Canada should get the same quota of the available supply of coal that, according to its consumption, should be allowed to any State of the Union. This winter we have been treated in the same way. People in the United States, living in a climate quite as rigourous as our own, have seen trainload after trainload of coal going through their territory to a foreign country, and have not liked it any better, than we would if the condition had been reversed. The people of Canada would not have liked to see what was for us a necessity of life going into a foreign country.

This is not a political question. It is a question that in the deepest way affects all the people of Canada from the Atlantic to the Pacific.

President Harding has carried out the same policy as his predecessor. I do not think that the spirit of fraternity has ever been more fully displayed; and it demands from us, its beneficiaries, the fullest recognition. In thus speaking I feel that I am speaking for this House and for all in the country who realize

that a powerful State, without bargaining, without entreaty, has granted part of a short supply of a necessity of life to a foreign country and has treated us as it has treated its own citizens. Members of this House who have been at all familiar with the matter will agree with me in this, that the smoothness with which our relations with the United States in this respect have been carried on has been very much due to the urbane ability of Mr. Magrath, who has represented this country in these dealings with our neighbours.

The present condition is a most serious one. To a certain limited favoured number it means only a certain amount of irritation and the writing of a larger cheque for their coal supply; but for the great bulk of the people of Canada—and it is with them that Parliament should be the more concerned—the cost of coal and the difficulty of obtaining it have meant in some cases privation, and in all cases the diversion from other and better purposes of a large part of their income to pay an excessive price for coal. I do not think we can build a happy, prosperous, and contented people on a foundation of a price of $18 a ton for fuel, which in a climate like ours is as necessary as food and shelter.

The conditions of this winter may not soon occur again. But they have occurred in the past; they have occurred more than once; and the probability is that they will occur at intervals again. One thing is absolutely certain, namely, that the cost of the supply of coal, which we all must use, is bound to increase, owing to the fact that mining is ever and ever becoming more expensive. The extraction of coal was easier ten years ago than it is now; it is probably easier now in all coal fields than it will be ten years hence. It is therefore absolutely necessary, quite apart from the scarcity or lack of coal, for us to strive to promote the economic advantages of Canada to the highest degree by making the use of coal as economical and effective as possible.

First of all, it has a great deal to do with the cost of living. A young friend of mine living in Ottawa estimates that the cost of his coal supply this winter has been equivalent to an increase of about 40 per cent on his house rent, which is a very considerable thing. Cheap coal—economy in the most effective use of coal—means cheaper production. It also means cheaper distribution, because the item of coal is to the railroads an extremely important one, amounting to about $10,000,000 out of $32,000,000.

Hon. Mr. CASGRAIN: One-third.

Hon. Mr. McLENNAN: Yes; out of every $100 that Canada spends for coal the railways pay very close to $30.

Secondly, in so vital a matter as our fuel supply we should be as far as possible self-contained; that is, we should draw the maximum amount of our fuel from Canada in so far as that is economically possible and can be carried out without injury to our production or without imposing too heavy a burden on us in other ways.

Thirdly, so far as possible, we should try to make our sources of supply those with which we can develop reciprocal trade. For example, if we can bring from the Old Country Welsh coal which will serve as ballast on vessels that are coming out to take back our grain, it will reduce the cost of the round voyage. It will give us cheaper fuel, and it ought to make cheaper freight back from this country for the products of our farms and our fields and for whatever manufactures we export.

I would like also to express the opinion that whatever is worked out in the way of developing trade in the manner I have indicated will be on sound economic lines. Trade should be developed in such a way that it will be profitable to the people to undertake it, and that trade will thus become permanent. Provision should be made not only for its establishment, but also for its expansion, if possible.

Again, in my opinion, the clearest possible case should be made for the Government doing more than experimental and investigating work, and bringing the results of their investigations and experiments clearly and forcibly before the people of Canada.

The economic problem is an enormously important one, quite apart from any question of scarcity or of a permanent supply. In 1920 we bought from the United States about $98,000,000 worth of coal; say, $12 worth a head. Out of the total of 32,000,000 tons of coal consumed in Canada, the railways use 10,000,000.

Hon. Mr. MITCHELL: Is that both soft and hard?

Hon. Mr. McLENNAN: Soft and hard combined.

Another feature, which is not an encouraging one, is that the ratio between our own production and our importations is not becoming more favourable. In 1886 our consumption of coal was 3,480,000 tons. Forty-six per cent of that was produced within the boundaries of Canada; 54 per cent was imported. In 1920, 45 years later, consumption had risen

to $32,000,000 worth, which shows not only the increase of population but also the industrial increase in our country. Only 43 per cent of that was domestic coal; 57 per cent was imported. Our best showing was in 1903, when we produced 52 per cent of our consumption; and our worst was in 1917, when we produced only 37 per cent of it—that, of course, owing to the diversion of trade due to the activities of the war.

This, I submit to the House, is not a good showing for a country which contains the second largest amount of coal in the world. According to the International Geographical Congress, of the world's available supply, as far as known, the United States contains 51.9 per cent; Canada 16.7 per cent; China 13.4 per cent; Germany—that is, old Germany, because this Congress made its report before the war—5.7 per cent; Great Britain 2½ per cent. This table shows how complicated are such matters. When the dominating factor in the international coal trade is a country which contains but one-fortieth of the world's supply, the quality of that supply, the enterprize of its people, the command they have of shipping and of reciprocal trade, show how unimportant, for the time being at all events, are the mere quantities of coal within the boundaries of a country.

Here is another phase of the question. It is almost within the memory of man that the great anthracite fields of Pennsylvania, containing practically the continental supply of anthracite coal, lay useless because people thought that anthracite coal would not burn; it was supposed to be too hard; it came out in lumps too big. Not until appliances for breaking, sorting, and sizing it were devised did anthracite coal come into use in the United States and afterwards over the whole continent.

We too have our difficulties, topographical and other. When Providence distributed the coal measures of this continent, no regard was had to the fact that a very long time afterwards there would exist international boundaries running across it. Canada has coal on either seaboard. The United States has coal directly across Lake Erie from the most thickly populated and the most industrially active part of Canada. The Americans, as an active commercial people, have rightly used their advantage in placing their coal on our markets. The whole machinery of transportation for the central part of Canada is so arranged that coal may easily be shipped across Lake Erie, and there are a great many more difficulties to be surmounted in bringing coal from our own fields in Nova Scotia.

people have become accustomed to dealing in that way, and not only in domestic life but in business life, routine is a formidable thing to overcome. Any plan to make a real change in the sources of our fuel supply will call not only for patriotism, but also for a desire that will bring about the practical effect of looking to the future rather than to the immediate gain. Perhaps a more difficult thing than all will be to get Canadian people out of the paths in which they have walked very comfortably for some time.

The situation as regards Nova Sotia coal and the supplying of the markets on the St. Lawrence was better some time ago than it is at present. The honourable Senator from Stadacona (Hon. L. C. Webster) will bear me out in saying that in the later nineties the Nova Scotian trade had captured and was holding the St. Lawrence markets just as far as there were no special disadvantages against it. It had the bulk of the trade in Montreal and Quebec; it supplied Ottawa with a very considerable part of its consumption; it furnished the Grand Trunk at Brockville, and sometimes, when the supply of American coal was short, the mills at Cornwall and Valleyfield; the Canadian Pacific took our coal as far as North Bay. But there was an anomaly in dealing with the small trade. We could load, transport, discharge, and put into barges coal from Sydney to Montreal for certainly not more than 75 cents a ton.

Hon. Mr. CASGRAIN: 53 cents a ton.

Hon. Mr. McLENNAN: That was since my time; I am speaking of 20 odd years ago; but I want to be safe, and so say it cost about 75 cents tot take it up and discharge it less than 50 or 60 miles from Montreal, up the river.

Between 1885 and 1900 the Nova Scotian coal trade increased from 215,000 to 934,229 tons. In 1915 it had reached 1,828,769. In 1920 it had fallen to 243,480. In 1921 it was 887,701. In 1922 it had come up again to 1,380,000 tons. In 1880 our competitors in the United Kingdom sent out 142,000 tons, mostly to Quebec and Montreal, and principally as ballast freight. In five years that had fallen to 103,000 tons, and in another five years, namely, in 1890, it was down to 59,000 tons, having been displaced by our own product.

Take, again, the United States. In 1890 the amount of United States coal used in the province of Quebec was only 38,845 tons. It rose in 1918 to over 4,000,000 tons, and in 1922, it has fallen again, as our own coal rose, to 1,300,000.

Here, obviously, is a market which Canadians once held, and which ought to be regained. I might say that the loss of that mar-

ket has not been due in any way to lack of facilities, or because the people handling that business were not doing so with the best possible appliances, for there is no port on the seaboard of North America or the whole continent where coal can be loaded more rapidly than at Sydney. I can safely appeal to my honourable friend from Stadacona—who, if I may say so, was once my apprentice in the coal trade—whether he knows of any place north of Newport News, New York, Boston, or any other place, where coal can be unloaded as rapidly as in the ports of Montreal and Quebec. So it is a question of cost of production, of energy, and of time, to displace competitors in this market, and to give back to Nova Scotia the markets in the St. Lawrence which it once held. There is no question that water transportation for bulky articles is by far the cheapest. It probably amounts to a quarter or a fifth of the cost of rail transportation, and it is possible that the extension of the markets for Cape Breton coal further west up the St. Lawrence may be enhanced by developments in the St. Lawrence river.

I understand that erudite and expert gentlemen, one of whom is not far from me at the moment, are not inclined, on account of the advantages which the port of Montreal now enjoys, to look unfavourably on extensive works in the St. Lawrence river; but my observation of the history of Montreal, from what its people of the past have accomplished, and what is being worthily carried on by its citizens to-day, as well as the position that that port occupies among the ports of this continent, is that any extension of facilities by rail or water or by increase of power, will benefit that port and the people who are connected with that great city.

Hon. Mr. CASGRAIN: Nobody denies that.

Hon. Mr. ROCHE: Would the honourable gentleman at this point give us a description of the kind of American coal that has displaced Nova Scotia coal at the time he indicated?

Hon. Mr. McLENNAN: Coal from the more northern coal fields of Pennsylvania—Reynoldsville, I should say.

Hon. Mr. ROCHE: What kind of coal?

Hon. Mr. McLENNAN: Run of mine, now coming down the river even as far as Quebec in great volume.

There is no question that what bulks largely in the public mind in connection with this question is anthracite. It comes into our houses instead of our workshops and offices, and there is a general impression that it is absolutely indispensable as a domestic fuel. I think no one would deny that it is the cleanest and most easily handled of all domestic fuels; but no country is dependent on it, and it is simply because there was a large and steady market in Canada and in the northern range of the American States, on account of the severe climate, that the producers of anthracite have been so successful. All our manufacturers have designed and built their furnaces for anthracite coal, and therefore it has gained an undue prominence, as it seems to me. But even if anthracite is absolutely abundant, and as low in price, relatively, as it has been, there is no question that if the people of Canada could succeed in burning anthracite or any other fuel to the utmost advantage a very great saving could be made —possibly by improved designs in furnaces, in the matter of radiation and more complete combustion. I went the other day into the cellar of a house, and it was like a Turkish bath, because the furnaces, which were large, were going full blast, the day being cold, and the furnaces were not insulated, nor were the pipes. When I called the man's attention to this his answer was that things in the cellar would freeze otherwise; yet a couple of small radiators using perhaps two tons of coal would have kept the cellar above freezing for the whole winter.

Whatever agency takes up this question, the economical use of domestic fuel, whatever kind may be used, should be brought home to all the people of Canada. While anthracite continues at its present high price, substitutes will be used. There are possibilities in oil, in electricity, in gas, and in Welsh anthracite substituted for the American article. That would fulfil absolutely and perfectly the second condition I laid down—that if we cannot produce the fuel ourselves we should get it from such sources as would benefit other trades of ours in the way of return cargoes of grain, paper and other products, thus reducing the cost of both.

There is another aspect to this question. Whatever agencies can be utilized should be worked to create a widespread and effective demand among the people of Canada for economical furnaces, preferably of Canadian make, in order to save all the coal they can, and burn the cheapest kind of fuel. I believe that such a demand, if created, would be supplied. How is a young householder to know how to get the best furnace or other appliance? That is an important matter, and whatever agency deals with this question should be prepared to give the widest possible

publicity to what it might ascertain in reference to the apparatus which would be most efficient because if a householder buys the wrong article he will not only be discouraged, but his money will be lost. One important method would be to have demonstrations of appliances.

I gave you figures showing the extraordinary advance in certain years in the Cape Breton coal trade, namely, from a quarter of a million tons to a million in a comparatively short time, although our coal had the disadvantage in price in the eighties of $1 a ton as compared with American or Old Country coal, the latter being $4 a ton, while we sold ours at $3. It took us from 10 to 15 years to wipe out that disadvantage and create a reputation for our coal, and that long time was required because we were working through seven or eight separate companies, and had no combined work. If we had had five or six practical firemen demonstrating in Montreal, showing manufacturers there how to fire with our coal, and had those demonstrations continued for some days, we would have cut down that long period of 10 or 15 years to about two years, with the great benefits that would have resulted. It seems to me that the same kind of thing should be done with any new development in appliances, or any substitute for the coal the people are now using. I do not know how that could be done, but possibly if the Canadian Manufacturers' Association or some other body would put their stamp of approval on certain apparatus, furnaces or whatever they might be, stating that they were properly constructed and designed, and ought, with due care, to accomplish certain work in the combustion of coal, it might be of great help towards the good work of economizing fuel, and thus saving money for the people of Canada.

The present situation as regards fuel is that a Dominion Fuel Board was appointed last autumn by the Government under Mr. Camsell, the Deputy Minister of Mines. On that Board there are a number of eminent scientific gentlemen. They have shown that they were not "in the air," as trained experts are supposed to be, for the first thing they sent out were admirable circulars describing the proper way of burning the various kinds of fuel which might be substituted for anthracite. Whether that Board can deal with all phases of the question I do not know. Perhaps the best way, in relation to the commercial and economic phases of the question, would be, for them to be supplemented by certain members more familiar with general trade questions, especially with the possibility of the commercial development of the coal trade.

At all events, the object we all have in view is to use so much Canadian fuel that we may be as absolutely independent regarding heat, as we are regarding our food and housing; that we should get the co-operation of the producers of apparatus and appliances for the most effective burning of whatever fuel we need; and that there should be brought home to the general public the importance of this matter in all its phases.

If the House feels that a Committee of its members could assist to this end, which we all consider most desirable and patriotic, and which if successfully pursued, will do much for the economic rehabilitation of the country, I would suggest that such a committee should consist of Messrs. Hardy, Deveber, Laird, Webster (Stadacona), and the mover. I am inclined to think that such a committee could with advantage deal only generally with some of the phases of this matter. With others, a scientific committee or the Dominion Fuel Board could unquestionably deal to the best advantage, and if such a Committee is appointed I think it should work in harmony and close consultation with that Board.

Hon. J. D. REID: Honourable gentlemen, I come from a part of the Dominion where the fuel question is a very serious one, and for that reason, and also because I took some interest in this matter when I had the honour of being Minister of Railways and Canals, I wish to say a few words. I am glad the honourable gentleman has brought this question before the House; I believe there is no more important one to-day than the fuel question. I was glad also that another honourable gentleman (Hon. Mr. Pope) brought before the House yesterday the question of anthracite coal in the West, for I agree with him that none of our natural resources should be alienated from Government ownership. We have sufficient coal in Canada to protect ourselves at any time from the possibility of famine. As has been stated, we have coal in Nova Scotia and in the western provinces, and to my mind the whole question is how to get it from those points to central Canada. If the question were solved of transporting it to central Canada at a rate that would justify its use, I think we would not have the difficulties that arise each and every year due to a shortage of coal.

I claim also that it is of the greatest importance that we should use as much of our own Canadian coal as we possibly can. I make that claim for several reasons. In using our own coal we are developing our own natural resources, turning them into money and keeping the money in our own country. In addition to that, we are creating a de-

mand for labour. Coal mining and the transportation of the coal requires the services of a great many men. So that the development of our own coal industry is a very important matter in the way of providing employment. Further than that, if we can provide coal for our industries at a price which would justify them in using it, we are assisting them to manufacture more cheaply, and are thereby benefiting the people of Canada as a whole. But the most important feature, to my mind, is that if we could assure all parts of Canada of a supply of coal at all times, we would be saving life. There are times when, owing to the shortage of coal, lives are in danger, and even lost.

I think we all agree that something should be done. When I was occupying the honourable position which I have already mentioned, I made a suggestion publicly in the House of Commons. My suggestion was that the Government of Canada should purchase equipment for the transportation of fuel—that is to say, 5,000 cars and a sufficient number of engines to haul those cars. My idea was to hand over half of this equipment to the Canadian Pacific railway and the other half to the Canadian National Railway, on the understanding that they would carry so much coal to Central Canada—part from Nova Scotia, and part from the western provinces. The railways would not be charged any interest on the cost of the equipment, but would simply be required to haul the coal at actual cost, and to keep the equipment in repair. If this was done the country would to my mind lose only the interest on the cost of the equipment, and, if 5,000 cars were put into operation, every time they were loaded they would carry 50 tons per car, or 250,000 tons of coal.

Hon. Mr. TANNER: What would that capital investment amount to?

Hon. Mr. REID: At the time the suggestion was made the capital investment would have amounted to about $3000 for each freight car. Prior to the war it would have amounted to about $1,000 per car. Five thousand cars at $3,000 would cost $15,000,000. I believe the actual cost would be probably about half that amount. I do not know what number of engines would be required, but I suppose $20,000,000 or $25,000,000 would do the whole business.

Hon. Mr. CASGRAIN: If that were a good proposition, would not the Canadian Pacific railway undertake it?

Hon. Mr. MITCHELL: No, they would fight against any such plan.

Hon. Mr. REID: I believe we all realize the importance of this question, honourable gentlemen, and I think that if each of us were to help to solve the difficulty some suggestion might be made that would meet the situation. For this reason I am giving my suggestion for whatever it is worth.

If my suggestion were carried out, honourable gentlemen, in addition to keeping large industries going, and giving employment to many men engaged in those industries, the railways would also give employment to their men during slack times.

Some honourable gentleman will ask: why would not the Canadian Pacific Railway or the Canadian National Railways do that? I will tell you why, honourable gentlemen. If you asked the railway to carry the coal at actual cost, without allowing for overhead charges, interest on the cost of the road, cost of management, and so on, they would say that that would bring down the rate so low that other parts of Canada would say: "If you can carry coal at that price we want other rates reduced." And, if allownces were made for the things I have mentioned, it would be impossible for the railways to bring the rates down low enough to justify the hauling of coal to central Ontario. Therefore, I believe the Government will have to assist in some way to bring the coal from those extreme points. Had I been in a position to take up my proposition with the railways, I would have done so, and perhaps we would have come to some conclusion along that line. I could not take it up at the time because the railways were very short of equipment to carry wheat and pulpwood and other natural products that it was necessary for them to carry, and then there were war conditions, which increased costs to such an enormous degree that the matter had to stand aside for the time being at least.

I never met anybody who agreed with me on this matter until last evening, when, in reading over the Toronto Globe, in the column called the "Voice of the People," I saw a letter on this very question written by M. J. Butler, who was at one time Deputy Minister of Railways. I have not seen nor heard from Mr. Butler for many years, but I know that he was a very able man and understood the transportation situation well. If the House will listen to me for a few minutes, I will read this letter, which may be of benefit in considering the solution of this question. It says:

The Coal Problem

To the Editor of The Globe: The problem of transportation of coal from the West to the East is surely so important that "a plea for courageously attacking

it" in the words of President C. V. Corless, Mining Engineer, ought not to require an apology.

The usual condemnation given out by Traffic Officers ought not to be considered. The freight rate is quoted on a basis of a certain class of rate in the freight schedule, and it is predicted on an experience had in handling odd car lots, instead of what might or could be done in treating such a special train load lot on the most economical possible basis.

I venture to submit for consideration the following solution:

(a) Solid trains, from a central point, where train loads may be assembled from the mine or mines.

(b) A locomotive of the latest and most powerful type, capable of hauling over our Transcontinental lines with 4-10th of one per cent grades, 7,500 tons gross, a net tonnage of 5,000 tons; this may be increased in favorable weather.

(c) Coal cars of a capacity of 100 tons, 50 cars to the train, so that the length of the train over-all will be about 2,400 feet.

(d) Local distributing yards, where ample facilities are provided for the quick and economical discharge of the train.

The Virginian Railway Company is doing much better than the above. 120 ton capacity cars are in use, 84 cars to the train, making 10,080 tons of coal per trip.

Engines and vans are changed every 2nd Division, or as may work out best.

From the Alberta Mines to Winnipeg is about 975 miles. Allow earnings per train mile of $5.00. A fairly generous rate, run the train back empty, and the cost will be 975 x 2 x $5.00—$9,750, or per ton on the basis of 5,000 tons at $1.95. Using 10,000 tons train, the cost would be cut in half or 97½ cents per ton of coal.

Hon. Mr. GRIESBACH: Is that for the whole distance?

Hon. Mr. REID: For the 975 miles from Alberta to Winnipeg. The letter goes on to say:

The distance from the said mine to Cochrane is 1,751 miles, or with the same allowance the cost per ton would be $3.50.

The mileage to Port Arthur is 1,413 and the cost per ton delivered would be $2.82 from which point with properly equipped shipping docks, it could be transported to all points on the Lakes, Erie, Huron, Georgian Bay, and after the Welland Canal is completed to Lake Ontario points at a cost on the dock not exceeding $2.50 additional per ton.

So that a fair average transportation charge from Alberta mines to Port Colborne would not exceed. should not exeeced, $5.32. I understand it may be bought loaded on the cars at the mines for $2.00, hence total cost would be in the neighborhood of $7.50 per ton. American coal is now costing at Toronto, $10.30 per short ton—local yard charges would be the same for all coal delivery to any consumer.

Oakville, March 6. M. J. Butler.

Hon. Mr. CASGRAIN: The honourable gentleman will admit that that can only be done on the Transcontinental and the Grand Trunk Pacific. It would not work on the Canadian Pacific railway, with its grades.

Hon. Mr. REID: It would work on the C.P.R. if you give them the equipment, they can haul it just as well as the Transcontinental.

Hon. Mr. ROBERTSON: To Port Arthur.

Hon. Mr. REID: To Port Arthur; that is what I mean. If that were done, it would solve the problem in central Canada. In the provinces of Quebec and Ontario we would at all times have sufficient fuel, and the money that is spent on fuel would be kept from going into foreign countries. I believe that if this question were taken up by the Government along some such lines as Mr. Butler has laid down—which is practically the same as the idea I had in mind—some conclusion could be arrived at with the railways, so that we could use our own Canadian coal from Nova Scotia in the East and Alberta in the West in the other two provinces that I have mentioned. I have no objection to a committee. I should be glad to see a committee appointed if they can do anything towards solving this question. However, I believe that every honourable gentleman in this House is satisfied that we have at least in Nova Scotia coal that is suitable in any part of Canada for fuel, either for manufacturing or, in case of famine or shortage, for household purposes. Similarly we have coal in the West, although I have understood that the coal of the West would be apt to crumble and would not keep as long as the Nova Scotia coal. If the western coal were coming along in trainloads from time to time, however, there would be no difficulty in that respect.

If this committee is formed I would like to see it try in some way to find out how we can get coal hauled from Alberta to Ontario, and from Nova Scotia to Quebec and Ontario, at a much lower cost of transportation. Here is the difficulty. In shipping, for instance, from Nova Scotia to Quebec or Ontario you have a tremendously long haul, and, owing to the extra charges, the cost of operation, etc., it is not possible to bring coal of that grade to Ontario or Quebec and sell it at a price at which it could compete, or at a price at which many people could use it. The same difficulty applies in the West. The long haul from Winnipeg to Sudbury would make the cost of transporting the coal so high that many of the poor people, at least, could not use it. I therefore urge that the Government take up this matter on lines such as I have suggested. I ask that this committee, if it is appointed, will see if something cannot be done in that way. The honourable member (Hon. Mr. McLennan) is of course right in saying that something should be done to educate the people to use this coal, but I am quite satisfied that if we can get the coal here at a price at which it can be used, there will be no trouble: those who want to use it will find a way of doing so without much education.

Honourable gentlemen, I thank you for listening to these few remarks. Having dealt with this matter before, and being so much interested in the province of Ontario, I felt the question to be of such importance that I could not let the opportunity pass without making these observations.

Hon. Mr. DANDURAND: Do I understand from the honourable gentleman that the railways, the Canadian National and the Canadian Pacific, are not at present equipped to carry on that trade?

Hon. Mr. REID: Yes. I would like the House to understand that in my judgment the railways to-day have not sufficient equipment—or cars, if you like—to haul coal from those extreme points. They have sufficient equipment to make short hauls, but not sufficient, in my judgment for the hauling of coal from Alberta or Nova Scotia to Ontario and Quebec; and I would not feel like urging the railways to spend $20,000,000 or $25,000,000 on equipment in order to transport that coal at cost. If they furnished the equipment, and if coal were placed on the same basis as other commodities by the Board of Railway Commissioners it would certainly put the railways in a very unfair position to ask them to haul coal at a much lower rate than they would be entitled to. If the railways furnished the cars and equipped and operated them, they would have to accept whatever rate the Board of Railway Commissioners fixed, which must be on the same basis as the rates for other commodities. Special favour could not be extended to coal. Therefore, I say that, as the railways have at present only sufficient equipment for local purposes, the additional equipment required should be furnished by the Government to both railways and they should be put on an equal basis to bring the coal from the West and the East.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman just one question? He has been for a long time Minister of Railways. If a ton of coal can be carried as cheaply as he says for that distance—there are 1,350 miles between Winnipeg and Quebec—it should cost very few cents a bushel to carry wheat from Winnipeg to Quebec.

Hon. Mr. REID: When I spoke the idea I had in mind was that the city of Quebec would be supplied with coal from Nova Scotia, not from Alberta.

Hon. Mr. CASGRAIN: It is wheat I am talking about.

Hon. Mr. REID: I might add, in so far as transportation is concerned—

Hon. Mr. TESSIER: It would be much cheaper by the St. Lawrence.

Hon. Mr. REID: I was going to say that in the summertime the coal could be transported by vessels. But I desire to point out to honourable gentlemen that coal has been brought from the United States to Quebec more cheaply than it could be from Nova Scotia, owing to the very long haul.

Hon. Mr. MITCHELL: May I ask the honourable gentleman, the late Minister of Railways, if his suggestion could not be carried out on the National Transcontinental line, which the people own, without interfering with the regular freight rates at all?

Hon. Mr. REID: Yes, it could be done entirely by the Government, without asking the Canadian Pacific Railway to take part. I do not think the Canadian Pacific would object to doing it. I believe they would prefer taking part, for this reason, that many of the coal mines and many of the industries are on their lines, and my impression is that they would like to keep in touch with those mines and industries. If, on the other hand, they said they did not want to have anything to do with it, then I would say, let the Canadian National railways do it at cost. It would not put the National railways in any worse position than they are to-day, because they would be repaid the actual cost of operation.

Hon. LORNE C. WEBSTER: Honourable gentlemen, judging by the very forceful remarks which have been made by the previous speakers, I am sure it will be admitted that the question of the fuel supply of Canada deserves our best consideration and our earnest investigation. The fuel question has been both a live and a burning subject for many centuries.

Hon. Mr. TESSIER: No doubt it is a burning question.

Hon. Mr. WEBSTER: If we go back to the ninth century we shall find that controversy on this subject was rife at that time. In the reign of Edward I, in 1305, laws were enacted to prevent the burning of soft coal in the city of London. It may be of interest to some members of this honourable House to hear that in the time of Elizabeth, such was her consideration for the members of Parliament that when Parliament assembled the use of soft coal in London was forbidden, that the air might not be contaminated and affect the health of the members from the country, who were accustomed to breathe the pure air of heaven.

Great Britain to-day possesses the largest and most valuable coal areas in Europe and controls the coal business of Europe and other parts of the world. Her manufacturing and export trade has depended largely upon her coal mining, and her present supremacy is due to those wonderful coal areas which she possesses. The wealth of Canada—in fact, the wealth of any country—depends upon what lies in her ground. Coal is one of our most valuable minerals. Therefore, honourable gentlemen, I think it is quite appropriate that we should consider carefully the fuel supply as it affects our Dominion.

What is the position in Canada to-day? We have tremendous coal fields, not only along the Atlantic and Pacific coasts, but also in our middle northwest, and we are in an advantageous position on the Atlantic and the Pacific to do a large exporting trade. Our mines are so situated that there is practically no haul to the seaboard. That is in contrast with the fact that our friends to the south have to haul their bituminous coal hundreds of miles from the Pittsburg district to their seaboard.

Of discovered and available coal Canada has the tremendous quantity of 1,235,000,000,000 metric tons. Alberta is said to contain 1,070,000,000,000 tons; and in Nova Scotia the quantity, according to the figures given me, is 10,000,000,000 tons. There is practically no coal of any commercial value in either Ontario or Quebec.

The consumption in Canada amounts to about 5,000,000 tons of anthracite coal, which we import largely from the United States; and our consumption of bituminous coal is in the vicinity of 25,000,000 tons. Yet we mine practically no anthracite coal. We produce about 12,000,000 tons of soft coal and import the other 13,000,000 from our neighbours to the south.

The success of our export trade depends on the cost of our manufactured articles; and two items enter very largely into this cost, namely, labour and fuel. If Canada is to take her place as an exporting country we certainly should have cheap fuel. Our railway and other transportation systems and our manufacturers all require cheap fuel. Our fuel should not be twice as dear as the fuel which is used in manufacturing in the republic to the south. Our freight rates are affected by the cost of fuel, because fuel enters very largely into the cost of transportation.

Turning for a few minutes to the question of domestic coal, we find that in the provinces of Ontario and Quebec American-made furnaces have been installed for the heating of our houses, and if we consider only comfort, ease, and luxury, this style of furnace requires the use of a certain kind of fuel. That is largely American anthracite coal. This coal carries 85 to 95 per cent of carbon as compared with 50 to 75 per cent of carbon contained in bituminous coal. There is therefore, I think, an opening for a thorough investigation into the facts and into the possibility of using our soft coals for household purposes.

We are told that the carbonizing of lignite has been a success in Saskatchewan. I trust this report is true, because if it is, we may have solved one of the problems of using our Canadian coals for domestic heating purposes.

Our Maritime coal, especialy that from the province of Nova Scotia, can produce coke of a satisfactory nature, and this has already been tested and has been found to be suitable for domestic purposes.

Hon. Mr. BRADBURY: How does coke compare with anthracite coal?

Hon. Mr. WEBSTER: In what way?

Hon. Mr. BRADBURY: Regarding the practicability of using it for domestic purposes.

Hon. Mr. CASGRAIN: About 75 per cent.

Hon. Mr. WEBSTER: There are certain disadvantages to it, but they may be overcome, and an investigation as to the economy and the cost and value of using coke manufactured from our own Canadian coal may assist us greatly; and such an investigation may also help us to improve this fuel.

As has already been mentioned, Welsh coal can be imported in reasonable quantities during the season of navigation. Last season a large quantity was imported, not only into Quebec and Montreal, but also into cities in Ontario. When it has been properly prepared and screened and delivered like American anthracite coal, it has been found equal and in many cases superior to the American anthracite, upon which we have depended so largely in the past.

As the members of this House are probably aware, the United States Coal Commission some time ago held an investigation into the conditions of the United States fuel supply, and I have before me an extract from their preliminary report, which reads in part as follows:

> The Commission has discovered that labour troubles, transportation difficulties, and overdevelopment of the mining industry are primary causes of the present very unsatisfactory condition of affairs.

That is, in the United States.

> Some of the facts which it presents have already been published, but they are worth remembering. The

industry is capitalized at $2,330,000,000, of which $430,000,000 is in anthracite mines, and the rest in bituminous. There are at least 6,000 producers of bituminous coal. About 180 railways handle this coal, and there are 90,000 buyers of carload lots. The combined charges of the railway, the wholesaler, and the retailer in most localities exceed the price of the coal at the mines. There are more mines and miners than can be profitably used. The largest annual consumption—

I take it that this applies to the United States—

—of bituminous coal was 579,000,000 tons and the present capacity is 800,000,000 tons. In 1921 it took 663,000 mine workers to produce 416,000,000 tons, while in 1910, 556,000 miners produced 417,000,000 tons. But in 1921 the whole working year of the miner was 149 days, while in 1890 he worked 213 days. The operators blame the miners for not working, but the miners declare that the operators themselves are to blame.

And so it is a case of fifty-fifty.

Hon. Mr. CASGRAIN: Too many miners.

Hon. Mr. WEBSTER: Too many miners is suggested. One method by which more anthracite could be expected from our neighbours to the south would be for our Government to grant licenses for a term of years to responsible parties to encourage the investment of large amounts of capital necessary for the development and exportation of electric power. We have only so far developed something like 2,500,000 horse-power of electricity, and the supply is unlimited. We have millions of horse-power going to waste—undeveloped electric energy which could be used for practical and business purposes.

It is possible, and good business, for us to consider exporting say 500,000 horse-power annually and to expect in return—as we would certainly have a right to expect—to obtain, if necessary, 5,000,000 tons of American anthracite per annum to keep the people of Canada provided with their winter fuel. This figures out at a proportion of about ten to one. For even 200,000 horse-power we might reasonably expect 2,000,000 tons of American anthracite. Our American friends have played the game and have treated us fairly during the last six months, giving Canada her fair proportion of anthracite coal. Should we so export our electricity, we can be assured of every consideration from those taking our power, and of their assistance in regard to securing our requirements of anthracite coal.

Our water-powers are well situated. We have large surpluses going to waste every year, equivalent to many tons of coal in value. British Columbia and Nova Scotia are provided for by their extensive coal fields, while we in Ontario and Quebec have similar protection in the electrical energy that is passing our doors every day. I cannot think of our natural position being adversely affected by such wholesale exporting of electrical power. In this connection I wish to draw the attention of honourable members to an editorial in the Montreal Gazette of February 28, part of which with your permission I will read:

The situation is simple. It is as legitimate for a Canadian producer of electric current to supply a demand from the United States as it is for the producer of wheat or lumber or asbestos, or anything else, to sell his goods in the same market. To act on any other theory and put restrictions in the way would be to interfere with a proper development of commerce and restrict business without justification. There are sections of Canada wherein the local demand for electric power exceeds the capacity of the development plants, as there are sections where, unless an export demand existed, the plants could not be operated at their capacity and their water power would be running to waste. The lack in one case is not the result of the export of power in the other, but usually of geographical situation. To stop the export at Niagara or Fort Frances would not help those in central Ontario who would use more if they had it. If it were advisable to interefere by law with such a situation, no general prohibition would be advisable. Each region would have to be dealt with according to its peculiar circumstances. Embargoes as restrictions on freedom of commerce are almost essentially mischievous. The war time produced many of them. They were generally submitted to as having some good object in view, though evil in themselves and the product of greater evil conditions. No wise merchant or manufacturer would desire their establishment. Merchants and producers generally know that the wider the markets they have for their goods the better for them; and embargoes restrict markets. The general argument must be against them. The special argument advanced by Dr. Deslauriers was not sufficient. The United States has been suffering all winter from a restricted coal supply. The Government at Washington knew what the facts were, and took measures to distribute available fuel, so as to reduce the general inconvenience and prevent one section from suffering while another had abundance or more. Canadian dealers were treated on the same footing as those of the United States. There was a continuous movement over the border of anthracite, and the people of Montreal did not suffer more than those of northern New York. Such a national neighbor is not one to threaten. There may arise occasion for Government interference with the distribution of electric power generated in Canada. It will be in the nature of an emergency, however, and should cease with the emergency. Though the House of Commons did not divide on the issue raised by the resolution, the effect of what was said was to put the idea into the background, where it should stay.

Meantime, honourable gentlemen, I think we should impress upon our Canadian people the great importance of using our own Canadian fuel. Anything that will tend to the development of our coal areas, and insure an adequate supply of both bituminous and anthracite coal for the people of this Dominion should engage the careful and close attention and consideration of this House.

I have very much pleasure in associating myself with the motion as presented to us this afternoon by the honourable member

from Cape Breton (Hon. Mr. McLennan); but I would suggest that he kindly name someone else in my place, for various reasons, one of which is that I am closely associated with the coal trade of this country, and I would not wish my position to be misunderstood in any way were I to act upon the committee.

Hon. WM. ROCHE: Honourable gentlemen, my apology for offering an observation or two at the present stage is that I have been actively engaged in the coal business for the past fifty years, and I have witnessed with closest attention the transitions that have been made in that business during that period. I remember distinctly when sailing vessels from England brought coal to Quebec and discharged it at the wharves there at the price at which coal was sold in England. They brought out the coal for ballast. In this discussion general terms have been used in place of specific terms: for instance, honourable gentlemen speak of anthracite coal, of bituminous coal, and of coal. Well, there are various grades and values of coal, and they are used for different purposes: hence to speak of coal generally is not to give an exact expression of the value of the article, or to bring the quality of the article to bear upon the question of economy. I heard a reference to English coal. Well, they have all kinds of coal in England, from the lowest quality to bituminous and steam coal of the very best quality. For instance, in South Wales they have the best quality of steam coal, and other coals which are about fhe best steam raisers for steamboats and other purposes in the world. Newcastle also has some of the best domestic soft coal, which is used very largely in London.

The price of labour is a very important ingredient in the production of coal, and the price at which it can be sold. For instance, in the north of England, where they work some small seams of coal, a year or two before the war all that the labourers got for toiling in the most exhaustive manner was seventeen shillings a week. I would like to know how that would apply generally to the labourers in Cape Breton or in Pennsylvania.

The honourable gentleman who made the motion for the committee referred to the displacement of Nova Scotian coal in the markets of Montreal and Quebec for manufacturing purposes by the debris of American anthracite.

Hon. Mr. McLENNAN: American bituminous coal.

Hon. Mr. ROCHE: American anthracite also.

Hon. Mr. McLENNAN: No.

Hon. Mr. ROCHE: I beg pardon. I was quite familiar with the fact that what would be called waste with us in the coal was used with slack bituminous coal to make the kind of fuel that could be used by manufacturers, which displaced the Cape Breton coal, with which my honourable friend is very familiar. The output of coal and the transportation of coal from Cape Breton to those two places were very much diminished, and to a considerable extent the falling off could be accounted for by labour conditions.

For transport by water there are no facilities that I know of in the United States or anywhere else that can compete with the water transportation from Cape Breton to Montreal or to any other place where rapid transfer of coal from the vessel to the receptacle can be had. I know of no transportation which is so economical as that by water. I believe the Dominion Coal Company four or five years ago agreed with the Everett Gas Company in Boston to supply the waste coal, as we may call it, the slack coal, at the rate of $1.50 per ton for coal and freight. Of course, this strike of the miners and other circumstances have altogether disturbed the sale of that article, and I think the company was very happy to be rid of the contract on the close of the war.

Honourable gentlemen speak of anthracite coal for domestic use, there is anthracite coal of chesnut, stove, egg and other sizes, which are high-priced, but there are other qualities of anthracite at very small prices indeed, which can be utilized for manufacturing purposes, which would interfere with the sale of Nova Scotian coal.

There are mines in Nova Scotia, and there are possibilities in mines undeveloped, which would afford sufficient coal for the whole of eastern Canada. In this connection let me point out that the mode of transport suggested by the former Minister of Railways consisted of coal being carried in one direction without any return freight to reduce the cost, so that the rate on the coal would be too high. But coal from Nova Scotia would have this advantage, that if grain were transported from the West to Halifax, St. John, or other ports on the seaboard, the same cars could be utilized to return coal to any points where it could be consumed and thus cut in half the cost of transport. That was a consideration which did not occur, I think, to the honourable Minister of Railways. I was gratified to hear him say that he had taken advantage of

his knowledge and position to endeavor to solve that problem, and it could be solved in that way—that to all places within an economic radius of Nova Scotia coal for domestic and manufacturing purposes could be supplied from that province at a lower rate than from the United States, if that mode of transportation were adopted.

Let me add that the whole of the shortage, the whole of what might be termed the embargo, on this necessary article of fuel, arose entirely from the labourers refusing to work. The same thing occurred in Cape Breton. There was no natural shortage, no inadequate supply of coal in the earth, but those who were operating the mines simply would not work and produce the article. The whole situation might be largely modified, or the whole question solved, if there were a sufficient supply of moderate-priced labour. About 30 years ago I bought the best quality of anthracite coal for domestic purposes at $2.50 a ton. The other day I paid for a cargo of the same kind of coal, perhaps not so good, $10 a ton. That shows the immense advance in the cost of labour, for I do not think the cost of transportation is greater by more than 25 per cent. Honourable gentlemen will thus see that cost of labour has been the main element in the price of fuel. But that does not affect the practical question of transport of the article. If you had a sufficient quantity of that article so essential to us, means could be found for its transportation. The coal of Nova Scotia is as good for domestic purposes as the bituminous coal of the United States. The anthracite coal is different in the length of time it burns.

Something has been said about English coal. English coal, some of it, is of very excellent quality; some is of very poor quality. There is anthracite coal which is of very high grade and burns as well but not quite so long as the American anthracite coal for domestic purposes. But the cost of that coal is very high, and the cost of transport would also be very high. To say that anthracite coal can be purchased at a very low rate does not solve the question at all, because there is coal of low quality and coal of high quality. I think the solution so far as Eastern Canada is concerned depends on the fact that wheat and other goods can be transported to the East and coal and other articles can be brought back, the two freights reducing the price of coal, so that it would be available for domestic use in every city within the radius of the service of the railway.

That the coal trade is in a transition stage everybody admits. That a great improvement will be made in future, both in transportation and in facility of handling, is what practical experience would suggest. But, in addition to that, the reduction of the cost of transport by rail will solve the whole question, because there are many mines in Nova Scotia on the line of the railway that could supply coal at a less rate than that on coal from the United States, and thus the railways would be assisted, the coal industry would be advantaged, and the whole people of Canada would be benefitted by a good fuel at a cheap cost, which would be all they require.

Hon. G. D. ROBERTSON: Honourable gentlemen, having had some oportunity and inclination during the past few years to look a little into the coal problem, may I add just a few words to the debate? Let me say first that Canada has all the coal necessary for domestic consumption, and can, if the requirement arises, transport it to any populated part of this country at prices not exceeding those now prevailing. But there is no continuity of market guaranteed, and it is possible, were arrangements made to transport Canadian coal to the markets of Ontario and Quebec, that competition would quickly reveal the fact that outside prices would be cut and the capital involved and invested in making these arrangements would find itself in difficulties.

Our main concern, and that, I think, of the people of Canada, is first, what are our requirements? What is the necessity of affording some relief to the Canadian people? I, perhaps, am prone to view this question from the standpoint of the ordinary workingman, who must of necessity burn coal, as must every other resident of the country. The statistics issued by the Department of Labour show that, in 1914 the cost of fuel per week for an average family of five was $1.90, and that in January, 1923, it was $3.61 for the same quantity and quality of fuel. This means that there has been a very substantial increase in cost—something like $1.71 per ton. Put into dollars and cents at present prices it means that the increased cost of fuel to the ordinary workingman in Canada is approximately $8 per month more than was the cost in 1914.

Hon. Mr. WATSON: Have you the cost of the mining during those two periods?

Hon. Mr. ROBERTSON: No. A remark was made by a previous speaker to the effect that the increased cost of coal was due, in his opinion, almost exclusively to the increased cost of labour. I desire to point out a few pertinent facts having a bearing on that observation. Specific mention was made of the Cape Breton coal fields. I remember very

well participating in an investigation in January of 1918, wherein it was claimed that the production of coal per man per day was less than it had been in 1914. The investigation revealed the fact that the number of men actually engaged in the cutting of coal below ground, the actual producers of coal, was cut almost in half. Those men were the cream of the country so far as physical fitness was concerned, and a very substantial proportion of them had come out of the mines and laid down their shovels and picked up their guns, and had gone overseas; and the employers had not been able to replace them in the mines. the number of men engaged in hoisting the coal and above ground remained stationary, while the number cutting the coal was reduced by about fifty per cent. The result was that when they were grouped togther the output per man per day was slightly decreased. When these facts were brought to the attention of the employers, they readily admitted that when you divided the number of tons of coal produced by the number engaged in that work, they were producing seven-tenths of a ton per day more per man in January, 1918, than had been the case in 1914. I therefore submit that it is not fair to indicate to this House or to the country that the coal miners have wilfully attempted to decrease production. Under provocation, in times of dispute with their employers, that may have been done in some instances; but it has not been the general practice.

Now, as to the increase in wages of coal miners. It has been stated, I think, by my honourable friend from Stadacona (Hon. L. C. Webster), that the miners in the United States had the opportunity to work or did work 147 days in the year. I believe that to be the fact. I know that Mr. John L. Lewis, President of the United Mine Workers, only a year ago, when a dispute was pending with the employers over there, offered to accept the proposed reduction in wages which employers asked for if they would guarantee to the men an opportunity to work 240 days in the year. The situation at that time, as I understood it, was that the number of days that men worked, or had the opportunity to work, mark you, was 187. The honourable member from Stadacona quotes 147. Accepting these figures, on the basis of $7 per day their earnings would be only $1,029 for the year, or less than $100 a month, which we all recognize is not a living wage. So it was impossible for the miners to accept a reduction in their compensation unless they had some guarantee of continuity of employment.

Therein lies one of the difficulties in the coal problem in Canada. During the war the Government of Canada exercised control over the production and selling price of coal as well as over the wages paid to the miners in what is known as District No. 18, in the province of Alberta. In the year 1916, by mutual consent, the Western coal operators and the miners sat down together with the representative of the Department of Labour, and agreed upon what would be a right and fair basis of compensation in relation to the existing cost of living. That basis having been reached, it was agreed to be right and fair that whatever might be the increase or decrease in the cost of living, a corresponding decrease or increase in wages should be granted and a corresponding decrease or increase in the selling price of coal should be established. The Director of Coal Operations, in the person of a gentleman from British Columbia, whom both parties agreed to as a fit and proper person to undertake the responsibility, did undertake it; and for four years he carried on with great satisfaction to both the workmen and the employers; and the basis struck in 1916 was maintained, notwithstanding the fact that wages and the selling price of coal from time to time increased as authorized by the Director. Yet the relationship between the cost of living and wages was maintained. Now, here is the point. It has been charged, and held by many that the wages paid were very high. A year ago an attempt was made to readjust the agreement, because the old one had expired, and what were the facts revealed? They were these. Prior to 1920—I am not prepared to give definite figures since that date—the production in Alberta was four and a half million tons. The capacity of production was twelve and a half million tons, which meant that the men were unable to obtain employment for more than four or five months in the year. There are many factors entering into that. Much of the coal mined in the province of Alberta is lignite, and it is therefore somewhat difficult to stock it. Furthermore the inhabitants of the Prairie Provinces do not stock their winter requirements during the summer months, but prefer to wait until their wheat is marketed. The result is that the transportation companies are put to their wits end to supply equipment to handle coal and grain at the same time. If means could be found whereby transportation of the five or six million tons of coal annually mined in Western Canada could be spread over the whole twelve months, I venture the statement that there would be no difficulty in obtaining a reduction in wages. I furthermore hold that if that could be brought about in such a way as to spread the overhead expense over a longer period, so that the mines could be

worked to capacity, the cost per ton would be substantially decreased.

But there is going on in Alberta an over-development of coal mines. I can say, I think authoritatively, that about twelve years ago there were two mines in the Drumheller Valley; to-day there are twenty-eight. It does not cost much to develop a new mine there; the coal is near the surface, and mining is not costly. But some control in that direction might be exercised.

Two years ago I discussed the transportation problem with officials of the Canadian National Railway, and I know that coal can be fleeted, just as grain is fleeted to the head of the Lakes, in full trains at a very much cheaper rate per ton than it is possible to handle a full car for a short distance. Honourable gentlemen who know anything about rialroading know that the long hauls are the profitable hauls for the railroads. It is absurd, I think, to believe that the hauling of grain could be made profitable to the railroads if the length of the haul were under one hundred miles; but because the haul is one thousand miles in length and the grain is transported in full trains, they are able to handle it at a comparatively low rate, and yet at a profit to themselves. The Canadian National and the C. P. R. both have good grades west of Port Arthur from the source of supply; but east of Port Arthur the Canadian Pacific Railway cannot compete with the Canadian National railways, for the reason that the C. P. R. grades east of Port Arthur, along the shore of Lake Superior, are very heavy. I think it is correct to say that an engine that hauls 27 cars east out of Port Arthur on the Canadian Pacific railway, over the Schreiber Division, will haul 65 cars out of Port Arthur east on the Canadian National railway. It cannot, therefore, be expected that the C. P. R. could haul coal from the Prairie Provinces into Ontario as cheaply as the Canadian National railways.

I do not fully agree with the expression of opinion of the honourable the former Minister of Railways (Hon. Mr. Reid) with reference to the necessity of new equipment for the handling of coal, or, at least, to demonstrate the possibilities of putting coal into Eastern Canada. There will be from this time until next September thousands of empty box cars lying on the sidings of both of our great railways. In the terminals you will find scores of locomotives leaded up and put away, that will not be used until the grain traffic moves again. A substantial number of the mines, particularly in Alberta, are equipped with what is known as box-car loaders. Those box-car loaders operate mechanically, and so successfully that it is very interesting to watch them loading cars. They will load a box car just about as cheaply as a coal car can be loaded. The lignite coals which are used largely for domestic purposes in the West ought to be transported in covered cars, but if some of these box cars could be put into service, and some of the locomotives which are leaded up could be put in use to haul them, it would be possible to find out what it would cost to put coal from Drumheller into Toronto, say, by all rail—and I submit the opinion that the cost per ton would not exceed $7 and would leave a reasonable profit to the railway. If a market could be found which would enable the production of Western Canada's mines to be increased from the present capacity to full capacity, it would give full time employment to the men, and my estimate, worked out somewhat carefully two years ago, is that the cost of coal at the mine's mouth could be decreased by $1.50 a ton. If Canada could be sure that the price of American coal would be maintained at or near its present level, not a moment should be lost in putting into operation the necessary equipment and organization to bring Alberta coal into the province of Ontario—because, I hold, it can be done in competition with the prices we are now paying.

The great difficulty that I see is that we are likely to get cheaper coal from the United States—for a limited period only, but not for very long. I hope I am not digressing too much. During the war, when coal supplies in Europe were shut off—When Germany had captured the French mines and when Britain's demands were so very heavy—a tremendous exportation of coal took place from the United States and there was a great increase in the development of United States mines. When normal or nearly normal conditions were restored in Europe, when France was again putting some of her own mines into operation and got coal by way of reparation from Germany, and Britain was again producing her full requirements, the export of coal from the United States decreased. This meant that other markets had to be found.

There is to-day no scarcity of coal production in the United States. Only yesterday, just about 24 hours since. I was talking to a prominent gentleman from Connecticut, who stated that to his knowledge some mines in the United States were not operating two days a week at present, because they could not get cars. The reasons they cannot get cars are two-fold. One is that during the time that the United States railroad administration was operating all the railroads in that

country the equipment was kept rolling and was not renewed, and when the roads were turned back to private management it was necessary to repair and renew equipment and to replace that which had been destroyed or worn out during the years of war.

On top of that came the machinists' strike of last year, which further crippled their power and their cars. So there are to-day, I think I am safe in saying, more than 100,000 freight cars in the United States as well as much motive power, that ought to be used and are not, because they have not yet been put in a condition to move. As soon as transportation conditions in the United States are adjusted and become something like normal, there will not be the difficulty that there is to-day in procuring coal because the mines are standing idle. Men are awaiting employment or are getting only two or three days' work a week. They are waiting for an opportunity to work more steadily.

Hon. Mr. MITCHELL: There may be another strike, and that will prevent it for another six months.

Hon. Mr. ROBERTSON: My honourable friend says there may be another strike. I would inform the honourable gentleman that a public statement was made only a few days ago that there would not be a strike this year—that arrangements were being made which were satisfactory to both parties concerned. In my opinion there would have been no strike last year if a guarantee of reasonable continuity of employment could have been given to the miners. I hold that that was the case in Canada. I hold further that if our organization and equipment for the transportation of fuel were such that coal could be mined and transported day by day to meet the daily requirements, a great deal of the excess price that the people are now paying and of the loss which has accrued to the mine operators themselves by reason of their inability to operate steadily, would be eliminated. The cost of coal could be reduced.

May I in closing refer to just one further point, with reference to the effect that these things have upon the daily life of our working people? I have refrained from calling attention to it often, but perhaps this is an opportune time to stop for a moment to consider the necessity of an increased wage for the men who are mining coal or are engaged in other kinds of labour in Canada. May I point out to the House that in the reports of the Labour Department issued in February, 1923, as contained in the Labour Gazette, it will be found that the cost of foodstuffs used by an average family is $12.09 per month in excess of what it was in January, 1914? For the two items of fuel and rent, according to the report of the Department of Labour, the cost in the month of January, 1923, as compared with January, 1914, is $16.81 greater. The Department of Labour has always estimated that the items of fuel, rent and food constituted 65 per cent of the cost of living of the average family, 35 per cent representing all other expenditures. Thirty-five per cent of the cost of the items that I have named would be $10.09.

Hon. Mr. GORDON: I have often wondered how the Department arrives at the average rent. I know of many places where the rent was different.

Hon. Mr. ROBERTSON: I shall be glad to explain that, if my honourable friend will allow me to continue for one moment. Thirty-five per cent of the cost of the items to which I have referred would be $10.09. The total increase in living cost to the average workman's family in January, 1923, as compared with January, 1914, is $38.99.

Hon. Mr. PARDEE: Will the honourable gentleman tell us, if he has the figures, how that compares with last year?

Hon. Mr. ROBERTSON: The figure for January 1923 was $21.18 per week, and the figure for January 1922 was $21.52 per week. There has been a decrease of 35 cents per week.

The honourable member from Nipissing (Hon. Mr. Gordon) asks how the figures of the Department of Labour are arrived at. The Department has 64 correspondents, located in 64 different parts of the country most of them being centres of over 10,000 population, and information as to prices is gathered regularly from the same sources. It is therefore a fair basis of comparison as to facts. Some criticism has been offered from time to time because the Department's estimate omits a number of things that enter into the household expenditure of the ordinary family. The reason for adhering to the articles enumerated by the Department at the outset, in 1900, is that comparison would be useless if you interjected into the budget articles that have not been included in it in the past.

A special and exhaustive inquiry into the important question of rents was made in the year 1921. Rent and the cost of fuel have a particular relation to each other. Only two weeks ago I was present at a meeting of railroad men in the city of Montreal, at which they protested vehemently against certain conditions, stating that they were then paying a cent and a quarter a pound for coal in

Montreal and could not get more than 200 pounds at a time, and they had just received notices that on the 1st of May their rents were to go up $1 a month. Now, rents advance as the landlord sees his expenses increasing, especially in the case of an apartment, which the landlord has to heat and for which he may have to buy 100 or 200 tons of coal. If the price of coal increases $2 or $3 a ton, up go the rents in proportion. So, even the tenant who does not buy coal, because he lives in an apartment, has to pay for the heating of his home just the same.

There is, in my opinion, honourable gentlemen, no question to which this House can more fittingly or with greater profit give detailed attention than this very matter. I sincerely hope that the motion of the honourable member from Sydney (Hon. Mr. McLennan) for the appointment of a committee will be accepted and that this committee may make an exhaustive inquiry into the whole matter and obtain information from all classes in the country who are in any way interested, whether they produce coal, or sell it, or transport it, or burn it, and I feel sure that such an inquiry cannot fail to be of distinct advantage and benefit to our country.

The Hon. the SPEAKER: Is it the pleasure of the House that the name of the Hon. Mr. Webster of Stadacona be withdrawn from the names of the committee, and the name of Hon. Mr. L'Espérance be substituted in place thereof?

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I have no objection to the name that was last mentioned, but as one member of the Senate I have a decided objection to the name of the honourable member for Stadacona going off. The reason that he gave why he might be omitted from the committee is to my mind the very best reason why he should remain a member. Surely the man who knows a great deal about the coal business, the transportation of coal, and the burning of coal, is in a better position to be useful in a committee of this kind than a person who does not know so much about such matters.

Hon. Mr. TESSIER: We will retain him.

Right Hon. Sir GEORGE E. FOSTER: For my own part I should be very sorry to have the honourable member's name left off, provided he has no absolute objection to devoting his time to it. His excuse as to why he should be left off is, to my mind, not a good one.

Hon. Mr. MITCHELL: May I ask the mover of the motion if he would not allow it to stand over for a day? I think it would be right to have some Alberta men and probably some Nova Scotia men on it.

Hon. Mr. WATSON: You have an Alberta man on it.

Hon. Mr. MITCHELL: Then to have a Nova Scotia man on. I think the committee might be somewhat enlarged.

Hon. Sir JAMES LOUGHEED: You can add to it at any time.

Hon. Mr. McLENNAN: I may say, honourable gentlemen, in answer to the question, that my reason for suggesting a small committee was that in other matters I have found a small committee to work more easily than a larger one. I have no objection to enlarging the committee at the suggestion of the House.

While I am speaking I should like to explain why I acquiesced in the wish of the honourable member from Stadacona (Hon. Mr. Webster) to have another name substituted for his. There is no one who knows the coal trade better than the honourable gentleman; but he promised that his information and advice would be just as fully available if he were not on the committee as if he were. I therefore complied with his request and suggested the other honourable gentleman.

The motion for the appointment of the committee was agreed to.

The Hon. the SPEAKER: Do I understand that the honourable member from Stadacona wishes to resign from the committee?

Hon. Mr. WEBSTER: No; if it is the wish of the honourable members present, I shall be glad to serve on the committee.

The Hon. the SPEAKER: Then the committee will be Hon. Messrs. Hardy, De Veber, Laird, Webster (Stadacona), and the mover.

VALUATION OF IMPORTS FOR DUTY

MOTION FOR RETURN

Hon. Mr. LYNCH-STAUNTON moved:

That an Order of the Senate do issue for a Return giving the following information:—The value of imports into Canada in the currency of the country of origin as well as in Canadian currency showing importations from each country separately with the amount of duties collected on such goods from each such country and average rate of duty from each such country separately between July 1st, 1922, and January 1st, 1923, on following articles:

VALUE OF IMPORTS, AS SPECIFIED, ENTERED FOR CONSUMPTION IN CANADA, AND CUSTOMS DUTY COLLECTED THEREON, DURING THE CALENDAR YEAR 1922.

Item	Value	Customs Duty
	$	$
(a) Agricultural machinery	7,732,215	660,464 16
(b) Meats	9,286,552	1,815,609 42
(c) Animal grease, oils or fats	2,977,100	311,817 93
(d) Milk and milk products	2,325,897	267,184 52
(e) Cattle, calf and sheep skins, green or salted	6,747,824	–
(f) Wool	3,883,433	651 72
(g) Eggs	2,476,906	244,216 22
(h) Apples, green	914,862	153,525 60
(i) Potatoes	450,909	69,487 60
(j) Fish and fishery products	2,800,980	315,509 79

IMPORTS ENTERED FOR CONSUMPTION CALENDAR YEAR 1922

Items	Unit	Quantity	Value	Duty
			$	$ cts.
(a) *Agricultural Machinery or Farm Equipment*—				
Binding attachments	$	.....	13,713	1,379 70
Steel bowls for cream separators	$	.....	9,412	Free
Cream separators	No.	5,484	216,134	Free
Cultivators and weeders, and parts	$	.....	46,228	6,584 72
Traction ditching machines not more than $3,000 value and parts	No.	11	30,286	Free
Drills, seed	No.	811	32,219	4,806 58
Portable engines for farm purposes	No.	1	506	88 56
Repairs for traction engines	$	.....	734,961	Free
Traction engines not more than $1,400 for farm purposes	No.	4,592	2,411,653	Free
Traction engines, n.o.p., for farm purposes and repairs	No.	88	312,617	54,689 33
Fanning mills	No.	297	9,487	1,610 30
Fodder or feed cutters	No.	885	67,621	10,342 25
Forks, pronged	No.	4,344	3,276	675 45
Grain crushers	No.	85	4,658	801 05
Harrows and parts	$	.....	71,508	9,904 62
Harvesters, self binding	No.	1,582	253,694	25,450 96
Hay loaders	No.	3	870	130 50
Hay presses	No.	148	41,347	11,370 49
Hay tedders	No.	1	29	4 35
Hoes	No.	3,584	1,755	378 37
Horse rakes	No.	180	5,585	737 39
Knives, hay or straw	No.	2,115	1,738	261 90
Knives, edging	No.	197	208	42 91
Mowing machines	No.	409	23,188	2,447 84
Manure spreaders	No.	60	5,567	766 86
Ploughs, and parts	$	.....	571,680	93,265 50
Post hole diggers	No.	1,111	1,424	250 65
Potato diggers	No.	928	69,664	10,904 25
Rakes, n.o.p.	No.	3,638	2,112	464 67
Reapers	No.	30	2,220	222 20
Rollers, farm, road or field	No.	26	8,137	1,572 75
Scythes	Doz.	530	6,200	1,286 92
Sickles, or reaping hooks	Doz.	336	834	149 87
Spades and shovels	Doz.	2,852	15,646	4,248 85
Threshing machine separators	No.	1,922	1,631,115	245,750 65
Threshing machine separator parts	$	.....	621,704	97,259 62
Windmills and parts	$	.....	34,046	5,958 46
Parts of agricultural implements	$	.....	266,943	31,486 80
All other agricultural implements	$	.....	192,834	33,759 44
Milk machines and attachments, centrifugal machines for testing butter, fat, milk, etc. (From May 24, 1922)	$	.....	6,515	977 25
Grading machines, fruit or vegetable. (From May 24, 1922)	No.	30	2,881	432 15
Total agricultural machinery	.....	.....	7,732,215	660,464 16

IMPORTS ENTERED FOR CONSUMPTION CALENDAR YEAR 1922—*Continued*

Items	Unit	Quantity	Value	Duty
			$	$ cts.
(b) *Meats*—				
Beef, fresh	Lbs.	110,566	32,250	3,316 98
Beef, pickled, in barrels	Lbs.	858,900	53,465	17,176 00
Mutton and lamb, fresh	Lbs.	2,061,025	344,014	58,160 15
Pork, fresh	Lbs.	34,708,132	5,321,788	1,041,243 96
Bacons and hams, etc., cured	Lbs.	4,544,009	672,349	90,876 37
Pork, barrelled in brine	Lbs.	11,560,950	1,226,744	231,217 00
Pork, dry salted	Lbs.	1,536,363	196,348	30,727 26
Poultry and game, n.o.p.	$	.....	67,449	13,297 31
Sausage	Lbs.	349,966	108,081	6,999 32
Other meats, fresh	Lbs.	275,418	29,684	8,258 39
Other meats, salted	Lbs.	88,785	18,619	1,775 70
Dried or smoked meats and meats preserved, n.o.p.	Lbs.	140,563	32,822	2,811 26
Canned meats	Lbs.	1,569,812	282,481	71,420 65
Extracts of meats	$	.....	110,694	21,586 58
Soups	$	.....	789,764	216,742 49
Total meats	.....	.....	9,286,552	1,815,609 42
(c) *Animal Oils and Fats*—				
Grease rough for manufacture of soap and oil	Lbs.	15,973,504	1,077,938	Free
Grease and degras for stuffing leather	Lbs.	1,515,844	70,227	Free
Lard	Lbs.	10,232,095	1,105,854	204,641 90
Lard compound, animal stearine, etc	Lbs.	2,739,658	268,960	53,732 41
Lard oil	Gal.	20,633	19,329	4,726 55
Oleomargarine	Lbs.	1,032,405	172,738	Free
Oleo oil	Gal.	8,833	7,827	1,369 72
Neat's-foot oil	Gal.	6,232	7,005	1,751 25
Other animal oil, n.o.p.	Gal.	56,509	42,373	7,397 20
Tallow	Lbs.	876,458	65,537	13,107 40
Candles, n.o.p.	Lbs.	458,895	80,309	19,809 35
Beeswax	Lbs.	221,352	59,003	5,282 15
Total animal oils, fats, etc	.....	.....	2,977,100	311,817 93
(d) *Milk and Milk Products*—				
Milk and cream, fresh	$	.....	33,841	5,922 59
Milk, condensed	Lbs.	232,285	51,823	7,635 72
Butter	Lbs.	6,396,836	1,912,519	216,399 31
Casein	Lbs.	535,703	61,185	16,826 02
Cheese	Lbs.	686,754	266,529	20,400 88
Total milk and milk products	.....	.....	2,325,897	267,184 52
(e) *Cattle, Calf and Sheep Skins*—				
Calf skins, raw	Lbs.	5,466,304	1,289,548	Free
Cattle skins, raw	Lbs.	32,847,294	5,114,662	Free
Sheep skins, raw	Lbs.	2,764,390	343,614	Free
Total calf, cattle and sheep skins	.....	.....	6,747,824	.....
(f) *Wool*—				
Wool, etc., not further prepared than washed, n.o.p.	Lbs.	15,885,150	3,877,036	Free
Leicester, Cotswold, Lincolnshire, South Down combing wools, or wools known as lustre wools and other like combing wools such as are grown in Canada	Lbs.	21,724	6,397	651 72
Total wool	.....	.....	3,883,433	651 72
(g) *Eggs*	Doz.	8,140,547	2,476,906	244,216 22
(h) *Apples, green*	Brl.	170,584	914,862	153,525 60
(i) *Potatoes, n.o.p.*	Bush.	347,453	450,909	69,487 60

IMPORTS ENTERED FOR CONSUMPTION CALENDAR YEAR 1922—*Concluded.*

Items	Unit	Quantity	Value	Duty
			$	$ cts.
(j) *Fish and Fishery Products—*				
Cod, haddock and pollock, fresh	Lbs.	1,186,761	44,026	6,757 11
Cod, haddock and pollock, pickled	Lbs.	261,114	10,005	96 00
Cod, haddock and pollock, smoked	Lbs.	590	44	2 15
Cod, haddock and pollock, dried	Lbs.	7,563,857	449,538	703 37
Halibut, fresh	Lbs.	2,746,009	220,638	24,517 41
Herring, fresh	Lbs.	237,942	6,038	259 14
Herring, canned	Lbs.	326,015	49,865	13,225 99
Herring, smoked	Lbs.	1,360	257	8 61
Herring, pickled	Lbs.	10,167,744	297,100	8,201 42
Mackerel, fresh	Lbs.	52,254	5,154	522 54
Sardines, anchovies, etc., in tins	Boxes	4,021,992	384,993	84,648 38
Salmon, fresh	Lbs.	2,792,977	179,601	25,226 00
Salmon, canned	Lbs.	518,463	28,838	19,921 18
Salmon, smoked	Lbs.	21,285	6,489	210 45
Salmon, pickled	Lbs.	455,777	27,984	37 52
Squid	$	.....	24,134	Free
Lobsters, fresh	$	.....	4,220	562 50
Lobsters, canned	Lbs.	59,231	40,239	113 40
Oysters, seed and breeding	$	.....	4,240	Free
Oysters, fresh, in shell	Brls.	2,499	20,197	5,049 25
Oysters, shelled, in bulk	Gals.	133,390	282,065	13,339 00
Oysters, canned	Cans	150,345	27,225	4,561 63
Oysters, prepared, n.o.p.	Lbs.	13,008	7,941	2,382 30
Bait, fish, fresh	Lbs.	1,800	24	18 00
Fish, smoked or boneless	Lbs.	25,274	4,380	222 96
Fish, preserved in oil, n.o.p.	$	.....	43,040	14,705 00
Fish, all other, fresh	Lbs.	1,128,560	96,959	10,892 28
Fish, all other, pickled	Lbs.	786,245	64,593	1,645 83
Fish, dried, n.o.p.	Lbs.	336,610	78,862	3,039 87
Fish, preserved, n.o.p.	$	.....	139,848	38,716 41
Live fish and fish eggs for propagating purposes	$	.....	3,299	Free
Fish oil, cod liver	Gals.	113,938	67,984	2,906 24
Fish oil, other, n.o.p.	Gals.	28,357	16,362	3,616 77
Seal oil	Gals.	13,010	8,133	Free
Whale oil	Gals.	13,914	9,288	2,041 27
Ambergris	$	.....	251	Free
Sponges, marine	$	.....	82,436	13,501 41
Fish offal or refuse	$	.....	7,961	Free
Other articles, fisheries	$	.....	56,729	13,828 40
Total fish and products	.....	.....	2,800,980	315,509 79

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Bill E, an Act for the relief of Margaret Elizabeth Moran.—Hon. Mr. Barnard.

Bill F, an Act for the relief of Ethel Lillian Duncan.—Hon. W. B. Ross.

Bill G, an Act for the relief of Florence Mary Ramsden.—Hon. W. B. Ross.

Bill H, an Act for the relief of Ross John Craig.—Hon. Mr. Ross (Middleton).

Bill I, an Act for the relief of Florence Dodds.—Hon. Mr. Bennett.

Bill J, an Act for the relief of Blanche Hilton.—Hon. Mr. Bennett.

Bill K, an Act for the relief of May Woodbridge.—Hon. Mr. Bennett.

Bill L, an Act for the relief of Alice May Smith.—Hon. Mr. Bennett.

Bill M, an Act for the relief of Albert Ernest Mould.—Hon. Mr. Willoughby.

Bill N, an Act for the relief of Winifred Rose Foster.—Hon. Mr. White, Pembroke.

Bill O, an Act for the relief of Emily May Small.—Hon. Mr. Ratz.

Bill P, an Act for the relief of Irene Herdsman.—Hon. Mr. Ratz.

Bill Q, an Act for the relief of John Frederick King Hall.—Hon. Mr. Pope.

Bill R, an Act for the relief of Herbert Martin.—Hon. Mr. Harmer.

Bill S, an Act for the relief of Frederick John Saunders.—Hon. Mr. Harmer.

Bill T, an Act for the relief of Robert Archibald Logan.—Hon. Mr. Gordon.

Bill U, an Act for the relief of Violet Marie Finn.—Hon. Mr. Blain.

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

THE SENATE

Friday, March 9, 1923.

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

Prayers and routine proceedings.

C. N. R. ATLANTIC REGION

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Are Rivière du Loup and Monk the points fixed as western limits of the Atlantic division of the Canadian National Railways?
2. For what reasons are they fixed as the western limits?

Hon. Mr. DANDURAND:

1. Yes.
2. That part of the Canadian National Railway System which serves the Maritime Provinces is considered by the Management to require close and concentrated attention, in order that the railway may more adequately meet the requirements of the public than has been the case in the past, and also in order that nothing be left undone to promote development and increase traffic. It was felt that if satisfactory results are to be obtained, that part of the property in question should be under the direction not only of competent officers who enjoy the confidence of the public, but also that those officers should devote themselves unreservedly and continuously to their work. For these reasons it was the desire of the directors of the Canadian National Railways that, for the time being at least, the officers of the Atlantic Region should not be burdened with too much territory. They point out that the dividing line could not be drawn at Quebec, because in good railway practice it is always disadvantageous to split operating regions in the centre of a terminal. The same thing applies to Montreal. Furthermore, it is claimed there is no point between Quebec and Montreal at which a line could be drawn without seriously disturbing the General Superintendents' operating districts. It is said that a division might have been made at Brockville, but that this would put too much mileage in the Atlantic Region; and, furthermore, it is considered to be highly important that this main artery from Quebec, through Montreal, Toronto and Detroit, to Chicago, should remain under one General Manager. Since it was considered to be impracticable from the point of view of efficiency and the welfare of the property to divide the Atlantic and Central Regions at Quebec or any point west thereof, the only other points which could be selected were Rivière du Loup and Monk.

DIVORCE BILLS

FIRST READINGS

Bill X, an Act for the relief of Ernest Warren Porter.—Hon. Mr. Ratz.

Bill Z, an Act for the relief of May Elizabeth Meng.—Hon. G. V. White.

Bill A2, an Act for the relief of Maud Vera Butler.—Hon. G. V. White.

Bill B2, an Act for the relief of Lillian Black.—Hon. Mr. Mulholland.

Bill C2, an Act for the relief of Florence Elizabeth McDonald.—Hon. Mr. Fowler.

Bill D2, an Act for the relief of Gretta Melville.—Hon. Mr. Bennett.

PRIVATE BILL

FIRST READING

Bill Y, an Act to change the name of the Rio de Janiero and Sao Paulo Telephone Company to Brazilian Telephone Company.—Hon. Mr. Green.

ALBERTA COAL DEPOSIT

DOMINION LANDS (COAL) BILL INTRODUCED

The Senate resumed from March 7 the adjourned debate on the inquiry of Hon. Mr. Pope:

That he will call the attention of the Senate to the importance of what is known as the Hoppe coal deposit in Alberta, and will inquire of the Government the present position thereof.

Hon. RAOUL DANDURAND: Honourable gentlemen, the honourable Senator for Bedford (Hon. Mr. Pope) prefaced his inquiry of the Government as to the present situation of the claims in the Smoky and Muskeg River district with a general dissertation upon the situation of the farmers in the Peace River district. He painted quite a gloomy picture of that region, showing that the high cost of transportation prevented profitable farming. I have heard before of the situation of the farmers in that district, and I realize that they have had considerable difficulty owing to the very long haul in carrying their products to market. The honourable gentleman has suggested that these people should be afforded the opportunity to ship their produce to the Pacific coast, and that that could be easily accomplished by the building of a line from Grande Prairie to Brulé Station on the Canadian Northern, a distance, by the direct route, of some 138 miles, or, if it extended to the Smoky and Muskeg River coal fields, a distance of 151 miles.

There is no doubt that the construction of the line proposed would benefit that district. Judging from the map, it seems to be quite reasonable to suppose that some day such a line will be built. The honourable gentleman has told us that the cost of constructing such a line would be some four millions of dollars. I am told that the district through which the 151 miles of railway would run is quite mountainous and not desirable for agricultural purposes.

Referring to the possibility of favouring that region with a railway line, I may remind the honourable gentlemen of the present conditions of our finances, more especially in connection with the railway situation. In addition to that, there is a preliminary difficulty which would have to be overcome in some way. The fact is that the Dunvegan railroad is at present leased to the C.P.R. under a five-year lease which will expire in two or three years, and I surmise that if the Canadian National railways undertook the building of this line they would ask to be put in the place of the C.P.R. in operating the Dunvegan railway, because the proposed line would meet the C.P.R. at Grand Prairie, where its interest would be to divert the freight over its own line towards Edmonton. However, there will be plenty of time to meet that contingency, because I do not suppose that there is any great hope of this railway being constructed before the expiration of the lease to the Canadian Pacific Railway.

The honourable gentleman has indicated the benefits that would accrue from the building of that line, not only to the district through which it would run, but to the public generally by reason of its reaching the coal area known as the Hoppe leases. If the latter consideration were the principal inducement for building the line, I would not, with the information which I have at present, be in favour of incurring such an expenditure, because I am informed that there are at present in Alberta, along our lines of railway, ample coal mines to supply the market with quite as good coal as is to be found in the area which is now occupying our attention. I have been told by officials of the Department that it is estimated that there are to-day in that province some 300 mines in operation, 10 or 12 of which could probably produce all the coal for which there is a market at present, and that under existing conditions the market could hardly absorb more than 6,000,000 tons, whereas the mines are equipped to produce some 15,000,000 tons. The Drumheller coal is used for domestic purposes, as well as lignite coal, of which there is a large body around Lethbridge and in the Brazeau Pass. As most honourable gentlemen know, Drumheller is 65 miles east of Calgary. It is stated by people whose business it is to watch over the production of those mines, that there are to-day sufficient mines along the railways to supply the market for many years to come.

My honourable friend has spoken of Brulé as a point at which the proposed railway should link up with the Canadian National Railway. There are now mines at Brulé which are producing from 500 to 600 tons of soft coal a day. The company operating those mines has, I am informed, leases of coal areas some 40 miles north of Brulé station along the line proposed for this railway, and these areas are reckoned to be as good as the Smoky and Muskeg River deposits. This company speaks of building a line in that direction. There is also a deposit of semi-anthracite coal of as high a grade as that found in the Smoky and Muskeg River deposits, some 45 miles west of High River and some 85 miles southwest of Calgary. This property belong to Mr. Pat Burns and others. There is good agricultural land in the vicinity, and a railway built in that direction from Calgary at a cost of less than $2,000,000 would open up a fertile country. If the Government were appealed to for assistance for the building of this railway, it could justly answer that our present financial situation would not justify it, and that there are already plenty of mines along the existing railways to meet the demands of the Canadian markets. It is quite apparent that the market cannot absorb all the coal that is at present being mined in the Alberta mines. Those mines do not operate for more than six months of the year, and the high cost of production, is, I suppose, as the ex-Minister of Labour told us yesterday, due to the fact that, although the miners work but three days a week, they want to be paid a sufficiently high wage to enable them to live six days, which means that the country is obliged to support double the number of men engaged in that occupation that would be required if they were working every day. The consequence is that the railways are obliged to pay double what they used to pay for coal, and the people in turn are obliged to pay a higher rate for transportation.

It was suggested yesterday that the members of this House, as well as the members of the other House, should give their views as to a solution of the transportation problem, which is so intimately linked with the fuel problem. The suggestion which I am about to make does not originate with me, although I have felt that some investigation should be made along this line. It is that the Board of Railway Commissionners and the railway com-

panies should consider the fixing of a seasonal rate on coal. During six months of the year the railways have a surplus of freight cars and are hardly working 40 per cent of their capacity. During those six months prior to the moving of the crop, could they not keep the mines working at 100 per cent of their capacity by transporting coal? At the present time coal comes as far east as Winnipeg from the Drumheller mines, and even from the Crow's Nest and the Brazeau Pass mines. Could not an effort be made to solve the problem of bringing that coal by rail as far as Fort William? Here is a question which it seems to me might well be studied by the new railway administration, and by the committee which has been asked for by my honourable friend from Cape Breton (Hon. Mr. McLennan). Drumheller lignite sells in Winnipeg to-day at $13.50 a ton; American anthracite sells at $22 a ton.

Hon. Mr. McMEANS: $22.50.

Hon. Mr. DANDURAND: Last week an offer was made to deliver Drumheller coal in Ottawa at $18.40 a ton.

Hon. Mr. MURPHY: I would like to ask the honourable gentleman a question. What is the carbon content of that lignite? And how long would it keep under ordinary circumstances?

Hon. Mr. DANDURAND: I do not suppose it would keep as long as anthracite coal; but the coal brought in during the summer would, I am informed, keep for winter use.

Hon. Mr. MURPHY: Does the honourable gentleman know the carbon content of the lignite as compared with anthracite?

Hon. Mr. DANDURAND: No, I have not that information before me.

I am told that the freight on the Drumheller coal offered in Ottawa at $18.40 would amount to $12.70. The price of American anthracite in Ottawa is $17.50. Of course I realize that one of the difficulties is the fact that the cars return to the West empty, the cost of which must be added to the freight one way.

I now come to the question which is on the Order Paper. The following memorandum has been put into my hands by the Department:

The following would appear to be the coal mining leases to which Mr. Pope refers:

Lease	Date of Issue
760	15th May, 1912
761	15th May, 1912
762	15th May, 1912
763	15th May, 1912
764	15th May, 1912
765	15th May, 1912
766	15th May, 1912
782	22nd June, 1912

These leases were transferred to the late Paul R. Isenberg, and were cancelled in the records of the Department on the 1st August, 1918, owing to the recorded owner thereof having failed to make payment of the rental due.

Leases were subsequently issued, comprising the coal mining rights in practically the same areas, and these leases were cancelled by Order in Council dated the 1st July, 1919, P.C. 1369, a printed copy of which is hereto attached, and the rights described in these several leases were reserved to the Crown.

By an Order in Council dated the 6th October, 1919, P.C. 2044, a printed copy of which is also attached, the coal mining rights, the property of the Crown in Townships 55, 56, 57, 58 and 59, Ranges 7, 8 and 9 west of the 6th Meridian, comprising the coal deposit at the junction of the Muskeg and Smoky Rivers, and including the locations which were at one time leased to the late Mr. Isenberg, were withdrawn from disposal under the provisions of the Coal Mining Regulations, and are now the property of the Crown.

A petition of right appears to have been submitted to the Minister of Justice on behalf of the estate of the late Mr. Isenberg, asking that the coal mining leases above enumerated be revived, and it is understood that a fiat has been granted the petitioners.

Respectfully submitted,

H. H. Rowatt.

Hon. Mr. BRADUBURY: Does it give the date of the fiat?

Hon. Mr. DANDURAND: Yes, I will give the date. This perhaps will cover the question put by the honourable gentleman; but, as there has been an Order in Council passed which some one might claim, and some one has claimed, to affect those coal areas, I will read the Order in Council, and the subsequent one which was passed qualifying this Order in Council. I find in the Official Gazette, page 3232, that on the 18th day of January last, the following Order in Council was passed:

P.C. 91—Thursday, 18th January, 1923.

Whereas by section 17 of the Coal Mining Regulations, approved by Order in Council dated the 20th April, 1910 (P.C. 729), it is provided that if during the term of the lease the lessee shall fail to pay the rental in advance for each subsequent year, at the rate of one dollar per acre per annum, within thirty days after the date upon which the same became due, the lease shall be subject to cancellation in the discretion of the Minister, and to the immediate forfeiture of all the rights granted thereunder;

And whereas a large number of coal mining leases have been cancelled in the records of the Department of the Interior, owing to non-payment of the prescibed rental, and applications have subsequently been made by the former recorded owners of such cancelled leases for permission to make payment of all arrears of rental and interest due, in order to obtain reinstatement in the rights which they formerly had to such cancelled leases;

And whereas it would appear to be advisable that a person who has incurred a considerable expenditure in connection with a coal mining location, but who has suffered the lease thereof to be cancelled through failure to comply fully with the provisions of the regulations in respect of the payment of rental, should have the right to reinstatement, provided payment is made in full of all arrears due to the Crown for rental and interest.

Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of the Interior, is pleased to order that section 17 of the Coal Mining Regulations, approved by Order in Council, dated the 20th April, 1910 (P.C. 729), above referred to, shall be and the same is hereby amended by adding the following thereto:

"Provided that if at any time after a lease has been cancelled through failure to pay the prescribed rental, the person in whose favour the lease stood recorded on the date of cancellation applies to the mining recorder for the district for reinstatement in the rights which he formerly had to such lease, and tenders the full amount of the rental which should have been paid to maintain the lease in good standing, with interest, such person may be reinstated in the right which he formerly had to the location sought to be reacquired or to any portion thereof, which may still be available.

Rodolphe Boudreau,
Clerk of the Privy Council.

Hon. Mr. McMEANS: Does that provision apply to cases in which leases have been cancelled by the Crown, or simply to cases in which they have not been cancelled?

Hon. Mr. DANDURAND: This applies to all lands, the leases for which have been cancelled, and which are still in the possession of the Crown in part or in whole. Of course, it does not cover the cases in which the Crown has disposed of the leases, and the Order has been made for the purpose of allowing the Department to collect arrears where arrears are offered. Where the Department refuses to reinstate a lessee, its only course is to grant a lease for the future, in which case it would lose all the accumulated arrears.

Hon. Mr. BRADBURY: Is there any limitation of time within which those men can be reinstated or can tender their rental?

Hon. Mr. DANDURAND: My honourable friend has heard the Order in Council, and I have not any further information.

Hon. Mr. ROBERTSON: Is its operation retroactive?

Hon. Mr. McMEANS: It seems to me ridiculous to suppose that a man five or six years in arrears on a lease of coal lands would pay up all the arrears when he can re-lease the land.

Hon. Mr. DANDURAND: But possibly he would be in danger of meeting a competitor, and he might prefer to pay the arrears, as he might have a large amount of capital invested.

Hon. Mr. McMEANS: There is nothing in that.

Hon. Mr. DANDURAND: But, if the honourable gentleman will allow me, this is outside the question which is before us. He may afterwards raise any question he wishes, and I will answer it to the best of my ability.

Hon. Mr. DANDURAND.

The Minister having been asked, after this Order was passed, if it could possibly cover the Smoky River and Muskeg area, immediately put a question before the Department of Justice, and the information of that Department was that inasmuch as the land formerly comprised in the Hoppe leases stood as a reservation by Order in Council, such rights were not available, and the Order in Council of January last did not apply. Yet the Minister felt that he should make doubly sure of his position, and some days ago he applied for an Order in Council in this matter, which was duly passed, as follows:

P.C. 423—Thurday, 8th March, 1923.

Whereas by an Order in Council dated the 6th October, 1919 (P.C. 2044) provision was made that the coal mining rights, the property of the Crown, in townships 55, 56, 57, 58 and 59, in Ranges 7, 8 and 9 west of the 6th Initial Meridian, shall be withdrawn from disposal under the provisions of the Coal Mining Regulations established by Order in Council of the 20th April, 1910, and the amendments thereto, and shall form a coal reservation in the northern portion of the Province of Alberta;

And whereas by an Order in Council dated the 18th January, 1923 (P.C. 91) provision was made that section 17 of the Coal Mining Regulations, above referred to, be amended by adding the following thereto:

—that is the proviso I have just read—

And whereas the reservation created by Order in Council dated the 6th October, 1919, was for the public benefit, and should therefore extend as far as possible to all the lands within the townships described in the said Order;

Therefore His Excellency the Governor General in Council, on the recommendation of the Minister of the Interior, is pleased to order that the provisions of the Order in Council of the 18th January, 1923 (P.C. 91) above quoted, providing for reinstatement, shall not apply to coal mining leases comprising any portion of townships 55, 56, 57, 58 and 59, in ranges 7, 8 and 9 west of the 6th initial meridian, which have in the past been, or which may in the future be cancelled in the records of the Department of the Interior, owing to failure to comply fully with any of the provisions of the regulations under which such leases may have been granted.

Rodolphe Boudreau,
Clerk of the Privy Council.

Hon. Mr. ROCHE: What was the date of the fiat?

Hon. Mr. DANDURAND: I am just coming to that. This covers all the action of the Department of the Interior. The statement from Mr. Rowatt speaks of a fiat which has been granted by the Department of Justice. The fiat was issued on the 9th of October, 1922, and the petition of right was filed on November 14, 1922. The defence was filed on January 8, 1923. I have before me the petition of the Hawaiian Trust Company, which sued for the fiat, and I have the defence of the Department of Justice, representing His Majesty the King, which is based on all the argu-

ments which would occur to any legal gentleman in this Chamber, and also upon the statute which we passed last year, respecting Notices of Cancellation of Leases of Dominion Lands. It will be remembered that we cured all the defects which the Privy Council had found in the preceding case which had been submitted to the courts, which defects were of a technical nature; and I would surmise that the petitioner in this case, being estopped from alleging those defects, will have to rely on some other points of law in order to succeed in this instance. I need not tell my legal colleagues in this Chamber that there are certain well-defined rules in the Department of Justice by which any aggrieved party can apply for a petition of right to sue His Majesty.

Hon. Mr. POPE: Is a petition of right always granted?

Hon. Mr. DANDURAND: Not always. This is a matter which appertains to the Department of Justice, and I will take for granted that there are principles from which they could not deviate, perhaps less in the case of strangers who apply for justice before our tribunals than in the case of our nationals, although I assume that justice is, in a sense, justice for all.

Now, this matter is as I have stated. My honourable friend (Hon. Mr. Pope) recalled the fact that, when I presented the Bill which has become the Act respecting Notices of Cancellation of Leases of Dominion Lands, Chapter 21, he moved an amendment providing that any contract or any form with respect to these areas, before it became valid, must obtain the sanction of Parliament. He regretted that that amendment had not been adopted. He felt that those coal areas were of such importance that he was justified in suggesting that they be reserved for the nation and disposed of only with the consent of Parliament.

I may say that at the time the amendment was proposed I did not take much exception to it; but the Department of the Interior, more especially the Minister of the Interior, felt that it was a departure which seemed to imply a lack of confidence in his administration, and he refused to accept it. Well, honourable gentlemen, since the Minister of the Interior has heard of rumours such as those which my honourable friend has mentioned in his speech, he has come to the conclusion to adopt for himself the amendment of my honourable friend, and I desire to introduce Bill E2, which will read as follows:

An Act to amend the Dominion Lands Act

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Notwithstanding anything in the Dominion Lands Act, Chapter twenty of the Statutes of 1908, and in the amendments thereof, coal mining rights and lands containing coal, if such rights or lands are within or adjoin the coal reservation near the junction of the Muskeg and Smoky Rivers in the province of Alberta, which reservation was established by the Order in Council (P.C. 2044) dated the sixth day of October, 1919, withdrawing from disposal and the provisions of the regulations then in force certain coal mining rights which are the property of the Crown in Townships 55, 56, 57, 58 and 59, Ranges 7, 8 and 9, west of the Sixth initial meridian, shall not be sold, leased or otherwise disposed of except under the authority of and in accordance with the provisions of any Act of the Parliament of Canada hereafter passed and specifically relating to such rights or lands and to the sale, lease or other disposition thereof.

The Minister of the Interior had the conviction last year that within a few months all these properties would revert to the province of Alberta. He finds that that province is not disposed to accept the terms proposed for the transfer of the natural resources within its boundaries, and he has to continue to administer these properties. He knows the responsibility of his trust, and he knows that those lands, with a number of others, are such as in the interest of Canada could very well be preserved for some time to come, since we have hundreds of mines which are opened and fully equipped, but which work only at fifty per cent of their capacity, and he has no objection whatever to place this area, as well as some other properties, under the sanction and final disposal of Parliament.

Hon. Mr. BRADBURY: Will the honourable gentleman permit me a question just there? A fiat is issued and this Government is waiting for the trial. What effect will this Bill, just introduced, have on that fiat?

Hon. Mr. DANDURAND: It will mean that no title to these lands will be given by the Department without the sanction of this Parliament. The situation remains just the same as it would have been if this Bill had been passed last year. It means that the Department or the Government will not be able to dispose of these lands without the sanction of Parliament.

Hon. Mr. BARNARD: I understood from the honourable gentleman's reading of the proposed Bill that it referred only to lands which have not been alienated or which have reverted.

Hon. Mr. DANDURAND: No. The amendment is, word for word, the amendment

moved by the honourable gentleman from Bedford (Hon. Mr. Pope) last year.

Hon. Mr. BARNARD: But a fiat has been granted in the meantime. Supposing that the petitioner were successful on the fiat, would that not mean as a matter of fact that these lands had not reverted, and that the honourable gentleman's present legislation would therefore not apply to these lands?

Hon. Mr. DANDURAND: I do not know what will be the final judgment. I am not exactly in a position to say what would be the effect of the judgment if the court decided that the plaintiff had rights in those lands; but I feel that the hands of the Department would be so firmly tied that it would not be able to make any new contract or sign any new lease without the sanction of Parliament.

Hon. Mr. BARNARD: But if the petitioner were successful in his fiat there would be no necessity for action by the Department. It looks to me a little like locking the door after the horse has escaped.

Hon. Mr. DANDURAND: But, may I ask my honourable friend, if this Act had been passed last year would the situation not be the same?

Hon. Mr. McMEANS: Certainly not.

Hon. Mr. BARNARD: It is not the same situation to-day.

Hon. Mr. McMEANS: There was no fiat.

Hon. Mr. SCHAFFNER: There was no fiat last year.

Hon. Mr. BRADBURY: When the Bill was before the House last year there had been no fiat issued.

Hon. Mr. DANDURAND: But it does not matter. If this were part of chapter 21 of 1922 it would not alter in the least the rights of the claimant as defined by the courts of justice. Whether the fiat be taken in June or in October, if this Act is on the Statute Book it does not alter the situation. The courts would be fully seized of the question. What does this amendment mean? Whether it was on the statute book last year or is placed on the statute book to-day, it means that the Department of the Interior will not be able to sell, lease, or otherwise dispose of these lands except with the sanction of Parliament.

Hon. Mr. BRADBURY: There is right there one point that occurs to me. I am not a lawyer and do not wish to argue with my honourable friend. The Isenberg people already had leases; they were the holders of these lands. They claim that the leases have been wrongfully cancelled. Consequently, if their contention is upheld in court, it will not be necessary, in my opinion, for the Department to issue new leases, as the old leases will be already in existence.

Hon. Mr. DANDURAND: Then my honourable friend agrees with me when I state that this Act, whether passed last year or this year, cannot affect the judgment; because the fiat opens the question as to the rights of Isenberg in the leases which he has.

Hon. Mr. TANNER: I understand that the fiat is simply the permission of the government to these people to file a petition of right. Am I right in that?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TANNER: I understand it is the usual practice to state the grounds in the statement of claim. Can my honourable friend tell the House what are the grounds and what the petitioners ask for?

Hon. Mr. DANDURAND: There are five printed pages, which I would gladly pass over to my honourable friend.

Hon. Mr. TANNER: I thought my honourable friend might summarize them. At the conclusion the grounds are usually stated briefly.

Hon. Mr. DANDURAND: I can hardly read the conclusions without reading the allegations.

Hon. Mr. TANNER: Perhaps my honourable friend would put them in the Proceedings.

Hon. Mr. DANDURAND: Here is the petition of right, which I hold in my hand; and here is the answer of His Majesty the King, presented by the Minister of Justice. When this Bill is read the second time, on Tuesday next, my honourable friend can dilate upon this matter if he so desires. This debate will not close to-day.

Hon. Mr. TANNER: Would there be any objection to include them in Hansard of to-day?

Hon. Mr. DANDURAND: It would perhaps be attaching considerable importance to these documents. I have no particular objection. My honourable friend can read these papers and may summarize them himself if he wishes. I would not like to ask the Senate to have them placed on Hansard without being read in the House. They contain many

statements that may not be deemed important enough to extend upon the official record. I will simply put these two documents on the table, as I am only moving the first reading of this Bill. The Bill will not be read a second time until Tuesday, and my honourable friend will have plenty of time to read them.

Hon. Mr. MURPHY: What is the objection to putting them on Hansard, so that they may be most readily available for honourable members to read?

Hon. Mr. REID: The honourable leader of the Government has referred to several Orders in Council passed between October, 1919, and the present time.

Hon. Mr. DANDURAND: I read them. They will be in Hansard.

Hon. Mr. REID: Some of them the honourable gentleman did not read. I would ask that all the Orders in Council referred to, also the opinion of the Department of Justice, and the memorandum from that Department, be placed in Hansard, so that the record may be complete.

Hon. Mr. DANDURAND: When the honourable gentleman speaks of a "memorandum" he refers to the defence in the case?

Hon. Mr. REID: Yes. The honourable Minister stated that he had it there, and I suppose he would have read it had we asked for it. He having referred to it, I take it for granted that we are entitled to see the whole document, and it should go on Hansard.

Hon. Mr. MURPHY: Both the petition of right and the statement of defence, as well as the Orders in Council.

Hon. Mr. DANDURAND: If it is the unanimous wish, the petition of right and the defence will be placed on Hansard. These include the allegations of the petitioners and the answer of the Department of Justice.

Hon. Mr. McMEANS: I would like to ask my honourable friend one question, because this whole transaction is not very clear in my mind. The Senate discussed the matter last year, as I understood, on the ground that the Department of the Interior had cancelled a great many coal mining and other leases and the Privy Council had held that they had been improperly cancelled. It was explained that the notice sent out stated that the lease was cancelled on account of non-payment of the rent, and the notice should have called attention to the non-payment of the rent and stated that if it was not paid the lease would be cancelled. Then this House was asked to approve of a Bill that had been passed by the House of Commons and had been brought here, to provide a remedy for the technical irregularity in the cancellation of the leases. That Bill was passed and, as I understood, affected over 15,000 leases.

Hon. Mr. DANDURAND: From 15,000 to 20,000 leases.

Hon. Mr. McMEANS: So that Act is there to remedy the mistake made by the Department of the Interior. Now, as I understand, you grant a fiat regarding one of these leases as to which the defect in cancellation was cured by the Act of last Session. Is that correct?

Hon. Mr. DANDURAND: No. The honourable gentlemen means one of those Orders in Council.

Hon. Mr. McMEANS: Oh, no. I am referring to the Hoppe leases. In the first place, notice of cancellation was given; then, according to a decision of the Privy Council, the supposition was that the leases had not been properly cancelled. Then there was introduced and passed here a Bill that had been passed by the House of Commons for the purpose of rectifying the defect in the cancellation of leases. There were 15,000 or 20,000 leases involved. We have here to-day the fact that out of 15,000 or 20,000 leases one has been selected.

Hon. Mr. DANDURAND: No, no. I beg the honourable gentleman's pardon.

Hon. Mr.McMEANS: At any rate, all we know about it is this, that with regard to this particular Hoppe lease a fiat has been granted by the Crown, whereby will be tried the question whether the lease was properly cancelled or not. May I ask the honourable gentleman this question: are the 15,000 or 20,000 other cases to be treated in the same way as the Hoppe lease?

Hon. Mr. DANDURAND: I will answer that. I have, I think, demonstrated that the Order in Council of January last refers to the lessees in cases where their leases have been cancelled, but the properties are still available. It does not cover the Hoppe leases, because they were not available on the 21st of January, as the property had been withdrawn from sale by Order in Council passed in 1918. According to the statement from the Department of the Interior, that was the opinion of the Department of Justice, but I have not the opinion before me. In order to make doubly sure that the Order in Council of January last does not cover the Hoppe leases, the Minister of the Interior last week

submitted to Council a recommendation declaring clearly that those leases that had been withdrawn from sale by the Order in Council of 1918 were not covered and were not meant to be covered by the Order in Council of January last.

Now, why was that January Order in Council passed? The honourable gentleman says, "But you are undoing the work that we did last year." Not at all.

Hon. Mr. McMEANS: I am glad to hear it.

Hon. Mr. DANDURAND: The Act was passed last year because for 15 years and more notices had been given and cancellations made by means of certain printed forms which were later declared by the Privy Council to be technically irregular, although the intention was quite clear and was understood by the parties who received the notices of cancellation. The difficulty in which the Government of Canada was placed was this. In a number of instances leases had been cancelled and the properties had been re-leased to other parties—in some cases re-leased for the third, fourth or fifth time. The danger was that the original lessee might avail himself of the technical flaw in procedure and demand to be again given possession of the land that had been re-leased to other parties, who might have spent hundreds of thousands of dollars in the development of the property. There was the danger that millions and millions of dollars' worth of damages might be claimed from the Government of Canada. That was the reason why the Act was passed last year, But in regard to lands of all kinds formally held under lease, when the lease has been cancelled and the land is still in the hands of the Department of the Interior, what objection is there to the former owner coming in and asking to be re-instated by paying the arrears due? A stranger might come in and lease the land without paying the back dues. Under what circumstances the former lessee might feel it to his interest to pay the arrears rather than have the lease taken by a third party, it is not for me to say; but there were before the Department cases in which the re-entry was allowed on payment of the dues, and the Order in Council of January last covers such cases. It does not cover the cases in which the Government was bound to protect the people of Canada because the properties concerned had passed into the hands of third parties.

Hon. Mr. McMEANS: I do not quite understand the honourable gentleman. My understanding is that, where the lease had been improperly cancelled, the Act of last Session cured the defect and made the cancellation valid. A third party comes in and acquires an interest in the property; therefore the matter cannot be opened so that the original lessee would have any claim. That is the honourable gentleman's argument, is it not?

Hon. Mr. DANDURAND: That applies to the last 15 years.

Hon. Mr. McMEANS: Very well. What is the difference between a third party coming in and acquiring an interest in the land and the land coming into the possession of the people of Canada? As I understand it, by the cancellation of the Hoppe leases the people of Canada acquired those lands—acquired them, to my mind, in just the same way as would a third party who came in and paid down a deposit on them. It is to take away the interest of the people of Canada that this fiat has been granted.

Hon. Mr. DANDURAND: Will the honourable gentleman allow me to put to him a question?

Hon. Mr. McMEANS: Just one moment, until I draw the honourable gentleman's attention to this one fact. The Hoppe leases were cancelled. After the cancellation of those leases another party, Shillington, came in and re-leased the land. If anybody had an interest that should be protected, it was Shillington. Was any fiat granted for him?

Hon. Mr. DANDURAND: He has asked for none.

Hon. Mr. McMEANS: Oh, no.

Hon. Mr. DANDURAND: I beg pardon. I withdraw that statement, because I heard that a year and a half or two years ago he did—not he, but Mr. Barnard, who advanced the money—and I was told that he obtained a judgment for a few thousand dollars.

Hon. Mr. BRADBURY: Against whom?

Hon. Mr. DANDURAND: Against the Government of the country. I wish to correct the statement that if he did not get a fiat it was because he did not ask for one.

Hon. Mr. McMEANS: The Hoppe leases were cancelled and a second party obtained the interest. His interest was cancelled by Act of Parliament, and the people of Canada became the owners of those lands. Now their rights are jeopardized by the giving of a fiat. Will fiats also be granted in the case of the fifteen or twenty thousand leases that have been cancelled, and in which third parties have come in? That is what has been done in the

Hoppe case. Why should not the same thing be done in the case of every other lease?

Hon. Mr. DANDURAND: Last year we passed an Act respecting Notices of Cancellation of Leases of Dominion Lands, section 2 of which says:

No action, suit or other proceeding, either at law or in equity, shall lie or be instituted, prosecuted or maintained against His Majesty or against the Minister of the Interior, or the Attorney General, or any officer of the Government of Canada, claiming any relief or declaration against or in respect of the cancellation or forfeiture of any such lease, license, permit or other authority by means of any such notice as aforesaid, unless the same was or shall have been instituted within one year from the date of the giving of the said notice.

That is the answer to the honourable gentleman. We both participated in the passage of that law: it is his law as well as mine. The honourable gentleman now claims that a fiat jeopardizes the interests of Canada. My honourable friend is a member of the Bar, and he knows that petitions of right asking for the right to sue for damages always to a certain degree jeopardize the interests of Canada.

Hon. Mr. McMEANS: Oh, no. Does the honourable gentleman say that the petition of right is only asking for damages, or is it asking for these lands?

Hon. Mr. DANDURAND: It asks for a right. What do I care what a suitor asks? He asks for his rights.

Hon. Mr. McMEANS: A suit for damages is a different thing.

Hon. Mr. DANDURAND: No, it is the same thing. Is it justice to refuse to grant a petition of right to a claimant for $10,000,000? I think a petition of right was granted in the case of Sir Charles Ross's gun industry in Quebec—and he walked away with $4,000,000. Surely, it would have been safer not to have granted him a petition of right.

Hon. Mr. MURPHY: My information is that Shillington applied for a fiat, in the same way that Hoppe or Isenberg has done, and was refused, and that the money paid for the lease was returned to him. Is that true, or is it not?

Hon. Mr. DANDURAND: I do not know. If my honourable friend will put a notice on the Order Paper I will try to procure the information for him. I was informed that a fiat was granted to one of the parties interested in that transaction, and that he got a certain amount of damages. Perhaps someone else in this Chamber can give the information asked for.

Hon. Mr. MURPHY: Will the honourable gentleman bring down an answer without formal notice?

Hon. Mr. DANDURAND: I will try to get the information for Wednesday.

Hon. Mr. BARNARD: I have here the petition of right. The first clause of the prayer reads as follows:

That it be found and declared as prayed for in the Petition of Right already presented, that the Leases aforesaid and numbered 760, 761, 762, 763, 764, 765, 766 and 782 are still valid and subsisting leases and having full force and effect between His Majesty represented by the Minister of the Interior for Canada as Lessor and your Suppliants as the executors of the deceased Daniel Paul Rice Isenberg as Lessees, notwithstanding the alleged notice of cancellation dated August 1st, 1918, or any other notice which may have been given by the said Minister of the said Department subsequently to the tender referred to in paragraph 12 hereof and notwithstanding the said Order in Council dated October 6th, 1919.

I would like to ask my honourable friend what will be the effect of the Bill introduced to-day if the suppliant is successful in this petition? Will it affect the matter at all?

Hon. Mr. DANDURAND: At first sight, it strikes me that it would not. If the Privy Council or the proper tribunal decided that the claims were valid, I suppose the Government of Canada would have to abide by the judgment. What I meant to say was that the amendment which I propose would have no more effect upon the action of the courts than if it had been put upon the statute book last year.

Hon. Mr. BARNARD: Except that the fiat has been granted since the legislation of last session.

Hon. Mr. BARNARD: If the judgment of the court goes back to 1912, or the date of the supposed default, or the date of cancellation, then it antedates two procedures: it declares the cancellation of the Isenberg lease null and void, and it declares the lease to Dr. Shillington and all that follows null and void. It maintains Isenberg in the title that he had when the first notice of cancellation was given, because the tribunal would have to decide whether or not the lease was properly cancelled. Of course, the statute we passed last year will come into effect as an estoppel. It says that such and such defects cannot be urged against the cancellation of leases. This is the practical work which the Government of Canada has done. It has cured all the technical defects that the Privy Council found in that other case, the name of which I forget.

Hon. Mr. MURPHY: It is a retroactive statute, in other words.

Hon. Mr. BRADBURY: May I call the attention of the leader of the Government to the fact that when the leader of the Opposition left here last night I understood there was an arrangement that this matter should stand until Tuesday. Am I right?

Hon. Mr. DANDURAND: I told the honourable gentleman that when he returned I would see that he had an opportunity to express his opinion upon this question. I have moved the first reading of the Bill. The second reading will come on Wednesday, and the whole matter will be open for discussion.

Hon. Mr. BRADBURY: Then it is understood that anyone who wishes to do so will have an opportunity to speak on Wednesday.

Hon. Mr. DANDURAND: I have laid on the table a map showing the district surounding this reservation; it also shows the existing railway lines, and the proposed railway. There is also a small map showing the location of the Burns coal areas, near Calgary.

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

DIVORCE BILL

SECOND READING

Bill W, an Act for the relief of Harriet Ethelwyn Kingsley.—Hon. Mr. Bennett.

VIMY RIDGE MEMORIAL

On the Order:

Resuming the adjourned debate on the motion of the Hon. Mr. Dandurand: That His Honour the Speaker be authorized to sign the said Joint Address on behalf of the Senate, and to present the same to His Excellency the Governor General.—(Hon. Mr. Donnelly.)

Hon. Mr. DANDURAND: I do not see the Hon. Mr. Donnelly here. I was asked by the honourable leader on the other side of the House for certain information.

Hon. Mr. ROBERTSON: Has my honourable friend any objection to letting this order stand over until the next sitting of the House? The Hon. Mr. Donnelly will then perhaps be here.

Hon. Mr. DANDURAND: He told me he had not very much to say, and Sir James Lougheed notified me last evening that he would be obliged to absent himself to-day, and authorized me to state that he had just received information from General Mewburn, the Chairman of the Canadian Battlefields Memorial Commission, concerning the grant of land on Vimy Heights by the French Government, and that if it had been imparted to him before the resolution thanking the French Government for the grant was introduced into this Chamber, he would not have opposed the resolution. I also have received from Colonel H. C. Osborne, Honorary Secretary of the Canadian Battlefields Memorial Commission, a memorandum concerning the acquisition of land for a war memorial on Vimy Ridge, which reads as follows:

1. Under French law a foreign Government is not competent to acquire title to land in France and erect structures thereon.

This was the statement of the Vice-Chairman, Imperial War Graves Commission and of the Commission's legal adviser. The Imperial War Graves Commission has had extensive experience in connection with the acquisition of land in France and Belgium for some 2,000 British military cemeteries.

2. The provisions of the Accord or Agreement between the French and Canadian Governments covering the gift to Canada of land on Vimy Ridge are substantially the same as those dealing with the gift of land by the French Government for British Military Cemeteries; that is to say, the land is to be acquired by the French Government at the cost of the French nation, and held in perpetuity by it for use by the Canadian Government for a specific purpose, namely the erection of a monument and the creation of a park.

3. The conditions of the gift were in entire harmony with the views of the Canadian representatives. It was not considered advisable to bind the Canadian Government to definite undertakings. It was and is the intention of the Canadian Government to erect a memorial on Vimy Ridge; but account had to be taken of the fact that Governments may change their minds, or unforeseen circumstances may intervene. On the other hand account had to be taken of the fact that the gift was to be made for a special purpose and for no other. It seemed that the best and most effective form which the gift could take was the one adopted in the case of grants for military cemeteries, namely a grant to the Canadian Government gratuitously and in perpetuity, of the free use of the land for the purpose in question. Any possible future difficulty or complication was obviated in advance by the simple proviso that should the Canadian Government change its plans the French Government would resume the free disposal of the land—excluding however the land on which the monument stood, should it be erected in the meantime.

4. Furthermore the gift covers a parcel of 100 hectares (250 acres). It was impossible for the Canadian representatives to indicate with entire precision just what land would be required. It is probable that the proposed park will be limited to a much smaller area. In such an event any balance not needed will simply revert to the French Government.

In this connection, the use of the word "park" is perhaps misleading. Vimy Ridge is a barren tract of land, miles in extent, devastated and pitted with shell holes, etc. The object of the Commission is to reserve and develope in a suitable way sufficient land to form a background for the monument and prevent the erection of unsightly structures in its vicinity. Such further land as may be reserved for the proposed "park" will be left largely in its present state. The only development would probably be in the form of a moderate forestation scheme, that is the planting of some trees, and the construction of roads or paths leading to the monument. No large expenditure for this purpose is contemplated.

As to maintenance, it is altogether likely that in the future, some years hence, the maintenance of ground surrounding all British memorials in France will be undertaken by the Imperial War Graves Commission. This is a permanent body which will always have its forces

in the field in connection with the maintenance of military cemeteries.

5. The French Government imposed no conditions as to either the period in which the work should be completed or the extent or nature of the park to be maintained. Canada has an entirely free hand. There was on the part of the French Government an entire absence of any spirit of bargaining or bartering. The gift was freely and graciously made.

6. The project of erecting eight memorial monuments on selected battlefield sites in Belgium and France was considered by a Special Committee of the House of Commons in April 1920. The report of this Committee was subsequently adopted by Parliament.

In accordance with the Committee's recommendation the Canadian Battlefields Memorials Commission was appointed composed as follows:

Major-General The Hon. S. C. Mewburn, C.M.G., K.C., M.P.
The Hon. Rodolphe Lemieux. K.C., M.P.
Lt.-General Sir R. E. W. Turner, V.C., K.C.B., etc. etc.
Lieut. Colonel R. W. Leonard.
The Honourable J. G. Turriff.
Honourary Secretary-Colonel H. C. Osborne, C.M.G.

The scope of the Commission's work has been enlarged recently by two proposals: (a) the acquisition by Canada of a tract of land on Vimy Ridge; (b) the commemoration on the monument at Vimy of a large proportion (possibly 15,000) of the Canadian missing, that is those who lost their lives and have no known graves.

In connection with (a) above, Canada's expenditure will be controllable through the Canadian Battlefields Memorials Commission. The Commission's expenditures are subject to the approval of the Minister of Militia and ultimately of Parliament.

In connection with (b), a substantial contribution towards the cost of the Vimy Ridge Memorial will be received from the Imperial War Graves Commission. That body is primarily responsible for erecting memorials to the missing, and, as Canada is relieving it of that duty to the extent above mentioned, there will be an adjustment of accounts accordingly. This phase of the matter is at present being negotiated with the Imperial War Graves Commission by the High Commissioner for Canada in London.

H. C. Osborne,
Colonel,
Honorary Secretary, C.B.M.C.

The motion was agreed to.

The Senate adjourned until Tuesday, March 13, at 8 p.m.

Following are papers referred to in the debate on Alberta Coal Deposit, here printed by unanimous consent of the Senate:

Ref. 96082 on 146348 (M. L. & Y.).

Certified Copy of a Report of the Committee of the Privy Council, approved by the Deputy Governor General on the 1st July, 1919.

P.C. No. 1369.

The Committee of the Privy Council have had before them a Report, dated June 30, 1919, from the Minister of the Interior wherein it is stated that in May and June, 1912, certain tracts situated in unsurveyed territory near the junction of the Smoky and Muskeg Rivers in the Province of Alberta, were staked out under the provisions of the Coal Mining Regulations, and leases of the rights applied for were issued in favour of the several applicants.

These leases were subsequently assigned to Paul R. Isenberg, of Oakland, in the State of California, U.S.A., but owing to the failure of the assignee to comply with the conditions of the leases and the provisions of the regulations under which they were issued, the leases were finally cancelled in the records of the Department of the Interior on the 3rd day of August, 1918.

On the 29th and 30th of August, 1918, applications were filed in the office of the Mining Recorder at Edmonton for leases of locations represented to have been staked out under the provisions of the regulations, which locations appear to cover to a considerable extent the tracts described in the leases originally assigned to Mr. Isenberg.

Leases of the rights applied for were issued in favour of the several applicants, and on the 27th of January, 1919, these leases were assigned to C. A. Barnard, K.C., of the City of Montreal, and Adam T. Shillington, M.D., of the City of Ottawa.

It has since been brought to the attention of the Department that in the summary report issued by the Department of Mines for the year 1916, there appears a report prepared by Mr. John MacVicar, on the Foothill coal areas north of the Grand Trunk Pacific Railway in the Province of Alberta, a portion of which report reads as follows:

"On Sulphur River, on Smoky River and on Sheep Creek, claims were visited, upon which some surface work was done and a number of good coal seams of workable width exposed. On the Isenberg claims on Smoky River considerable prospecting has been done. Tunnels have been driven on five of the seams, one hundred feet or more into the hillside. In the table on page 92 is given the results of the analysis of the average sample taken. The following is a partial section of the measures on these claims in descending order:

Section on the Isenberg Claims

Sandstone and shale	600
Coal	3.6
Sandstone and shale	175
Coal	3.6
Sandstone and shale	150
Coal	12
Sandstone and shale	20
Coal	4
Sandstone and shale	1,200
Coal	4
Sandstone and shale bottom of the measures conceded	.....
	2,172 "

It would appear from information received that the present lessees benefited by information obtained from the departmental records in Ottawa, which information was not available to other possible stakers.

That the declarations of citizenship as required by the provisions of Order in Council No. 572, dated March 5, 1917, having reference to alien enemies do not comply with the provisions of said Order, nor are they the same as used in other cases.

In view of the circumstances above set out, the Minister recommends that the eight coal mining leases bearing date the 29th and 30th of August, 1918, issued in favour of Alfred Ernest Austin, William Barnett, Robert W. McClung, Arthur Hicks Weir, Charles W. Coppock, Gordon Edgar, Howard Hauff, John Alexander Leask and William Raynor Gouin, and assigned on the 27th of January, 1919, to Messrs. Barnard and Shillington, be cancelled in the records of the Department of the Interior, and that the rights described in these several leases be reserved to the Crown.

The Committee concur in the above recommendation and submit the same for approval.

(Signed) Rodolphe Boudreau,
Clerk of the Privy Council.

To the Honourable
The Minister of the Interior.

Ref. 100702 on 149920 (M. L. & Y.).

At the Government House at Ottawa
Monday, the 6th day of October, 1919

Present:

The Deputy Governor General in Council

P.C. No. 2044.

Whereas regulations for the disposal of coal mining rights the property of the Crown in the Provinces of Manitoba, Saskatchewan and Alberta, the Yukon Territory, the Northwest Territories, and in portions of the Province of British Columbia, were established by Order in Council dated the 20th April, 1910, and amended by subsequent Orders in Council;

And whereas the Minister of the Interior reports that representations have been made to the Department of the Interior that there is a very large and valuable deposit of high grade coal on Dominion Lands near the junction of the Muskeg and Smoky Rivers in unsurveyed territory in the Province of Alberta, situated about seventy miles distant from railway communication;

And whereas the coal mining rights already disposed of by the Crown under the provisions of the Regulations and those available coal mining rights with which railway communication has already been established in the said Province appear to be sufficient to supply all present requirements, and as it would appear to be in the public interest that a coal reservation should be created in the northern portion of the said Province;

Therefore the Deputy Governor General in Council, on the recommendation of the Minister of the Interior, is pleased to order that the coal mining rights which are the property of the Crown in Townships 55, 56, 57, 58 and 59, Ranges 7, 8 and 9 West of the 6th Initial Meridian, shall be and the same are hereby withdrawn from disposal under the provisions of the coal mining Regulations above referred to.

(Signed) Rodolphe Boudreau,
Clerk of the Privy Council.

To the Honourable
The Minister of the Interior.

Published in the Canada Gazette of 8th November, 1919, Vol. 53, No. 19, for the fourth consecutive week. Also in the British Columbia Gazette of the 13th November, 1919, Vol. 59, No. 46, for the fourth consecutive week.

IN THE EXCHEQUER COURT OF CANADA

To the King's Most Excellent Majesty

Province of Ontario,
County of Carleton,
City of Ottawa.
To wit:

The humble Petition of The Hawaiian Trust Company, Limited, a body corporate, having its head office and chief place of business in the city of Honolulu, Territory of Hawaii, in the United States of America, and Bertha A. S. Isenberg, of the said city of Honolulu, widow,

Respectfully sheweth:

1. Your suppliants The Hawaiian Trust Company, Limited, and Bertha A. S. Isenberg, are the executors of the Last Will and Testament of Daniel Paul Rice Isenberg, sometimes known as Paul R. Isenberg, in his lifetime of the City of Honolulu, aforesaid, who died in or about the 19th day of April, A.D. 1919, acting under Letters Probate duly granted in their favour.

2. In or about the month of May, A.D. 1912, His Majesty The King, represented by the Honourable the Minister of the Interior of Canada (hereinafter refered to as the Minister) duly demised and leased, by Indentures in writing, to the several parties therein named as Lessees, and their executors, administrators, and assigns, all mines, seams and beds of coal in on or under certain parcels or tracts of land and premises situate in what is known as the Smoky River District in the Province of Alberta, and said Leases were duly entered and recorded in the books kept for that purpose in the Department of the Interior, and were known under numbers 760, 761, 762, 763, 764, 765, 766, 769, 780, 781, 782, and 901. The said leases were made under certain terms and conditions therein fully set forth, to which your suppliants will on the trial hereof crave leave to refer.

3. In or about the month of July, A.D. 1912, the said Leases referred to in the immediately preceding paragraph were assigned to the said Daniel Paul Rice Isenberg, there designed as Paul R. Isenberg, by Indentures in writing which with the consent of the said Minister were recorded in the said books of the Department of the Interior.

4. The said Isenberg on acquiring the title to the said Leases duly observed the conditions and provisions thereof and in or about the year 1914 he surrendered to the Minister, and the said Minister duly accepted the said surrender, four of the said Leases, namely the Leases known as numbers 769, 780, 781, and 901.

5. The combined rental payable annually under the remaining leases amounted to $18,876.15 and this amount was duly paid by the said Isenberg, in advance, for the period up to and including the 15th May 1918 as to seven of the said Leases and up to and including 22nd June 1918 as to the other Lease.

6. The said Leases are all in the same words and form in so far as the terms and conditions are concerned and each of the said Leases contains a clause in words following, that is to say:—

"That in case of default in payment of the said rent or royalty for thirty days after the same should have been paid, or in case of the breach or non-observance or non-performance on the part of the lessee of any proviso, condition, restriction, or stipulation herein contained and which ought to be observed or performed by the lessee and which has not been waived by the said Minister, the Minister may cancel these presents by written notice to the lessee and thereupon the same and everything therein contained shall become and be absolutely null and void to all intents and purposes whatsoever and it shall be lawful for His Majesty into and upon the said lands (or any part thereof in the name of the whole—to re-enter and the same to have again, repossess and enjoy anything herein contained to the contrary notwithstanding. Provided nevertheless that in case of such cancellation and re-entry the lessee shall continue to be liable to pay and His Majesty shall have the same remedies for the recovery of any rent or royalty then due or accruing due as if these presents had not been cancelled but remained in full force and effect."

7. In or about the 1st day of August 1918 the Controller of the Mining Lands and Yukon Branch of the Department of the Interior addressed a letter to one J. R. Galt, the Vice President of your suppliant the Hawaiian Trust Co., Ltd., in the following words:—

"Department of the Interior"
Mining Lands and Yukon Branch.

File No. 80798 ML & Y

Ottawa 1st August 1918

"Dear Sir:—I beg to refer you to your letter of the 20th February last, with respect to eight coal mining leases isued in May and June, 1912, comprising locations situated near the Junction of the Muskeg and Smoky Rivers in the Province of Alberta, which leases were subsequently assigned to Paul R. Isenberg.

"The rental of these locations has been paid up to the 15th of May and the 22nd of June last, on which dates the rental for the current year, amounting to $18,876.15 became due.

"Payment would not appear to have been made to this Department on account of the rental due for the

current year of the locations in question, and the several leases provide that default in payment of the rental for 30 days after it should have been paid renders the lease subject to cancellation.

"In view of the conditions of the leases referred to, and the fact that no payment on account of arrears has been made, these leases will now be finally cancelled in the records of the Department, and the Mining Recorder at Edmonton advised of such cancellation. The eight leases in question are Nos. 760, 761, 762, 763, 764, 765, 766 and 782.

Your obedient servant,
(sgd.) H. H. Rowatt,
Controller."

"J. R. Galt, Esq.,
Vice President,
Hawaiian Trust Co., Ltd.
Honolulu, T. H."

8. During the period from 1912 to 1918 the said Isenberg expended a substantial sum of money in the development of the area covered by the Leases, and in tunnelling and timbering work, amounting in all to $90,000.00; and in addition there was disbursed by him a further amount of $85,000.00 for surveying the areas, the acquisition of grazing rights from the Indians, and in general administration expenses.

9. In or about the month of August 1918 and immediately after the date of the said alleged notice of cancellation, the Minister purported to lease the mines, seams and beds of coal in on or under the lands comprised in the Leases in question herein to other parties, as your suppliants believe and aver.

10. On or about the 6th day of October, 1919, by Order in Council (P.C. No. 2044) it was attempted to withdraw from the Suppliants the lands covered by the said Leases and to create a Crown reservation of certain lands in the said District of Smoky River comprising among other lands the area included in the said Leases.

11. Your suppliants either directly or through their agents or servants have frequently insisted with the said Minister and other officers and officials of the said Department that the said alleged letter of cancellation was invalid insufficient and of no legal effect so as to deprive your suppliants of any of their rights under the said leases and in particular your suppliants by their agent, on March 18th, 1922 made a final effort to have the adjustment of the matters in dispute settled and then and there offered to make payment of all rents then due on the leases and were specifically informed that the said Minister and the said Department would refuse to accept the tender of any amount in payment of such rents.

12. Your suppliants in order to preserve their rights under their leases did in or about the 25th day of March, 1922, cause to be tendered to the Minister the sum of $4,488.92 in payment of rental due under the aforesaid leases, the said amount being made up as follows:—

Rent due for period from 15th May 1918 and 22nd June 1918 on the respective Leases to August 1st, 1918..	$3,764.27
Interest thereon for period mentioned.. ..	724.65
	$4,488.92

The said 1st August 1918 was the date on which the said alleged notice of cancellation was made and was also the date from which your suppliants were deprived of the quiet and peaceable possession of their property under the Leases by the issuing of new Leases by the Minister as hereinbefore alleged.

13. The said amount so tendered was acknowledged by the Deputy Minister of the Interior by letter dated 25th April, 1922, which is in part in the following words:—

"I would remind you that no rent has been paid upon these leases since 1917, and that notice of cancellation for default of payment was given on 1st August, 1918. The amount of the cheque is equivalent only to a small percentage of the rent which fell due in 1918, to say nothing of the rent which has since accrued if you assume that the leases are still subsisting."

14. Your suppliants caused to be written to the said Deputy Minister a letter dated April 28th, 1922, wherein your suppliants again tendered the amount mentioned in paragraph 12 hereof, and gave full particulars of their claim for damages suffered by reason of the alleged letter of cancellation, the issue of the leases mentioned in paragraph 9 hereof, and the Order in Council mentioned in paragraph 10 hereof.

15. The said letter of April 28th, 1922, was not acknowledged until May 22nd, 1922, when your suppliants received a letter from the said Department stating that the Department of Justice was being consulted with respect to the several matters referred to in the said letter of April, 28th; since then no further reply has been given to your suppliants' said letter.

16. In or about the 12th May, 1922, there was introduced into the Senate of the Parliament of Canada a Bill known as Y2 entitled "An Act respecting Notices of Cancellation of leases of Dominion Lands" which had for its object the validation of certain irregular notices of Cancellation issued by the Department of the Interior.

17. By reason of the provisions of the said Bill and the fact that no further answer was given by the said Department to your suppliants tender of the rents and their claim for damages, your suppliants did on the 19th June, 1922, duly file a Petition of Right praying that their leases be found and declared to be valid and subsisting leases and for damages through their being deprived of the quiet and peaceable possession and the use of the lands described in said leases, and for other relief, all as more particularly set forth in the said Petition of Right.

18. Your suppliants are now informed that the said Department, has since the presentation of the said Petition of Right by your suppliants, issued or is about to issue further notices purporting to cancel the said leases.

19. Your suppliants submit that by reason of the issue of the leases referred to in paragraph 9 hereof, and the Order in Council of October 6th 1919, referred to in paragraph 10 hereof, your suppliants were liable only for the sum due for rental at the time of the alleged notice of cancellation, which sum is the amount tendered as mentioned in paragraph 12 hereof.

20. Your suppliants bring into Court with their Petition the aforesaid sum of $4,488.92, tendered by them as hereinbefore set out.

Your suppliants therefore humbly pray as follows:—

1. That it be found and declared as prayed for in the Petition of Right already presented, that the leases aforesaid numbered 760, 761, 762, 763, 764, 765, 766, and 782 are still valid and subsisting leases and having full force and effect between His Majesty represented by the Minister of the Interior for Canada as Lessor and your Suppliants as the executors of the deceased Daniel Paul Rice Isenberg as Lessees, notwithstanding the alleged notice of cancellation dated August 1st, 1918, or any other notice which may have been given by the said Minister or the said Department subsequently to the tender referred to in paragraph 12 hereof and notwithstanding the said Order in Council dated October 6th, 1919.

2. That it be found and declared that the amount now brought into Court namely $4,488.92 is the full amount of rent due under the said Leases including interest to the date of said tender and that the said amount was duly tendered to the said Minister.

3. That your suppliants are entitled to be paid by His Majesty the sum of $1,000,000.00 or such other sum as to this Honourable Court may seem just as and for the damages suffered by your suppliants by reason of the matters complained of herein.

4. That your suppliants be found entitled to their costs herein.

5. For such further and other relief as to this Honourable Court shall seem meet.

Dated at Ottawa this 23rd day of June, A.D. 1922.

(Signed) D. Roy Kennedy
Of counsel for Suppliants.

IN THE EXCHEQUER COURT OF CANADA

Between

The Hawaiian Trust Company, Limited, and Bertha A. S. Isenberg, executor and executrix of the last will and testament of Daniel Paul Rice Isenberg, deceased,

Suppliants;

and

His Majesty the King,

Respondent.

Statement of Defence

The Attorney General of Canada, on behalf of His Majesty, submits that the Petition of Right does not set forth any case or facts giving rise to any cause of action against His Majesty; that it is not within the jurisdiction of this Honourable Court to give effect to the prayer of the petition in any particular; that the declarations prayed for cannot be made against His Majesty upon Petition of Right; that no facts are pleaded which justify any claim for damages, and that this petition ought therefore to be dismissed for these and other reasons which appear upon the face of it, but, reserving the foregoing and all other objections to the sufficiency in law of the Petition of Right as pleaded, the Attorney General says:

1. He does not admit the allegations, or any of them, set forth in the first and second paragraphs of the Petition of Right.

2. He denies the allegations, and each of them, set forth in the third paragraph of the Petition or Right.

3. He does not admit the allegations, or any of them, set out in the fourth, fifth, sixth and seventh paragraphs of the Petition of Right.

4. Further, as to the said seventh paragraph, Mr. H. H. Rowatt, Controller of the Mining Lands and Yukon Branch of the Department of the Interior, on 1st August, 1918, by direction of the Minister of the Interior, wrote a letter to Mr. J. R. Galt, Vice-President of the Suppliant Company, at Honolulu, who was the agent or attorney in that behalf of the said Daniel Paul Rice Isenberg, notifying Mr. Galt, for the information of his principal, the said Daniel Paul Rice Isenberg, that the rent upon the said leases, numbers 760, 761, 762, 763, 764, 765, 766 and 782, amounting to $18,876.15 became due on 15th May and 22nd June, 1918, and had not been paid, and that in view of the conditions of the said leases, and the fact that the said rent had not been paid, the said leases would on the said 1st August, 1918, be finally cancelled in the records of the department, and that the Mining Recorder at Edmonton would be advised of such cancellation; and the Attorney General avers that the said letter or notice was duly received by Mr. Galt in due course of the post, and that the said leases, and each of them, were on the said 1st August, 1918, by the Minister of the Interior, so cancelled as aforesaid, and that the Mining Recorder at Edmonton, where the leases were registered, was then advised accordingly.

5. The original letter of 1st August, 1918, contained a fourth paragraph which is not printed in the copy as set out in the seventh paragraph of the Petition of Right, which fourth paragraph reads as follows:—"Seven of the leases above referred to became subject to cancellation on the 15th June last, and the remaining lease became subject to cancellation on the 22nd ultimo."

6. He denies the allegations, and each of them, set forth in the eighth paragraph of the Petition of Right.

7. He does not admit the allegations, or any of them, set forth in the ninth paragraph of the Petition of Right.

8. He denies the allegations, and each of them, set forth in the tenth and eleventh paragraphs of the Petition of Right.

9. He denies the allegations, and each of them, set forth in the twelfth paragraph of the Petition of Right.

10. He does not admit the allegations, or any of them, set forth in the thirteenth, fourteenth and fifteenth paragraphs of the Petition of Right.

11. He does not admit the allegations, or any of them, set forth in the sixteenth, seventeenth and eighteenth paragraphs of the Petition of Right, and he denies that these allegations, or any of them, are material.

12. He denies the suppliants conclusion as set forth in the nineteenth paragraph of the Petition of Right, and the facts, if any, in that paragraph alleged.

13. The suppliants are not entitled to the damages claimed by the Petition of Right or to any damages.

14. Mr. H. H. Rowatt, who signed the letter of 1st August, 1918, which is as aforesaid in part set out in the seventh paragraph of the Petition of Right, and who also signed the other letters or notices on behalf of the Department of the Interior hereinafter set out or alleged, was and is an officer of the Department of the Interior, and he wrote the said letters and notices, and each of them, under the direction of the Minister of the Interior, and the said letters and notices, and each of them, were and are effective as a notice to cancel and annul the leases therein mentioned by reason of the condition of the said leases set out in the sixth paragraph of the petition, or by reason of Chapter 21 of the Acts of the Dominion which received assent on 28th June, 1922.

15. By the provisions of Section 37 of the Dominion Lands Act lands containing coal or other minerals may be leased under regulations made by the Governor in Council, and the Governor in Council by Order of 20th April, 1910, made regulations for the leasing of coal mining rights the property of the Crown, in the Province of Alberta, wherein the lands lie in respect of which the leases in question herein were issued, and these regulations having been duly published had and still have the force and effect of law.

16. The aforesaid regulations include among others the following, references therein to the Minister meaning the Minister of the Interior:—

"11. The lessee shall not assign, transfer or sublet the rights described in his lease, or any part thereof, without the consent in writing of the Minister being first had and obtained.

"14. The lease shall be in such form as may be determined by the Minister of the Interior, in accordance with the provisions of these regulations.

"17. If during the term of the lease the lessee shall fail to pay the rental in advance for each subsequent year, at the rate of one dollar ($1) an acre per annum, within thirty days after the date upon which the same became due, the lease shall be subject to cancellation in the discretion of the Minister and to the immediate forfeiture of all the rights granted thereunder.

17. The leases in respect of which the suppliants claim, viz.:—those numbered 760, 761, 762, 763, 764, 765, 766 and 782, were granted by His Majesty represented by the Minister of the Interior, in the form determined by the Minister, and pursuant to the authority and subject to the provisions of the said regulations, copy of which was appended to and made part of each of the said leases. The said leases, and each of them, reserved, as by the regulations required, the clear yearly rent or sum of one dollar for each and every acre of land comprised therein, payable yearly in advance and the lessee thereby covenanted that he would well and truly pay said rent to the Minister of the Interior at Ottawa, and that he would well, truthfully and faithfully observe, perform and abide by the obligations, conditions, provisos and re-

strictions in or under the said regulations imposed upon the lessee.

18. The said leases, and each of them, contained a clause, term or condition in the words quoted, paragraph 6 of the Petition of Right.

19. The combined annual rental of the said leases amounted to $18,800.00, or thereabouts, and was payable as to the first seven enumerated of the said leases on 15th May in each year, and as to the other lease, Number 782, on 22nd June in each year, but neither the said Daniel Paul Rice Isenberg in his lifetime, nor the suppliants herein, as his executor and executrix, have paid any rent subsequent to that which accrued due on 15th May, 1918, and 22nd June, 1918, nor has the same or any part thereof been paid.

20. Mr. H. H. Rowatt, Controller of the Mining Lands and Yukon Branch of the Department of the Interior, by letter of 1st August, 1918, written at the direction of the Minister of the Interior, notified Messrs. Pringle and Guthrie of Ottawa, the Solicitors and agents of the said Daniel Paul Rice Isenberg, that the said leases, Numbers 760, 761, 762, 763, 764, 765, 766 and 782, would then be cancelled by reason of non-payment of the rent, amounting to $18,876.15, which had accrued due there under on 15th May and 22nd June, 1918, and that the Mining Recorder at Edmonton, where the said leases were registered, would on that date be advised of such cancellation, and the fact is that the said leases, and each of them, were on the last-mentioned date, for the reason aforesaid, cancelled by the Minister of the Interior, and the Mining Recorder at Edmonton was then advised accordingly.

21. On the 14th August, 1918, Dr. Reinholdt Hoppe, the agent and attorney of the said Daniel Paul Rice Isenberg, telegraphed the said H. H. Rowatt, Controller of Mining Lands nad Yukon Branch, of the Department of the Interior, from San Francisco, referring to the aforesaid leases Numbers 760, 761, 762, 763, 764, 765, 766 and 782, and enquiring whether matters could be held open for him for sixty days, stating that if so he would come to Ottawa at once, to which Mr. Rowatt, by direction of the Minister of the Interior, replied on the following day, stating that all leases of coal mining locations in the Province of Alberta acquired by the said Daniel Paul Rice Isenberg (including the leases in question herein) had been finally cancelled, and that the department had no power to reinstate the lessee in the rights which he formerly held, and on 19th August, 1918, Mr. Rowatt wrote to Dr. Hoppe at San Francisco confirming the aforesaid telegram; and again on 26th August, 1918, Mr. Rowatt, by direction of the Minister, wrote to Dr. Hoppe informing him that the leases aforesaid, and each of them, had pursuant to the aforesaid conditions of the said leases been duly cancelled by the Minister for default in payment of the rent thereby reserved for thirty days after the same became due, and that the leases could not be reinstated, but that the locations in question were then available for application.

22. The said Daniel Paul Rice Isenberg made default in the payment of the rent reserved and payable by or under the said leases Numbers 760, 761, 762, 763, 764, 765 and 766, which fell due on 15th May, 1918, and the said lease Number 782, which fell due on 22nd June, 1918, the said rent amounting in the aggregate to $18,876.15, and the same remained unpaid for thirty days after the said due dates, and has not been paid; and therefore, the Minister of the Interior, in the exercise of his power or authority under the aforesaid leases, and each of them, and the regulations aforesaid, by written notice to the said Daniel Paul Rice Isenberg on or about 1st August, 1918, and after the expiry of thirty days from the respective days of default in payment of the said rent, cancelled the said leases, and each of them, and thereupon the same, and everything therein contained, became and were absolutely null and void to all intents and purposes whatsoever.

23. On 20th February, 1918, Mr. J. R. Galt, Vice-President of the Suppliant Company, wrote from Honolulu to the Department of the Interior at Ottawa stating that the said Daniel Paul Rice Isenberg was an American citizen and a client of the Suppliant Company. He referred to the said coal leases, Numbers 760, 761, 762, 763, 764, 765, 766 and 782 as comprising an area of about twenty-nine and a half square miles of coal mining rights, and carrying an annual rental of $18,800.00, and he stated that at that time Mr. Isenberg was in poor health, and owing to that and the then present war conditions had requested the Suppliant Company to ask whether it would be possible to make an arrangement whereby the continued payment of the rent reserved by the said leases could be postponed during the period of the war, without Mr. Isenberg losing the rights outlined in the said coal mining leases, and to this communication Mr. H. H. Rowatt, an officer of the Department of the Interior, under the direction of the Minister, answered by letter dated 28th March, 1918, addressed to Mr. Galt, as Vice-President of the Suppliant Company at Honolulu, expressing regret that under the provisions of the regulations the department had no authority to postpone payment of the annual rental of the locations in question during the period of the war; and subsequently, on 1st August, 1918, Mr. Rowatt, by the direction of the Minister, wrote to Mr. Galt telling him, as the fact was, that the said leases and each of them would on that day be cancelled for non-payment of the aforesaid rent which fell due on the then last preceding 15th May and 22nd June, amounting to $18,876.15, and the Attorney General avers that the said J. R. Galt was at all the times aforesaid and continued to be until the death of the said Isenberg the latter's agent or attorney duly authorized by him in respect of all matters concerning the said leases and the cancellation thereof, and was authorized to receive, and did in the course of the post receive, the said letters or notice and each of them on his behalf, and did thereupon duly communicate the same to the said Isenberg.

24. The said Daniel Paul Rice Isenberg departed this life on or about 12th April, 1919, having first made and executed his last will and testament whereby he nominated the Suppliants to be the executor and executrix thereof, and moreover devised and bequeathed the residue of his estate, including as part thereof all his right, title and interest if any in the aforesaid leases and demised premises, to the Suppliants upon certain trusts therein described; and letters of probate of the said will were granted to the Suppliants by the Surrogate Court of the First Circuit of the Territory of Hawaii on 20th May, 1919.

25. The Minister of the Interior of Canada, the Honourable Charles Stewart, by notice under his hand, signed at Ottawa on 7th April, 1922, and directed to the Suppliants herein, after reciting the said leases and each of them, the assignments thereof, the death and last will and testament of the said Daniel Paul Rice Isenberg, and the fact that the rent reserved and payable according to the terms and covenants of the leases aforesaid for the years 1918, 1919, 1920 and 1921 had not been paid when due, and that the same remained wholly due and unpaid and in default, therefore cancelled the said leases, and each of them, and everything therein contained, so that subject to the provisions thereof the same were and should forever be and thereby became absolutely null and void to all intents and purposes whatsoever for and by reason of the aforesaid default in payment of the said rent and each of the said defaults severally; and the said notices, and each of them, were subsequently, on or about 21st June, 1922, and before the submission or filing of the Petition of Right herein, personally served upon the Suppliants, and each of them, whereby in the submission of the Attorney General the said leases, and

each of them, became and were and are cancelled and absolutely null and void pursuant to the regulations aforesaid, and the terms and conditions of the said leases, and by the provisions of the aforesaid Act, Chapter 21 of 1922.

26. It was a term of the said leases, and each of them, that no waiver on behalf of His Majesty of any breach of any or either of the provisos, conditions, restrictions and stipulations therein contained, whether negative or positive in form, should take effect or be binding upon him unless expressed in writing under the authority of the Minister and that any waiver so expressed should extend only to the particular breach so waived and should not limit or affect His Majesty's rights with respect to any other or future breach.

27. It was a term of the said leases, and each of them, that no implied covenant or liability of any kind on His Majesty's part was created by the use therein of the word "demise" or "lease", or by the use of any other word or words therein or should arise by reason of the said lease or anything therein contained.

E. L. Newcombe,
Solicitor for the Attorney General of Canada.

THE SENATE

Tuesday, March 13, 1923.

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

Prayers and routine proceedings.

BIENFAIT COAL EXPERIMENT

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What is the total amount that has been expended at Bienfait, Saskatchewan, for any purpose whatsoever of public moneys in connection with coal up to the first of January, 1923?
2. What amount has been paid out by the Federal Government?
3. What amount by the Provincial Government of Manitoba to the same date?
4. What amount has been paid out by the Provincial Government of Saskatchewan to the same date?
5. How many tons of briquettes have been made?
6. How many tons have been sold?
7. If so, at what price a ton?
8. What returns have the Federal Government received from this investment?

Hon. Mr. DANDURAND:

1. $923,812.55.
2. $470,042.96.
3. $236,250.00.
4. $236,250.00.
5. About 75 tons.
6. No briquettes have been sold whatever.
7. Answered by No. 6.
8. None.

EMPLOYEES IN THE PUBLIC SERVICE

UNSATISFACTORY RETURN

On the Orders of the Day:

Hon. Mr. BRADBURY: Honourable gentlemen, I desire to direct the attention of the honourable leader of the House to an incomplete return. On the 6th day of February I moved for a return showing:

The total number of persons, including Deputy Heads, employed on the 31st December, 1922, in the Civil Service and in all other positions in the public service of Canada to which the provisions of the Civil Service Act, 1918, and its amendments apply as to the holidays to be observed.

The return that has been sent to me is very incomplete. Not one of the questions is answered fully. The amounts are carried out in detail and have never been added up. The questions might have been answered on one sheet of paper. I find that two or three of the Departments have made no returns at all. Even from the Department of the Secretary of State I find a most incomplete return regarding the amount of salaries; and the answer to question 5, asking for the cost per day of the Civil Service, gives the total as $4.19. I want to say to the House that if this is a sample of the efficiency of the Civil Service as it stands now, it is no wonder there is a hue and cry in Canada against the Civil Service. This return I consider on outrage—an insult to this House, and I ask the Government to see that a proper and full return is brought down in response to the order of this House.

Hon. Mr. DANDURAND: Is this indicated as a partial return?

Hon. Mr. BRADBURY: It is indicated as a partial return. But the return itself is not clear. I cannot understand it. It would take me hours to go through it, and I would have to do as much figuring as the clerks in the Department did, in order to arrive at a conclusion.

Hon. Mr. DANDURAND: It is a matter that calls for an answer?

Hon. Mr. BRADBURY: Yes.

Hon. Mr. DANDURAND: I will bring it to the attention of the official who has special charge of returns covering more than one Department. He is in the Department of the Secretary of State. He has informed me that when a question is a simple one, affecting but one Department, it does not fall under his supervision; but when it is a question concerning more than one Department, it is his special function and duty to try to obtain the information from various sources. So this would be a matter for him, and I will ask him to look particularly into it.

Hon. Mr. BRADBURY: The return is certainly no credit to the official who is responsible for it.

DIVORCE BILL

THIRD READING

Bill W, an Act for the relief of Harriet Ethelwyn Kingsley.—Hon. Mr. Bennett.

CANADA TEMPERANCE BILL

SECOND READING PROPOSED—BILL REJECTED

Hon. J. P. B. CASGRAIN moved the second reading of Bill A, an Act to amend Part IV of the Canada Temperance Act by providing for the abolition of licenses to manufacture intoxicating liquor in provinces wherein the sale thereof is prohibited.

He said: Honourable gentlemen, I beg to move the second reading of this Bill, seconded by the Right Hon. Sir George E. Foster. With the kind permission of the House I may explain my position in this matter. It is perhaps within the rememberance of some honourable members of the Senate that last year, while we were making amendments to the Canada Temperance Act, I proposed an amendment somewhat on these lines, having practically the same effect as this Bill would have. On that occasion there was no record made of the vote, the result only being recorded. Since then I have been receiving very many requests to bring in a Bill to give effect to the proposed amendment of last year.

On the second reading of a Bill, I take it, nothing but the principle is to be discussed. I have given notice of certain amendments, which have been before the Senate for many days. The purpose of the Bill is simply to give to each province the right to decide for itself whether or not intoxicating liquors shall be manufactured within the province. It is very evident that if we decide this question in the affirmative we must provide certain machinery or procedure by which the province desiring to act in this matter may approach the Federal government.

Now, I do not intend to draw a picture of the abuses that have been taking place of late. Let us forget all abuses—all the bootlegging that is going on. Even murder has been committed near Windsor, if not in the city of Windsor itself, when a man was shot at his own door.

Hon. Mr. McMEANS: Is the honourable gentleman speaking of Quebec or Ontario?

Hon. Mr. CASGRAIN: Speaking of Canada. I am also informed, and by the very highest authorities, that in the provinces where prohibition exists there is a leakage from the distilleries to the boundary—that, under the pretext of exporting it, liquor is shipped to a place just outside of Canada and finds its way back to Canada. Only to-day I was informed that a large quantity of Canadian whiskey which had been sent to Buffalo came back to Canada.

Let us forget these abuses and remember only all the legislation that we have had for many years on temperance. We have had the Scott Act, local option, the Doherty Acts, the Canada Temperance Act. And how illusory they have all proven to be, one after the other—and why? Because the liquor interests, having immense wealth at their disposal, can always retain the very best lawyers to argue their cases. They have also a great organization, extending from the distiller to the wholesaler, the licensed vendors, and even the corner groceries. See what has taken place lately in Montreal. The whole city, by 13 out of 15 seats, reversed its previous voting—made a perfect revolution; and the other 2 seats would have gone the same way but that one was a Jewish seat where the voters were all for Mr. Bercovitch, and the other was St. Anne's, where our good friends the Irish preferred an Irishman, Alderman Hushion, to the other candidate.

The power of legislation is very great, and I will be quite frank with the members of this honourable House, that a good measure like this is almost too good to be realized; but I would invite honourable gentlemen to read in the Globe of two Saturdays ago the first editorial entitled "Closing the Side Door." It will not take very long to read it, and honourable gentlemen will see that it agrees almost entirely with the principle of this Bill. They will see in that article that Ontario, having succeeded in closing and barring the front door of the saloon and making it absolutely proof, now wants to close the side door.

Now, the question is one of autonomy—whether we in this Parliament should grant a full measure of autonomy to the provinces. When Confederation was formed there were a great many people who would have preferred a federation like the United States Commonwealth, where the States reserved to themselves all powers, delegating to the central government only such powers as were necessary for the exercise of the duties devolving on the central government, and the right to raise by way of taxation enough money to provide ways and means for carrying on the government.

The various states in Australia prepared a Bill themselves, and presented it for sanction and approval to the Imperial Government, and when the Imperial authorities remonstrated that certain features of the Bill did not meet with their approval the gentleman representing Australia simply said: "This is the

Bill we want, and this Bill has to be passed as we have prepared it, or we will have no Bill at all." On that occasion the Hon. Edward Blake, who was then a member of the Imperial Parliament, referring to the Bill of the Commonwealth of Australia, said: "This creature was not conceived in the womb of the mother of Parliaments." Our Bill, the British North America Act, was conceived in the womb of the Imperial Parliament, and there every power was given to the Federal Government, and certain powers were delegated to the provinces.

This is simply to show that we have here all the sources of power, and that we could well afford to give a full measure of autonomy to a province if it desired it; and all that this Bill proposes to do is simply to say to the province, "If you want so and so, ask for it." That is all there is in the Bill. There is no revolution involved in it. Nothing may come of this Bill if the provinces do not desire it; but if the provinces do desire it, why should they be denied the right of saying what shall take place especially if it is to preserve law and order?

Look at what took place in the United States when prohibition was brought in. After the Bill had been passed at Washington, still known as the 18th Amendment to the Constitution, that Bill had to be not only referred but carried by a two-thirds majority of the States, and more than two-thirds voted for the Bill, showing that those States had full autonomy, even two to one, before the amendment could be brought in.

I am informed by those who perhaps know more about temperance than myself that this Bill should appeal to every friend of temperance. On the other hand, I see here some friends of provincial autonomy to whom it should appeal on that ground.

To give an instance of the abuses that are taking place, I may say that a boat was loaded ostensibly for Mexico, but instead of heading towards the Gulf it headed towards the Great Lakes, and if it had not been shipwrecked it would never have been known that that liquor was to be distributed throughout Canada. I may say that there is no waterway to Mexico except through the Gulf of St. Lawrence. I was also informed that a man came to Montreal the other day and asked a large business man of Cleveland, who has an office in Montreal, if he would pay $35,000 for a carload of whiskey to be delivered in Cleveland. He was to be allowed 12 hours to ascertain that it was not water that was in the bottles, and after he had made his examination, and had had possession of the intoxicants for 12 hours, he could then pay if he was satisfied. I may add that my friend said he had plenty of business in Cleveland, but not in the liquor line, so he had no interest in the proposition.

Since the United States of America has decided to have prohibition, I would ask if it is a friendly act on the part of this country to send liquor that is manufactured in Canada into that country? Such liquor must be sent somewhere, and I do not think many members of this House would deny that at least a certain quantity of Canadian liquor finds its way to the neighbouring Republic. Is that a friendly act? Might it not cause a lot of trouble if it is not stopped? I was reminded a moment ago by a very great friend of labour in this House that 3,000 or 4,000 people were making a living out of the manufacture of whiskey, and that this Bill might endanger the livelihood of those people. Well, it may, but they might perhaps find some other occupation; for instance, they might go farming.

I said that I had amendments to this Bill. Those amendments have been seen by the Attorney General of the province of Ontario, and I am glad to declare here that he agreed with them. The honourable member for De Salaberry (Hon. Mr. Béique) last Session said that the provinces had the right to prohibit, but at that time he said also that he had not had time to look into the matter carefully. The Privy Council would not decide whether or not the provinces had the right to prohibit. It is said the question was not exactly put to them. But many legal gentlemen to whom I have spoken—one was the ex-Minister of Justice, Judge Doherty, who prepared several Temperance Acts—have considerable doubts whether the provinces would not have the right to prohibit, if it was necessary to so legislate in order to maintain law and order, the manufacturing of intoxicating liquors. Legally they may have the power. The question was left open, but Mr. Doherty has strong doubts whether they would not have that right. But when it comes to export, or what is supposed to be export, then Ottawa alone has the control. I may say also that Mr. Francis H. Gisborne, K.C., for many years Parliamentary Counsel in another place, has seen this Bill and finds that it is exactly within the law.

Honourable gentlemen, I have very much pleasure in moving the second reading of this Bill, seconded by the Right Hon. Sir George Foster.

Hon. Mr. McMEANS: I would like to ask the mover whether this Bill has been introduced at his own instance, or whether it has

been introduced at the suggestion of the province of Quebec or the province of Ontario or any other province.

Hon. Mr. CASGRAIN: I am sorry that the honourable gentleman did not listen to the first part of my speech, because the very first thing that I said just now was that last year I brought in an amendment which was on all fours with this Bill, and that amendment, although it was not adopted, was printed in our reports. Many people have asked me to bring in this Bill—friends of temperance, I may say, though I do not want to mention any names; but here is the Social Service Council of Canada, and I think all the most noted divines belonging to the faith of my honourable friend are on this paper. I have had many letters asking me to go on with this Bill, and I have done my duty.

Hon. Mr. McMEANS: I ask the honourable gentleman if he will answer my question: was the Bill introduced by him at the request of the province of Quebec or any other province of the Dominion?

Hon. Mr. CASGRAIN: Certainly not the province of Quebec.

Hon. Mr. McMEANS: Or the province of Ontario, the province of Manitoba, or any other province? The honourable gentleman has evaded my question.

Hon. Mr. CASGRAIN: I will reply once more, if it amuses the honourable gentleman —it may not amuse the other members— that last year it was on my own initiative that I proposed that amendment. Is that all you want?

Hon. Mr. McMEANS: That is all.

Hon. Mr. CASGRAIN: Then I do not need to say any more.

Hon. Mr. LYNCH-STAUNTON: Honourable gentlemen, I was very much moved by the heart-rending speech of the honourable gentleman. I think he is moving in the right direction, but I do not think he is moving quite far enough. I therefore beg leave to move:

That paragraph 157A and paragraph 2 of the Bill be struck out and the following be substituted therefor: "It shall be unlawful to manufacture within Canada any intoxicating liquor other than such as is to be used for sacramental or medicinal purposes."

Hon. Mr. McMEANS: May I ask the honourable gentleman, does that mean that the manufacture of liquors for export is prohibited?

Hon. Mr. LYNCH-STAUNTON: No manufacture of liquor. I think no person can vote against my amendment after listening to the honourable gentleman's speech.

Hon. Mr. McMEANS: I ask for information.

Hon. Mr. DANDURAND: Perhaps the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) may have occasion in Committee to explain his amendment, but surely he will not move it as an amendment to the second reading?

Hon. Mr. LYNCH-STAUNTON: Does the honourable leader suggest that my motion is out of order? If it is, the honourable the Speaker may declare that it is out of order.

The Hon. the SPEAKER: The motion the honourable gentleman has made, I take it, is a notice of motion for the committee stage of the Bill. We are now on the second reading of the Bill.

Hon. Mr. LYNCH-STAUNTON: Then I will move another amendment which I think will be in order. I move, seconded by Mr. Pope:

That the Bill be not now read a second time, but that it be read a second time this day six months hence.

Right Hon. Sir GEORGE E. FOSTER: If the question is now to be put on that motion, I propose to say a few words before it is put.

In the first place, I think it would have been kinder and more in accordance with the doings in Parliament assembled if on a question as important as this my honourable friend had allowed the second reading, and the Bill to go to Committee, and introduced his amendment then.

Hon. Mr. LYNCH-STAUNTON: To give it the six months hoist?

Right Hon. Sir GEORGE E. FOSTER: That, however, is a matter for the consideration of my honourable friend, and he is at perfect liberty to take whatever course he chooses. I am seconding the motion made by the honourable member who introduced this Bill. I would also vote for the first amendment proposed by my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton), and I think it would be opening up the lists to a really good expression of opinion on a fair field of fight if we were to take all these matters into Committee of the Whole and debate them there and give all an opportunity.

The Bill which has been introduced by my honourable friend is one which, I understand, has the support of the Social Service Council and the Social Service organization. That

means that it has the support, through these as its representatives, of the temperance feeling and sentiment in the prohibition provinces of this Dominion, and that embraces all with the exception of two—Quebec and British Columbia. It has also the sentiment and approval of the people in those two provinces who are not favourable to the particular form of temperance legislation which at present exists in British Columbia and in the province of Quebec, and that is by no means a small proportion of the inhabitants of those two provinces. One cannot tell how many, because it has not been expressed in actual voting numbers; but, arguing from what one knows and what one hears and from experience, there is a strong body of sentiment in both those provinces which is not in accord with the legislation that at present exists in them.

The province of Ontario particularly is interested in this measure, and a petition and representation has been made to the Government of Canada for legislation in the other Chamber to bring about certain amendments to the present law, all of which are designed as a result of experience of enforcing the law in Ontario, for the better enforcement of the will of the people in Ontario and other prohibition provinces. The will of the people in Ontario, to take that province alone, may not be in accordance with the sentiment or the opinion of some honourable gentlemen in the legislative branches of the Federal Parliament, but it is still the will of the province of Ontario, expressed under constitutional methods by the largest and most popular majorities that have ever been obtained in the course of legislation.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman permit me to ask him when the people of Ontario passed on this question?

Right Hon. Sir GEORGE E. FOSTER: I have not said that the people of Ontario passed on this particular question. I am speaking generally with reference to the temperance and prohibition sentiment of the people in Ontario as expressed in legislation.

Hon. Mr. LYNCH-STAUNTON: There should be a plebiscite on this.

Right Hon. Sir GEORGE E. FOSTER: Referenda after referenda have been had in the province of Ontario, and those referendums have been progressively sustained by increasing majorities as each has been held. There is always difficulty in the enforcement of new laws. There is difficulty in the enforcement of old laws. It is not a thing peculiar to prohibition laws, as we understand them, that there are violations of those laws, failures of those laws, and multiplied instances in which the law is not absolutely enforced, but in which it is specifically broken. As long as humanity is humanity, that will be the experience of all laws. We have laws against the taking of a man's life by a brother man, a law as old as legislation in our country, and yet we find that that law is repeatedly broken and that murders do take place. That is an instance of an extreme case, but all through the history of legislation and the enforcement of laws which put upon the Statute Book the sentiments of the majority of the people as it grows from time to time we find the same things repeated —that there will be breakages of and failures in the law to reduce to an absolute minimum the vice or the crime against which it is directed. But none of us give up our faith or withdraw our support from such laws, because of individual instances.

The same thing takes place in other countries outside our own in reference to prohibition laws. It is history that after legislation first comes upon the Statute Book through the constitutional methods that are employed in registering the will of the majority working against old customs, old habits, old prejudices. it gradually becomes better and better enforced, until there is an average enforcement, or a better than average enforcement, and in such cases the law is held to be a success. Under democratic government there is no other way by which we can carry on our legislation and our improvement and betterment as we seek for it than through the medium of concentrating the majority will of the people into the Statute Book, and putting behind the force of law the executive and administrative powers of justice.

The temperance people of the province of Ontario—I speak particularly for that province—ask for this legislation, for two reasons: in the first place, that they may be better able to enforce the law. The law in the province of Ontario prohibits the sale of intoxicating liquors for beverage purposes, and the executive and administrative machinery of the law in the province is put to the enforcement of that article upon its Statute Book. It is found that there are two influences at work. Along the border between the province of Ontario and the United States—in which country intoxicating liquors are neither allowed to be manufactured nor sold, but which, as far as legislation is concerned, is on the bone-dry principle—there is a certain amount of infringement of the Ontario

law through operations conducted upon the other side of the line. Vice versa, through operations conducted from the Ontario side of the line, the enforcement of the prohibitory amendment of the United States is rendered more difficult of enforcement to the authorities of the United States. These two authorities at the present time are striving in co-operation one with the other to assist in the enforcement of the prohibition laws in both countries. Wherever you have a place in which the manufacture and export of intoxicating liquors is authorized by law, there you have an opportunity offered for the breaking of the law. It is legal to manufacture it; it is legal to sell it for export purposes; and under that form of legality it becomes possible, and in multiplied instances the liquor manufactured to be sold for export, and during the passage to the ultimate consignee goes wrong and adds to the difficulty of enforcing the law within the territory through which it passes. That is a common occurrence. That has been the experience in the western provinces, which are under prohibitory enactment. Export warehouses were an institution in the provinces in the middle west, and export warehouses, having the legal authority to establish places of business in which to keep liquors and sell them for export, became centres of activity for bootlegging and all kinds of breakage of and opposition to the law. Well, those establishments have now come to the end of their tether. I think there is no doubt at all that all through those provinces the sentiment has been absolutely in favour of their withdrawal and consequently of a better and easier enforcement of the law.

The temperance people of Ontario, who are backing the enforcement of the law, ask that this legislation may be passed in order that if the Government of Ontario comes to the conclusion that it is better to have no manufacture of intoxicating liquors in that province, machinery may be provided by which they may forward that opinion to the Dominion Government, so that thereafter the manufacture may be stopped, and the manufactories closed up. That is all that is asked, and on these two grounds: first, because of a comity of feeling and of action between the province of Ontario and the United States in the better enforcement of the law in both countries, and secondly, to prevent the province of Ontario becoming a possible centre for the easy breaking of and easy opposition to the law.

So far as I am concerned, I would be quite willing to vote that this should apply to every province in the Dominion, and that it should apply to the manufacture of intoxicating liquors for beverage purposes in toto These were my principles during boyhood; they are my principles yet. I have lived for a sufficient number of years to see the dreams of youth and boyhood much more fully wrought into habit and custom and sentiment of the people than I had ever expected to see in this world. Some people say that it is a Utopia, an impossible dream, to think that intoxicating liquors can ever be banished from use in individual countries or from the world as a whole. Very well, I would agree that if you are looking forward to a condition where they never would be used, and where the laws against them would never be broken. that may be true; but I have as firm a belief as a man can have in anything that the progress of the world, in its social sentiment, its business sentiment, its utilitarian sentiment and humanitarian sentiment, is marching right ahead to as effectual a carrying out of enactments against the sale and use of intoxicating liquors as has been attained in any law which is upon the Statute Book to-day.

Some people look for a sudden reversion or change in the United States of America. My opinion is that no man lives to-day in Canada so young that even though he lives to a great age, he will ever see the 18th Amendment of the United States of America blotted from their Statute Book. My own opinion is that in the Dominion of Canada, taking it as a whole, so far as we have gone, the average advantage that has been gained, the average progress that has been made in sobriety and in everything that comes from it, because of the prohibitory enactments of the last ten years, are in evidence and patent to every reasonable man. It only requires time, education, and settling down by custom and habit into the re-enforcement of newly enacted laws, as well as educative and legislative work, to bring about the period when we shall have the maximum of sobriety and the minimum of intemperance. No man lives, who has the good of his kind at heart, who does not hail with joy and with hope and satisfaction the prospect of that time.

We may think that in some cases these laws are strong and severe, and that they hamper individual rights. I grant that. They hamper individual right. But society would never have begun to organize and improve itself if it had not been upon the principle that progress must be by the restraint of individual right, and the coalescing of the general effort for the good of the whole. It is impossible for a man

in civilized society to stand for naked, natural, individual rights and privileges, and yet to be a member of society. We must give over certain things to gain the general advantage which is best for the whole.

Now, I have kept honourable members much longer than I should have in making these rambling remarks, but I have been led to do so because I thought perhaps my honourable friend (Hon. Mr. Lynch-Staunton) would let the Bill go to Committee, before shutting off the discussion.

Some Hon. SENATORS: Question.

Hon. Mr. DANDURAND: Honourable gentlemen, we have heard a very clear statement of the views of those who feel that it is possible to make people virtuous in this world by legal enactments. That conception, I believe, is peculiar to the United States. It is there that blue laws flourish; it is there that the legislator thinks that an enactment can be found to cure every evil and every sin which contaminates humanity. My right honourable friend (Right Hon. Sir George E. Foster) has expressed the opinion that our children will not live long enough to see the Volstead Act repealed. Possibly not, but I think the honourable gentleman has heard, as I have, that there will be a tempering of that Act by a declaration of what is an alcoholic beverage and what is not. For my part I have always stood and still stand in favour of the liberty of the individual. I think this is the feeling which pervades the whole of Europe. I have seen no sign in any state or nation in Europe of an evolution towards prohibition.

Right Hon. Sir GEORGE E. FOSTER: I am afraid my honourable friend's reading has not been very extensive.

Hon. Mr. DANDURAND: I may say that I have travelled fairly extensively through Europe, and I have found no sign of any prohibitive feelings. I believe that respect for human liberty will prevail longer than the Volstead Act in the United States.

Hon. Mr. MURPHY: Vodka was stopped in Russia.

Hon. Mr. DANDURAND: I am ready to recognize that some limitation should be placed on the use of alcohol, but I doubt that our great grandchildren will ever see any state in Europe prohibit the use of wine or beer.

Now, coming to the bill of my honourable friend, I regret that it has been introduced by an honourable member from the province of Quebec. I regret it because the province of Quebec has taken a certain stand.

Hon. Mr. BRADBURY: It does not look sincere.

Hon. Mr. DANDURAND: It has taken a certain stand, and the vast majority is, I think, perfectly satisfied with the limitations with which the disposal of alcohol has been surrounded. Outside of Quebec, in what provinces are there distilleries and breweries? Are there many outside of Ontario? Whether there are some in the Maritime provinces or on the Pacific Coast I cannot say. But what bulks largely in our minds just now is the fact that there are distilleries and breweries in Ontario.

Hon. Mr. McMEANS: There are in all the provinces.

Hon. Mr. MURPHY: In the Maritime provinces too.

Hon. Mr. DANDURAND: Well, I do not know to what extent. However, I would have preferred to see this Bill submitted by a representative of a province that would be affected by the proposed legislation. Speaking for myself alone, I would have preferred that the legislature of a province, or its executive, should have petitioned the Canadian Parliament, or the Federal Government, for such legislation. I do not believe that such a petition has been laid before the Federal Government. This proposed legislation is not endorsed by even the provincial cabinet or the legislature of Ontario.

There is another very large question which would have to be solved in my mind before I would ally myself with this proposition. There is the question of trade as governed by our federal laws. But I will not enter that field just now. I am not favourable to the idea of jumping forward and enacting the proposed legislation at this moment, when no province has officially asked for it.

Hon. J. G. TURRIFF: Honourable gentlemen, I intend to take up the attention of the House for only a very few minutes. I was surprised last year and I am surprised this year, at the action taken by my honourable friend from De Lanaudière (Hon. Mr. Casgrain). Whether he has taken this action for the purpose of furthering prohibition in Canada, or whether he has done so in order to put all the manufacturing of liquor into the province of Quebec and the province of British Columbia, I do not know. But I think he was fully as honest in bringing forward the Bill as was my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) in proposing that it should apply to all manufacture of liquor. I do not be-

lieve either of them was in earnest in his proposition. But I do feel this, honourable gentlemen—

Hon. Mr. CASGRAIN: Honourable gentlemen, I rise to a point of order. You must not impute motives. There is a very stringent rule in this respect, and I call upon the Chair to ask the honourable gentleman not to impute motives.

Hon. Mr. LYNCH-STAUNTON: I rise to a point of order. I protest with the same sincerity as my honourable friend.

Hon. Mr. TURRIFF: Honourable gentlemen,—

Hon. Mr. CASGRAIN: Take it back.

Hon. Mr. TURRIFF: If I have been unjust to my honourable friend, the great temperance advocate from Quebec, I have no hesitation in taking it back; and my withdrawal applies also to my honourable friend from Hamilton. But in all seriousness, honourable gentlemen, I think that to give this Bill the six months' hoist is not a fair way to deal with the proposition that my honourable friend has brought forward. Never mind with what intentions it has been brought forward, it appeals to the great majority of the people in seven of the provinces of the Dominion, and, as my right honourable friend across the way has said, there are a large number of people in the other two provinces in favour of it as well. I agree with every word that the right honourable gentleman from Ottawa (Hon. Sir George E. Foster) has stated. I may add that in the province from which I come it commands the support of the great majority of the people, and I think it should be fairly dealt with. I do not think that this House would be doing a just or proper thing, or treating the people of the country properly, if it did not allow this Bill to go to the second reading and be referred to committee of the whole House. Then whatever opinion the majority of this House holds will be carried into effect.

Some Hon. SENATORS: Question.

Hon. G. D. ROBERTSON: Honourable gentlemen, I promise to be brief; but apropos of the remarks of the honourable member from Assiniboia (Hon. Mr. Turriff), it would seem to me to be proper to remember this fact, that it is usual for legislation passed by Canadian Parliaments to have been at least discussed in the country in order that the wishes of the people might be fairly understood and an effort made to interpret them by legislation. There is an absolute absence of any indication on the part of the people of Canada, in any of the provinces that I know of, that it is their desire to have enacted a law of this kind; and until such time as the people of the province to be affected give some indication of such a desire, it seems to me improper indeed for the Senate of Canada to initiate legislation of this kind. If it were introduced in the House of Commons, it would be a different matter. Reverting to the time of King John, one is inclined to wonder whether or not it becomes the prerogative and duty of this House to hand legislation out to the country and say, "This is what you must take."

With reference to the right of this Parliament, let me cite what might be termed an analogous case. Suppose, for example, the provinces attempted to intrude upon the jurisdiction of the Federal Parliament. The second clause of section 91 of the British North America Act provides that "the regulation of trade and commerce" shall fall exclusively within the jurisdiction of the Federal Parliament. Likewise, under the second clause of section 92 it is defined that there shall be exclusively within the jurisdiction of the provincial legislature "direct taxation within the province in order to the raising of a revenue for provincial purposes." Suppose the province of Ontario or the province of Quebec were to introduce a Bill proposing, in anticipation, that whenever the Federal Government desired to take away their right of taxation they would concur in such legislation. It would appear ridiculous, of course; and it does seem to me that we should be in an equally ridiculous position to pass legislation of this sort before such time as the people concerned, or at least the provincial government concerned, indicated a desire for the enactment of such legislation.

Now, just a word, honourable gentlemen, with reference to temperance legislation itself. I think it is true to say that I have supported temperance legislation in every referendum that has been brought forward in Canada, wherever I have happened to be located when it was under consideration. But I do say this, in all seriousness, that it is possible to make progress too rapidly in this respect. People cannot be made good by the enactment of laws. People do resent infringements upon their personal liberty. I have witnessed the experience of the working out of prohibition legislation in the state of Maine. I was a resident of that state for nearly seven years, when employed on the Canadian Pacific railway—and I desire to say to you most frankly that I saw more drunkenness in the state of Maine during the period that I lived there than I ever saw

in the province of Ontario under the license system.

Hon. Mr. TURRIFF: Why, then, do the liquor people want to do away with that law under which more liquor is sold than under any temperance law?

Hon. Mr. ROBERTSON: In reply to my honourable friend's question, I would say that most of the liquor that was drunk in that state was not made in any distillery. And, incidentally, that is what would occur if the distilling business were cut off suddenly in this country; you would have moonshine whiskey and poison dispensed to the people instead of something that has passed inspection and been made under sanitary and otherwise proper conditions.

Hon. Mr. MITCHELL: It is illegal to sell what good whiskey is made; so you have to take bootleg or nothing.

Hon. Mr. ROBERTSON: Quite right. As to the United States, reference has been made to the application and the permanency of the Volstead Act. Let me give you a personal experience. I was in one of the large southern states a little over a year ago, attending a convention. I arrived there at five o'clock in the morning. About half-past six in the morning there was a tap on my door, and I was asked if I wanted anything. I said, "What have you?" The answer was, "The best of Scotch whiskey." I said, "What are you asking for it?" I was told, "Five dollars a bottle, but you must take a dozen bottles. We do not sell it in less quantity than a suitcase full." I said: "Thank you, that is more than I could consume; therefore I will not have any." But does not that appeal to one as furnishing food for thought on the question whether prohibition legislation is really prohibiting, when a man, instead of stepping in and buying a drink for 10 cents, must buy a suitcase-full—a dozen bottles at $5.00 a bottle? These and similar points ought to be given most careful consideration before we rush forward and enact legislation that will result in law being held in contempt and disobeyed in a wholesale way. There is, to my mind, nothing that brings respect for either religion or law, in any country, into contempt so quickly as to see it disobeyed every day by those to whom we look for example. We see it every day in the province of Ontario. It is a byword, and we know that liquor is being manufactured, sold and used clandestinely and unlawfully. Honourable gentlemen, I would be glad if it were impossible to manufacture intoxicating liquor—if the law of fermentation could be abolished, well and good; but I think we should be well advised to proceed cautiously and slowly, and to watch carefully the developments that arise from the legislation that has already been passed, and to pass further legislation only when it appears to be the will and wish of the people who are to be affected by it. I therefore desire to support the amendment as submitted by the honourable gentleman from Hamilton.

Hon. L. McMEANS: Honourable gentlemen, I rise, not to discuss the merits of this Bill, but simply to point out to the honourable gentlemen from Assiniboia (Hon. Mr. Turiff): that he is in error in his statement that the province of Saskatchewan, which he represents, is overwhelmingly in favour of this Bill. In answer to that statement, I would point out to him that in the province of Manitoba, where we have had some experience in prohibition, the local Government are to-day submitting to the people a new Bill to provide for Government control, and a vote is to take place in June.

Hon. Mr. WATSON: The honourable gentleman might mention that that is being done on petition of the people.

Hon. Mr. McMEANS: Yes, on petition of the people. I think that the previous vote in the province of Manitoba represented less than one-tenth of the total inhabitants of the province, and the petition that is to-day being presented to the Legislature is from over 70,000 people. The vote, as I have stated, is to take place next June. So, when the honourable gentleman says that the province of Saskatchewan is overwhelmingly in favour of a Bill of the nature of that which has been introduced by the honourable gentleman from De Lanaudiére (Hon. Mr. Casgrain), I think that probably he is mistaken or has overstated the case. I am not saying anything either for or against the Bill, but I will say this—that if you go into the province of Saskatchewan, or into the city of Edmonton, or into any of our large cities, you will find that liquor is sold openly. There is no question about it. You can go into the city of Winnipeg and buy beer over the bar of any hotel in the place. They charge you a high price for it. They say to you: "Of course, you have to pay the price, because we are fined about once or twice every three weeks." Until the time comes that the people of Manitoba have stated that they are absolutely in favour of the prohibition that they have at the present time—until I know what the people say, I cannot vote for this Bill.

The Senate divided on the amendment of Hon. Mr. Lynch-Staunton, and the same was agreed to on the following division:

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VANCOUVER HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 16, an Act to provide for further advances to the Vancouver Harbour Commissioners.

He said: Honourable gentlemen, this Bill has for its object the authorization of a loan of $5,000,000 to the Corporation of the Vancouver Harbour Commissioners. We are all aware of the considerable progress that has taken place in the movement of grain and other commodities from the port of Vancouver. This movement is of recent date. In 1921 only 1,000,000 bushels of wheat moved from that port, but last season the amount jumped to between 12,000,000 and 14,000,000 bushels, and I am informed that on the 1st of January there were contracts for 5,000,000 bushels to be moved from that port during the following months.

Undoubtedly the opening of the Panama Canal has had considerable to do with that development. During the year before that canal was opened, only 132 ships entered the port of Vancouver. The record for the years from 1914 to 1920 does not afford a fair showing of the possibilities of the port because of the shortage of steamers, the heavy freight rates, and the blockade in the Panama Canal, which stopped traffic along that canal for nearly two years. In 1920 ocean rates became a little more normal, 333 ships entering Vaucouver harbour in that year. In 1921 there were 496 ships, of which 103 passed through the Panama Canal. For the nine months of 1922, 509 ships came to dock at Vancouver. In 1921 the imports from Europe through Vancouver. were 20,416 tons; in 1922 they were 149,553 tons; while the exports from Vancouver to Europe in 1921 were 154,513 tons, and last year they were 470,272 tons. There was last year such a large movement of grain through the port of Vancouver that orders were given to stop the shipping westward of grain from Calgary in order to relieve the blockade. If there had been adequate facilities at Vancouver during last autumn and this winter there would undoubtedly have been a much larger movement of wheat and other freight from Alberta through that port.

All these developments, I believe, justify the Government in opening a credit for that port, as it has done for eastern ports, by advancing to the Harbour Commissioners the necessary amount to organize their port for the trade that is offering.

Hon. Mr. ROCHE: Will the honourable leader of the House kindly indicate for what facilities the money is to be advanced? What are the objects?

Hon. Mr. DANDURAND: There had already been opened in 1919 to the Vancouver Harbour Commission a credit of $5,000,000, which was utilized as follows: $300,000 was paid to redeem bonds that had previously been issued; property was acquired for a site for the Ballantyne pier, which is now being erected, to the amount of $672,900; and the following expenditures were made:

Repairing foundations and dredging, berthing and turning basin for the main pier..	$ 512,095
Work to December 31, 1922, on construction of pier and sheds..	2,814,871
Engineering and contingencies..	121,583
Development of other harbour property and acquisition of plant and tools for harbour work..	35,319
Interest during construction charged to capital account..	68,032

This makes a total of $4,524,800, leaving a balance upon that credit opened in 1919 of $475,200, which is available for present development.

The Ballantyne pier is not altogether completed, and, besides absorbing this $475,200, it will require to complete it the sum of $1,760,765, which will be advanced upon the present Bill if it passes Parliament.

It is proposed to add to the present elevator, which has a capacity of 1,250,000 bushels, an extension which will accommodate 500,000 bushels, bringing the capacity to 1,750,000 bushels. That would cost some $400,000, but the plans are not closed nor accepted, because they are subject to the study of experts who will pass upon them, and to their adoption by the Department of Marine.

Then, another elevator may be built at a place on the Ballantyne Pier, suggested by the Vancouver Commissioners having a capacity of 2,000,000 bushels, and costing $2,000,000.

Hon. Mr. WILLOUGHBY: Is the construction of that additional elevator contemplated in the estimate you are bringing before the House in connection with the Bill?

Hon. Mr. DANDURAND: Yes, it is contemplated, but the plans are not yet prepared, and the Harbour Board will have to pass upon those plans, which will then have to be reviewed by the Department of Marine and sanctioned by an Order in Council.

Hon. Sir JAMES LOUGHEED: My honourable friend apparently has a large reserve of information which he is giving out as questions are propounded to him. May I, before the second reading is submitted to the House, ask for certain information? I presume in the first place that this is a loan?

Hon. Mr. DANDURAND: It is.

Hon. Sir JAMES LOUGHEED: And that the Government has some expectation of the interest, at least, being paid?

Hon. Mr. DANDURAND: It has.

Hon. Sir JAMES LOUGHEED: We have been extremely unfortunate, it seems to me, in these harbour loans throughout the whole of Canada, with the exception of those which the Government of Canada has made from time to time to the Harbour Commissioners of Montreal. Now, it seems to me that my honourable friend's information is defective in respect to the revenue. What revenues are expected by the Harbour Commissioners of Vancouver to meet the obligations which they are now contracting? It is comparatively easy for the Government of Canada to make a loan of $5,000,000 and hand the money over to a Board of Harbour Commissioners and tell them to spend it; but the chief consideration is, what sources of revenue will the Harbour Commissioners have, from a proper expenditure of this money, for the purpose of meeting the obligation to the Dominion Government? That will largely depend, of course, upon the personnel of the Commission itself. Unfortunately too much political sympathy enters into the appointment of Harbour Commissioners, entirely irrespective of the question of their ability to make the undertaking pay. I would assume that the administration of a Harbour Commission is quite as important as that of any of the great commercial institutions which are controlled by boards of directors or managers, and that the personnel of the Commission itself should be men of the highest business attainments. Can my honourable friend say who are the Harbour Commissioners for the port of Vancouver?

I understand that a gentleman has been placed on the Commission who was in a small business in the interior of British Columbia, and who possessed the necessary sympathies with one member of the present Government, so as to make way for him by resigning his seat, and as a compensation therefore was made a member of that Board. I should like to know who are the other gentlemen composing that Board. Are they men of business ability and capacity, with the knowledge necessary to properly expend $5,000,000, and with the experience required to administer a great port such as that of Vancouver must necessarily be? Or are we simply handing over this money to three or four or half-a-dozen favourites of this Government, or of any other Government, entirely irrespective of their business capacity to assume all the responsibilities and obligations of so great an undertaking—not only the spending of this $5,000,000 but the administration of loans which will be made from time to time, and the managing of the port as well? My honourable friend should give that information to the House, namely, who are the Board, and what are the sources of revenue on which we may depend?

Hon. Mr. DANDURAND: I may state to my honourable friend that I have not the slightest idea of the names or the standing of the members of that Board. If my honourable friend does not object to the principle of the Bill we might take the second reading, and I think it will be easy for me to procure the names of the Commissioners before we go into Committee. There are possibly some gentlemen from British Columbia sitting in this Chamber who could furnish my honour-

able friend with all these names. Perhaps he himself has the names unofficially, and is simply seeking to get them on Hansard in order to discuss them. I cannot give my honourable friend the information at present.

In answer to the question of the honourable gentleman from Halifax (Hon. Mr. Roche): "What are the intentions of the Harbour Commission of Vancouver as to the expenditure of the $5,000,000?" I have spoken of increasing the capacity of the present elevator and the building of another elevator of 2,000,000 bushels capacity. There are also the following expenditures:

Log booming ground	$171,000
Marine ferry terminal	155,375
Ballantyne stage yards	76,000
Railway equipment	81,000
Strips of land adjacent present Government elevator	50,000
Lumber assembling wharf	190,000
Grenville Island Harbour	27,000
Overhead approach to Ballantyne pier	65,000
Contingencies	23,860

As to the sources of revenue, of course the port dues take care of the interest.

Hon. Mr. REID: Do the items which the honourable gentlemen has just read amount to $5,000,000?

Hon. Mr. DANDURAND: If my honourable friend will allow me, I will make the addition and tell him. The addition which I have made of these figures—they are in small type, and I confess I may have made an error—amounts to $3,239,235.

Hon. Mr. REID: I would like the honourable gentleman to bring down a detailed statement of the whole expenditure of $5,000,000 when this Bill is considered in Committee.

Hon. Mr. DANDURAND: The honourable gentleman knows that these amounts are granted individually.

Hon. Mr. REID: I am not asking the question with a view to opposing the passage of the Bill.

Hon. Mr. DANDURAND: I will procure all the information the Department has as to the intended expenditure. I may say that the receipts for last year were extremely satisfactory, amounting to $423,307.98, while the expenditures totalled $131,240.75.

Hon. Sir JAMES LOUGHEED: Have they paid the interest on the debentures already issued?

Hon. Mr. DANDURAND: No, because the Board is authorized to capitilize the interest on the loan. There is a considerable increase in the revenue over that of the preceding year. The increase of receipts over expenditures on operation amounted to $292,067.23. The expenditure on revenue account showed a decrease of $34,123.16; so that, if this port develops as it seems destined to do, I would look for perfect security for the interest on the loans.

Right Hon. Sir GEORGE E. FOSTER: I suppose the Board makes an annual report to the Government.

Hon. Mr. DANDURAND: It is obliged to do so.

Right Hon. Sir GEORGE E. FOSTER: If a report has been issued, as I suppose it has, it would be of benefit to us to have it on the table here. I for one would like to see the individual items that went to make up both the receipts and the expenditures.

Hon. Mr. DANDURAND: I will ask for that from the Department.

Hon. Mr. BARNARD: Can the honourable gentleman inform me what the proposed railway connection expenditure that he has mentioned is for? My information is that the present Government elevator is not connected with the Canadian National railways, but only with the Canadian Pacific railway.

Hon. Mr. DANDURAND: That is so.

Hon. Mr. BARNARD: Is the amount mentioned to be expended upon making a connection with the Canadian National?

Hon. Mr. DANDURAND: I would rather postpone my answer until we go into Committee.

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

NORTHWEST TERRITORIES BILL

CONSIDERED IN COMMITTEE—PROGRESS REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 7, an Act to amend the Northwest Territories Act.

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: My honourable friend asked me why power was not given to the magistrates or courts in the organized provinces to try persons charged with having committed offences in the unorganized territories, instead of authorizing magistrates from the unorganized territories to conduct trials in the provinces. I find that there is a fairly complete answer to be found in section 586 of the Criminal Code, which reads as follows:

All offences committed in any part of Canada not in a province duly constituted as such and not in the

Yukon territory may be inquired of and tried within any district, country or place in any province so constituted or in the Yukon Territory as may be most convenient.

2. Such offences shall be within the jurisdiction of any court having jurisdiction over offences of the like nature committed within the limits of such district, county or place.

3. Such court shall proceed to trial, judgment and execution or other punishment for any such offence in the same manner as if such offence had been committed within the district, county or place where the trial is had.

Hon. Sir JAMES LOUGHEED: The question that I was desirous of submitting to my honourable friend was this. If a stipendiary magistrate were given jurisdiction to try a case within a province, in what way could he make use of the judicial machinery of that province in the trial of the case? Of course, if there is such a provision in the Criminal Code as has been pointed out, apparently the trial is treated as one within the province though the cause of action has arisen outside the province.

Hon. Mr. DANDURAND: Yes.

On section 1—jurisdiction and powers of stipendiaries:

Hon. Mr. REID: Not being a lawyer, I must confess that I hardly understand this clause. Would not this give a stipendiary magistrate of any province power to try a case in any other province? Might not an Ontario magistrate try a case in Manitoba, or vice versa?

I would like to ask with regard to another point. Does this Bill not give a stipendiary magistrate authority to try a case with a jury all of whom might not be British subjects? I understand that this Bill is brought in to allow a magistrate in Alberta or Saskatchewan to try cases arising in the Territories adjoining those provinces; but from reading the clause it is not clear that their powers are limited to that. It seems to me that it really means that a magistrate of one province is given power to try a case in a province in which he does not reside, and also to try it without every one of the jurors being a British subject.

Hon. Mr. DANDURAND: If I had a map of the northern district, I could show my honourable friend the necessity for allowing the Department of Justice discretion to send a magistrate to any part of the Northwest Territories, or even down to the border of the provinces that adjoin the unorganized territories, in order to try some of these cases. At the present moment there are Eskimos on Herschell Island, on the western side of the mouth of the Mackenzie River, awaiting trial for murder. There is there a proper guard house in which to keep these Eskimos, and the nucleus of a population which is sufficient to form a jury; but the Department of Justice is informed that it is doubtful whether a jury of British subjects can be found at certain times of the year. This form of Act has been adopted so that twelve jurors may be gathered together to try these Eskimos.

Hon. Mr. REID: Admitting all that, I hesitate to put such a provision into the law. Even these Eskimos are entitled to British justice. Suppose a stipendiary magistrate should go away off to the north and find one English-speaking person to serve on the jury. All the others might be Russian or Italian or of any other nationality, and unable to read or write or understand English; yet they would be qualified to act as jurors. The result would be that the whole matter would be practically in the hands of the magistrate himself. A British subject, even though he is an Indian or an Eskimo, would not get the same justice that he would get in any other part of Canada. In any other part of Canada, as I understand the law, he would be entitled to be tried by a jury composed of either English or French-speaking citizens. Under this provision all the jurors may be foreigners, and the prisoner would be entirely in the hands of the stipendiary magistrate. I wish to do what I can to assist the Department of Justice in carrying out the law, but at the same time I wish to emphasize the two points that I have just mentioned. If he cannot be given that where he is, then he should be brought to some place where twelve British subjects can be got to try him and give him justice.

Hon. Sir JAMES LOUGHEED: That is, I think, the object of this Bill.

Hon. Mr. REID: No, it is not.

Hon. Mr. LYNCH-STAUNTON: No, it is not.

Hon. Mr. REID: A clause in the Bill says:

Provided that a person shall be qualified to serve as a juror although he is not a British subject.

To me at least it is quite plain that the stipendiary magistrate can take twelve Russians, who do not understand one word of English, to try the accused. So, as I have said, a British subject, be he an Eskimo or of any other race, should be given the same treatment and justice as is given in any other part of Canada. That is one point.

The other point is that it should be made quite plain that if a stipendiary magistrate is to be allowed to try cases of this kind he

may try them only in the Northwest Territories and shall not have jurisdiction in the provinces.

A third point is this. I understand that this Bill is being passed now in order to permit of certain citizens of Canada, British subjects, being tried for murder. Their lives are at stake. I do not know what a stipendiary magistrate can do in the Northwest, but in Ontario at least, as I understand the law and legal gentlemen can correct me if I am wrong —if a citizen is accused of murder, he is tried by a high court judge, who understands the law, and not by a stipendiary magistrate. Is the Eskimo to be treated differently from a citizen in Ontario or any other part of the Dominion? British justice in the Northwest Territories should be exactly the same as it is in Ontario, and I do not feel that for the sake of saving some money, or any such purpose, an Eskimo or any other citizen whose life is at stake should have his rights left unprotected. Instead of making it perhaps easy to convict him, we should place him in the same position as he would be in if he were in any other part of the country.

Hon. Mr. LYNCH-STAUNTON: I would like to ask the honourable leader of the Government what is the qualification. This clause says:

Provided that a person shall be qualified to serve as a juror although he is not a British subject.

Now, what is the qualification for a juror in the Northwest Territories?

Hon. Mr. DANDURAND: It is the opinion of the Department of Justice that the enactment against which my honourable friend protests is already in the Northwest Territories Act. Section 44 of the Northwest Territories Act, Chapter 62 of the Revised Statutes of 1906, gives the judge unlimited jurisdiction in choosing jurors. It provides:

Persons required as jurors for a trial shall be summoned by a stipendiary from among such male persons as he thinks suitable in that behalf; and the jury required on such trial shall be called from among the persons so summoned as such jurors, and shall be sworn by the stipendiary who presides at the trial.

Hon. Mr. REID: Must they not be British subjects, according to that?

Hon. Mr. DANDURAND: Not in the opinion of the Department of Justice. The effect of the proposed legislation is simply to carry the application of the Northwest Territories Act into a neighbouring province and have the Act applied by a stipendiary magistrate appointed for the administration of justice in those territories. I am told that it is a judge of the Superior Court at Edmonton—I am subject to correction when I say "Superior"—who has been appointed, not recently, but some time ago, to exercise jurisdiction as a stipendiary over the whole Northwest Territories—the unorganized territories. This will allow him to do west of the mouth of the Mackenzie river, on Herschell Island, what he has the right to do east of the Mackenzie river, in the unorganized territories.

Hon. Mr. LYNCH-STAUNTON: If it is so plain, then will the honourable leader state why the Bill does not simply extend the jurisdiction, instead of adding all this amendment?

Hon. Mr. DANDURAND: I submit to this Chamber the legislation just as it comes from the other Chamber. The clause seems to be fairly clear. Honourable gentlemen must remember that this is an amendment to the Northwest Territories Act, Revised Statutes of Canada, 1906, to which it is proposed to add, immediately after Section 59 thereof, the following section:

Every stipendiary shall, with respect to any criminal offence committed or charged to have been committed within the Northwest Territories, have and may exercise, not only within the Northwest Territories, but also in any part of Canada not within the Northwest Territories,—

This legislation will enable the Department to shift its magistrate from the Yukon to the Saskatchewan or Manitoba border.

—but also in any part of Canada not within the Northwest Territories, any or all, the jurisdiction and powers conferred upon him by sections thirty-six to fifty-nine, both inclusive, of this Act, or which he otherwise possesses with relation to the administration of criminal justice; and all statutory and other provisions of the law which would be applicable with respect to criminal proceedings within the Northwest Territories shall in like manner apply with respect to proceedings instituted or to be instituted or prosecuted under the authority of this section at any place not within the Northwest Territories: Provided that a person shall be qualified to serve as a juror although he is not a British subject.

Hon. Mr. REID: I would like to ask the honourable leader of the Government if it is not a fact that in every province, including Alberta and Saskatchewan, and in the Yukon, the jurors in the case of a murder trial must be British subjects.

Hon. Mr. DANDURAND: Offhand I should say that the legislation in the Northwest provinces would most likely be the same as in Ontario and Quebec, where it is essential for a juror to be a British subject.

Hon. Mr. LYNCH-STAUNTON: If jurors are not required to be British subjects, why not provide that they must be able to speak the French or English language?

Hon. Mr. DANDURAND: I would ask my honourable friend if it is not somewhat dan-

gerous to jeopardize the chances of a trial on account of a technicality, when it is necessary to send a magistrate hundreds of miles.

Hon. Mr. WATSON: Thousands of miles.

Hon. Mr. DANDURAND: Perhaps thousands of miles. I was told by the Deputy Minister of Justice that it was in that region that some officers of the Mounted Police were murdered some time ago by their charges. The Department of Justice has felt that the best spot at which to try the accused is where they are to-day, on Herschell Island, in the Yukon Territory.

Hon. Mr. REID: In my judgment the difficulty could be overcome in this way. If you are sending a stipendiary magistrate out to try a case, you must send half-a-dozen or a dozen men along with him. He cannot go alone The difficulty could be overcome by selecting a number of men to accompany him as jurors. I do not like to see any person put on trial for his life by a jury composed of perhaps a lot of foreigners. Then there is this other danger, which might prevent justice being done. You might have on the jury, as I have stated, persons from a foreign country, such as Russia, who would not understand the law or the proceedings in the case. When a stipendiary magistrate is going to try a case and must take a number of persons with him, it would be much better, even if it did cost considerably, to have twelve British subjects who could give the accused a fair trial. It would probably be necessary to take six or eight men in any event, and the magistrate would not have to take many more if the men accompanying him went out as jurors. Men could be selected who would not have other business to attend to, and they could go and render an honest verdict in a case of that kind.

Hon. Mr. BEIQUE: Honourable gentlemen, I am inclined to think there is a good deal in the objection raised by the honourable member (Hon. Mr. Reid), and I would suggest to the honourable leader of the Government that he consider whether it might not be better to enable the magistrate to reduce the number of jurors.

Hon. Sir JAMES LOUGHEED: You would not want it below six. That is the number under the Northwest Territories Act.

Hon. Mr. WILLOUGHBY: It is six now.

Hon. Sir JAMES LOUGHEED: You would not want it less than that.

Hon. Mr. BEIQUE: The honourable leader might consider whether it would not be better to have the accused tried by four or even three British subjects than to render the accused liable to be tried by a jury composed entirely of foreigners. Or, if suitable jurymen cannot be found, would it not be better to allow the stipendiary magistrate to try the accused rather than have him tried by foreigners?

Hon. Sir JAMES LOUGHEED: I regret very much that I cannot follow my honourable friends in their objection to this legislation. It seems to me to be of a very salutary character. As I understand it, it permits of a stipendiary magistrate holding the trial of the accused within the province that may be the most convenient to reach. Take for instance a criminal offence committed in the Arctic Circle. It is surely undesirable that the machinery of a court should be established at so inconvenient a place as one within the Arctic Circle for the purpose of trying the accused. The object of this Bill is to permit the trial of the accused to take place in the province most convenient to the point where the offence has been committed. Under the Northwest Territories Act the stipendiary magistrate has all the jurisdiction of a Superior Court judge. It is only of recent years, in fact, that the stipendiary magistrates of the Northwest Territories have been designated as judges. Their jurisdiction was not increased, practically.

Hon. Mr. WILLOUGHBY: In 1887.

Hon. Sir JAMES LOUGHEED: The criminal jurisdiction exercisable by a judge in any of the Western provinces to-day is the same as it was prior to the erection of provinces in the Northwest Territories, when criminal justice was administered by stipendiary magistrates. It seems to me it is very desirable to bring the accused within the boundaries of one of those provinces and to have the stipendiary magistrate who is designated to try the case make use of the machinery of the court of that particular province.

Hon. Mr. LYNCH-STAUNTON: It is the jury we are thinking about.

Hon. Sir JAMES LOUGHEED: The jury would be that provided by the laws of that province for the trial of criminal cases.

Hon. Mr. LYNCH-STAUNTON: It does not say so.

Hon. Mr. DANDURAND: Yes, that is it.

Hon. Sir JAMES LOUGHEED: That is as I take it.

Hon. Mr. LYNCH-STAUNTON: If it said that, I think it would be most satisfactory.

Hon. Mr. DANDURAND: I have read clause 44 of the Northwest Territories Act, which provides that:

> Persons required as jurors for a trial shall be summoned by a stipendiary from among such male persons as he thinks suitable in that behalf; and the jury required on such trial shall be called from among the persons so summoned as such jurors, and shall be sworn by the stipendiary who presides at the trial.

Sir JAMES LOUGHEED: Honourable gentlemen will keep in view, that each province of course has authority to legislate with regard to its own jury system. For instance, in the province of Alberta our juries are composed of six—

Hon. Mr. LYNCH-STAUNTON: I quite follow the honourable gentleman's argument; it seems to me most reasonable; but if the accused is to be tried, we will say, in the province of Alberta, why should the judge have the right to pick the jury? There are plenty of men to try the accused in this case as in any other.

Hon. Mr. DANDURAND: Not in that region.

Hon. Mr. LYNCH-STAUNTON: If the accused is tried in the province of Alberta, he should be tried by a jury according to the law of that province. But under this Bill the juror need not be able to speak the English language; he need not be a British subject. He may be hand-picked by the magistrate. Now, there is no sense in having this made the law outside the Northwest Territories themselves. If the accused is to be tried in Alberta, why should he not be tried by a jury according to the law of Alberta, or by the judge himself?

Hon. Mr. DANDURAND: But the honourable gentleman must know that in those northern regions there are posts at which intelligent men will be available, from whom the selection may be made—for instance, men connected with the Hudson's Bay Company.

Hon. Mr. LYNCH-STAUNTON: I quite agree.

Hon. Mr. DANDURAND: Or men may be taken from Revillon Freres, who are Frenchmen from France and are not British subjects. Men of other races may be selected, but the judge will decide as to their fitness, and it seems to me that there is a guarantee for the accused when the judge has to pass upon the fitness of the jurors.

Hon. Mr. LYNCH-STAUNTON: But the point that I make is this. That is all very well, and is perhaps reasonable, if the man is tried in the Northwest Territories or in the Arctic Circle; but where the man is tried in the province of Alberta it is different.

Hon. Mr. DANDURAND: My honourable friend is mistaken. He is under the impression that the accused will be brought down to an organized town where there is a court, and that there will be a tribunal. The intention is to utilize this machinery in order to try some of those offenders in the Northwest Territories at the spot most convenient to their homes, because they are entitled to certain witnesses, and it would be a hardship to drive them down to one of the provincial capitals unless the whole tribe were brought with the accused, if they are Eskimos. The idea is to send the magistrate as far north as possible to a place where he will find a guardhouse, etc., and will be able to hold court. That is the reason, as I have mentioned, why this legislation is not specially drafted to cover the particular case on Herschell Island, in the Yukon Territory, or just bordering on the Northwest Territories. I went last week to the Department of Justice to obtain some information, and the Deputy Minister pointed out to me the outlying parts of Saskatchewan, Alberta and Manitoba to which it will actually be necessary to endeavour to send magistrates to try other accused persons, and he explained that that was the reason why it was desired to obtain the general power to enter any of the provinces.

Hon. Mr. LYNCH-STAUNTON: Is not all of Canada except the provinces in the Northwest Territories?

Hon. Sir JAMES LOUGHEED: No: there is the Yukon Territory.

Hon. Mr. LYNCH-STAUNTON: There is the unorganized territory?

Hon. Mr. DANDURAND: Yes, and there is Ungava, which is unorganized. I doubt that it falls under the Northwest Territories Act.

Hon. Mr. LYNCH-STAUNTON: I thought Ungava was part of Quebec.

Hon. Mr. TURRIFF: I think Ungava is under Quebec jurisdiction.

Hon. Mr. LYNCH-STAUNTON: Ungava is part of Quebec, is it?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. LYNCH-STAUNTON: Is there any part of Canada which is not embraced either in the provinces or in the territories?

Hon. Sir JAMES LOUGHEED: Yes. The Yukon is a separate territory.

Hon. Mr. LYNCH-STAUNTON: It is a territory, but what I want to get at here is this. Suppose a man commits a murder in the most remote part of a province. He must be tried by the same kind of tribunal as would try a man who committed a similar crime in any other part of that province. If a man who is charged with a crime in the Territories is to be tried in a province for the sake of convenience, it seems to me he should be tried by the same tribunal—I speak of a jury now—as any other man in the province in which he is tried. There could be nothing unreasonable about that. I understand from the honourable leader that the intention is to apply this only to cases outside of a province. If that is so, it should be made clear, but once you bring a man into a province he should be able to get a jury like any other man there.

Hon. Sir JAMES LOUGHEED: Perhaps my honourable friend may not recall that the Northwest Territories are defined by the Northwest Territories Act, and this is an amendment to that Act. The provinces of Alberta and Saskatchewan were carved out of what was originally known as the Northwest Territories, the legislation for which then covered the whole of the Territories. I apprehend that this legislation would only have relation to what, under the Northwest Territories Act, is known as the Northwest Territories. It does not deal, for instance, with the Yukon Territory.

Hon. Mr. LYNCH-STAUNTON: It does not say that.

Hon. Sir JAMES LOUGHEED: It is an amendment to the Northwest Territories Act.

Hon. Mr. LYNCH-STAUNTON: It says "in any part of Canada."

Hon. Sir JAMES LOUGHEED: That is where the trial takes place, but the offence must be committed in the Northwest Territories.

Hon. Mr. LYNCH-STAUNTON: But the point I am making is this, that when a man is charged with the commission of a crime committed in the Northwest Territories, he may under this amendment be brought, for convenience, to be tried in one of the provinces. That seems to me quite reasonable; but once he is brought within a province there should be no right of the Crown to have him tried by other than a jury according to the law of that province. Let the magistrate try him, but let him call a jury which is qualified by the law of the province. It seems to me that this Bill is intended to apply only to trials which take place in the Territories, or in some other part of Canada outside of a province; but in the case of a party tried in a province surely there is no necessity for any special legislation.

Hon. Sir JAMES LOUGHEED: No, there is none, because the Northwest Territories Act, provides outside of this legislation, now for the holding of a trial in any province under the laws of that province.

Hon. Mr. LYNCH-STAUNTON: But this Act is going to change that law.

Hon. Mr. DANDURAND: Yes, it will allow of the holding of a trial within the borders of a province, including the Yukon, and the laws of the Northwest Territories will be carried over the border and applied to that trial.

Hon. Mr. LYNCH-STAUNTON: That is what I object to. I object to a man who is not a British subject being put on a jury in a province.

Hon. Mr. DANDURAND: My honourable friend speaks of a province as one fairly organized, such as the older provinces, or the new provinces in their populous centres; but, as I have stated, there are hundreds of miles of practically unorganized territory within a province which offenders in the Northwest Territories might have to cross in order to reach an organized seat of justice.

Hon. Mr. LYNCH-STAUNTON: Well, they ought to be brought there.

Hon. Mr. DANDURAND: But the Department of Justice sees very great difficulties, because it will mean the carrying not only of the accused, but of all the witnesses, to that point. Hence the Department, having weighed the pros and cons, feel that some trials could take place which would not be very costly, comparatively, and which would yet allow full justice to those accused of committing offences in the Northwest Territories, who may be brought to a point on the border, or perhaps inside a province, and tried in accordance with the laws that they have violated. There is a case to be tried within a few miles of the border of the Northwest Territories, but it happens to be on an island which belongs to the Yukon.

Hon. Mr. LYNCH-STAUNTON: That will not be in a province.

Hon. Mr. DANDURAND: It will be in a Territory. This Bill is proposed because the Department of Justice realize the very great difficulty they may meet in having the necessary jurors who will be British sub-

jects. It is for Parliament and this Chamber to decide whether they will allow of such a departure from the general rules.

Hon. Sir JAMES LOUGHEED: Let it stand until to-morrow, and get an opinion on it.

Hon. Mr. BEIQUE: As the case may involve the life of one of our citizens, I would like to say a few words. There are other parts of Canada that are just as hard to reach as the Northwest Territories; for instance, Ungava, on James Bay, or the Hudson Bay. You will bring an Indian all the way into the province of Quebec so that he may be properly tried; he will have a solicitor to defend him, and a jury of citizens who are English-speaking, or who can understand either English or the French language. That is what happens in another part of Canada that is just as far distant as the territory in this particular case. The matter is serious, for this reason: Suppose an Indian were brought in guilty by a jury, probably not one of whom understands the English language, or knows what is going on. Then the sentence would be carried out right in the Territory, and there would not be any appeal, and of course, the Indian would suffer the penalty of the law, possibly being hanged. In any other part of the country there would of course be a chance to appeal. The accused would have the advantage, as others have, of investigation on the question of insanity, or on other grounds; but, as I understand, this man would be tried without having a solicitor to defend him, probably by men who do not understand our language, who are not British subjects, and he may be executed without a possible chance of appeal. I do not wish to oppose legislation that would facilitate the work of the Department of Justice, but I believe that if we are going to try Indians or British subjects we should give them a sufficient number of jurors—I am quite satisfied with six good British subjects—and we should send along a man to defend the accused and give him all the advantages that a citizen in any other part of Canada would enjoy if he were in a similar situation and had not a dollar with which to defend himself. That procedure may cost a few dollars more, but I believe that is what should be done.

Hon. Mr. LYNCH-STAUNTON: Another consideration is that this is one of the most important trials under the jurisdiction of the Crown; it is the trial of a man for his life, and we should not say: "Oh, well, it is going to be convenient for the Government; it is going to be convenient for the Department of Justice." We should be perfectly sure that the man has a fair chance, and we should see that a judge goes up there and selects a proper jury, and not simply one of people just because they are human beings—for that is all it would mean. We surround men in civilized parts with every possible safeguard, giving them the right to challenge the jury, and every possible presumption in their favour; but it is proposed to sweep all that away in this case, simply for the convenience of the Crown. No question of money or convenience should permit of that.

Hon. Sir JAMES LOUGHEED: Let the Committee rise. There is not a quorum present.

Hon. Mr. BEIQUE: Before the Committee rises I may be allowed to put on the Minutes the Act that I have before me, the Northwest Territories Act. I am referring to section 38, which provides for summary trials of certain offences by a stipendiary magistrate without a jury. Section 39 reads as follows:

> When any person is charged with a criminal offence not within the last preceding section, and which is not otherwise by any law made summarily triable without the consent of the accused, the charge shall be heard, tried, and determined by a stipendiary with the intervention of a jury: Provided that in any case the accused may, with his own consent, be tried by a stipendiary in a summary way and without the intervention of a jury.

Then section 44 says:

> Persons required as jurors for a trial shall be summoned by a stipendiary from among such male persons as he thinks suitable in that behalf; and the jury required on such trial shall be called from among the persons so summoned as such jurors, and shall be sworn by the stipendiary who presides at the trial.

Hon. Mr. LYNCH-STAUNTON: They must be British subjects.

Hon. Sir JAMES LOUGHEED: No, not under the Northwest Territories Act.

Progress was reported.

PRIVATE BILLS

FIRST READINGS

Bill 5, an Act respecting certain Patents of Charles A. Channell.—Hon. Mr. Belcourt.

Bill 14, an Act to incorporate La Banque Rurale.—Hon. Mr. Chapais.

Bill 18, an Act respecting the Dominion Fire Insurance Company.—Hon. Mr. Macdonell.

Bill 19, an Act respecting certain patents of Albert Manvers.—Hon. Mr. McMeans.

Bill 25, an Act respecting certain patents of Arthur R. Wilfley.—Hon. Mr. McMeans.

Bill 26, an Act to amend the Act incorporating "La Société des Artisans Canadiens Français."—Hon. Mr. Boyer.

Bill 27, an Act respecting a patent of Hans M. Olson and Esther Maud Butcher.—Hon. Mr. Macdonell.

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

THE SENATE

Wednesday, March 14, 1923.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill F2, an Act for the relief of Frederick Wesley Graham.—Hon. Mr. Barnard.

Bill G2, an Act for the relief of Catherine Gunyo Chatterson Odell.—Hon. Mr. Pope.

Bill H2, an Act for the relief of Marietta Isabel Wilson.—Hon. Mr. Blain.

GOVERNMENT HOLIDAYS

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. What are the days of the year prescribed and observed by the several Departments of Government in Ottawa as holidays?
2. Which of these days are made holidays by statute? Under what authority are the others made holidays?
3. Are all of these days observed as holidays by employees in the Civil Service in Nova Scotia, New Brunswick and Prince Edward Island respectively? If any of such days are not so observed in any of the said provinces, what are the days not observed, and what is the reason for non-observance of them respectively?

Hon. Mr. DANDURAND:

1. Section 6 of the Civil Service Amendment Act, 1920, describes the holidays which are to be observed in the Civil Service. These days are the following: 1, Sundays; 2, New Year's Day; 3, Good Friday; 4, Easter Monday; 5, Victoria Day; 6, King's Birthday; 7, Dominion Day; 8, Labour Day; 9, Chistmas Day; 10, any day fixed by proclamation as a general fast or thanksgiving or as a holiday. Armistice Day was added to this list by Section 6 of the Armistice Day Act, Chapter 16, 11-12 George V.

2. The holidays mentioned in (1) are statutory holidays. Other holidays observed are granted by the Governor General in Council.

3. No information.

VALUATION OF IMPORTS FROM GERMANY

MOTION FOR RETURN

Hon. Mr. LYNCH-STAUNTON inquired of the Government:

1. What was the total amount in value German money was shown on invoices for goods imported from Germany between July 1st, 1922, and January 1, 1923?
2. What value in Canadian money did Customs Department extend such German money valuations?
3. What was the total amount of duty collected in Canadian money on such importations?

Hon. Mr. DANDURAND: I suggest to the honourable gentleman that he change his inquiry to a motion for a return; and, as there is some question on the part of the officials as to its exact meaning, I would ask him to revise it and make it clearer.

Hon. Mr. LYNCH-STAUNTON: The honourable gentleman informed me of the difficulty, but I could not find where the obsecurity was.

Hon. Mr. DANDURAND: If my honourable friend is satisfied with the form of his inquiry I am content, provided he changes it to a motion for a return. It will take some time to prepare it.

The inquiry was agreed to as a motion for a return.

CANADA'S PARTICIPATION IN WAR

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. On what dates in 1899 was the Canadian Military Force which served in the South African War, mobilized for active service and despatched to South Africa?
2. On whose authority was such military force mobilized and despatched?
3. (a) Was Parliament summoned to consider the mobilization and despatch of such military force? (b) Did Parliament approve of such mobilization and despatch and authorize expenditures therefor? (c) When did Parliament authorize such mobliization and expenditures?
4. How and when did the Government of Sir Wilfrid Laurier provide for the expense of mobilization and despatch of such military force?
5. On what date in 1914 did the Government of Sir Robert Borden communicate to the British Government that Canada would assist if war should break out in Europe?
6. (a) On what date was Parliament summoned to consider the matter of participation in such war? (b) On what date did Parliament meet?
7. Is it the policy of the Government of Canada that events which might involve the British Empire in war shall be submitted to and be considered by the Parliament of Canada before any action shall be taken on behalf of Canada?
8. Is it the policy of the Government of Canada in such an event that parliament shall only be summoned when the Cabinet is of opinion that participation by Canada in a war may be advisable, and that parlia-

ment shall not be summoned when the Cabinet is opposed to or doubtful in regard to such participation?

9. (a) Is it the policy of the Government of Canada that Parliament shall be promptly informed of all the facts which would enable it to decide the question of participation or non-participation in a threatened war? (b) For this purpose is the Senate regarded by the Government as a constituent part of parliament. (c) For what reason did the government omit to make any statement or submit any information to the Senate in regard to the questions that recently arose in the Near East and are referred to in reported correspondence between the British Cabinet and the Canadian Cabinet.

10. Is it the policy of the Government of Canada,

(1) in the event of a threatened invasion of Canada, or

(2) of danger to the person or property of a Canadian National in a foreign country, or

(3) a quarrel between Canada and any other country—that Canada should fight the matter out herself without British support or Empire assistance, or

(4) is it the policy of the Government that Canada should in such emergency look to British power or Empire assistance for support?

11. Does the statement made by the Prime Minister at a public meeting in Montreal, on February 19th and reported in the Montreal Gazette of February 20th inst., fully and correctly express the policy of the Government of Canada on this subject? If not, what is the Government's policy in ths regard?

Hon. Mr. DANDURAND:

1. Between the 15th of October and the 30th of that month, 1899, when the first contingent left the port of Quebec.

2. By authority of the Governor-in-Council of October 14th, 1899.

3. (a) No. The expenditure simply implied the cost of equipping and transporting the men who volunteered their services.

(b) Yes. During the Session of 1900, which was summoned on the 1st day of February, 1900.

4. By authority of Governor-in-Council.

5. 1st of August, 1914.

6. (a) It was summoned on the 4th of August, 1914.

(b) The 18th of August, 1914.

7. Yes, whenever possible.

8. The Cabinet in this, as in all other matters, must exercise its responsibilities in the light of existing circumstances.

9. (a) Yes.

(b) Yes.

(c) The Government had no correspondence which the British Cabinet was willing to have made public, and no official correspondence could, in consequence, be communicated to this Chamber. No information in regard to the Near East situation was given this Chamber during the debate on the Address because no request was made upon this subject nor any allusion to it by any member of this House.

10. It is not the intention of the present Government to depart from the traditions of Parliament and to impart its policy on momentous questions by questions and answers.

11. It is impossible to answer a question concerning the correctness of a report in a newspaper without it being contained in the question. The Government's policy on this subject will be found in the speech of the Right Hon. the Prime Minister delivered on the Address on the 1st of February last.

EMPLOYEES IN THE PUBLIC SERVICE

UNSATISFACTORIY RETURN

On the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentlemen, before the Orders of the Day are called, I would like to inform the honourable Senator from Manitoba (Hon. Mr. Bradbury) that I communicated with the Department of the Secretary of State in reference to the partial but unsatisfactory return made to an Order of the Senate, and I have received an answer which contains some information as to the modus operandi of the Department in collecting information. It is as follows:

The particular reference is to a Return of the Department of the Secretary of State, and to the answer to Question 5, which shows an amount of $4.19.

In the first place, I should point out that the question is not at all definite. I assumed, in preparing the Return for this Department, that the question was the amount of the average day's pay for the whole Department on the date indicated. That is what is given, $4.19. I do not know what the honourable Senator really wanted, but it appeared to me that this average day's pay was what he wanted from this Department. It may be that he wants the figure for the whole Service. He is evidently misinformed regarding the method of preparing Returns. The State Department collects Returns from each Department and collates them for presentation. The Department has no right to either compile them so as to present something new, or to change or vary the Returns made by each Department. If the honourable Senator desired a statement of the average daily pay of the whole Service, it is a matter for his own computation from the Returns made by each Department. The State Department is under no obligation to make such a computation. The honourable Senator states that the Return as presented cannot be understood. So far as the statement of the State Department itself is concerned, it is as clear as it could be made in answer to the question.

I give an answer so that we may know the state of mind of the officials of that Department in complying with orders for returns which come from various Departments. As honourable gentlemen will have observed, it is claimed that their obligation is simply to hand over to the two branches of Parliament the returns received from the other Departments, and not to add to them in any way by addition or otherwise.

Hon. Mr. BRADBURY: I would like, then, to ask the leader of the Government how anybody is going to secure a return answering

the questions which I put. For instance, I asked for the average day's pay for the Civil Service of Canada. I thought that was a very plain question. It meant: how much does the Civil Service cost per day? If it is left for every Department to answer the questions, how are they going to give me a complete return? Surely it should be the duty of some one Department, after it gets the returns from the other Departments, to compile the information and give me an answer. It is absolutely impossible for each Department to give the answer, and not one of them has attempted to do it.

I also asked what was the total number of employees in the Public Service. Surely some Department should be able to give me that information. It is information which the public ought to have. I contend, honourable gentlemen, that the answer given by the Department of the Secretary of State is very unsatisfactory. This House is entitled to the information for which I have asked, and while the Secretary of State's Department claim that the information is contained in the return, I beg to differ with them. There is more than one Department that is not included in the return at all, and I believe some of the Departments have not included all the Government employees in those Departments. I did not ask for the number of Civil Servants alone: I asked for the number of employees of the Dominion of Canada who were affected by the amendment to the Civil Service Act in reference to holidays. As I understand the matter, nearly every employee of the Government was affected by that Order, and enjoyed the holidays. I understand that there are hundreds of men in the city of Ottawa who are not included in that return.

Entirely aside from that, I think that the Government should be able to compel these Departments, which have apparently become a law unto themselves, to present an intelligent return and one that we could understand, to an order of this House. I would like the honourable gentleman himself to take that return and see whether he could from it give an answer to my questions. I venture to say that he would spend a good many hours over it and then might not be able to do it.

Hon. Mr. DANDURAND: I understand that partial reports were made, and that as they came in from the various Departments they were joined together and sent here to show that some attention was being given to the inquiry of my honourable friend. I will inquire of the Secretary of State as to the process of gathering that information, and will endeavor to find out whether there is not some central office or organization that could handle these reports from the various Departments.

Hon. Mr. BRADBURY: I think my honourable friend will admit the fairness of my suggestion that some central Department ought to do this work. These returns from the various Departments were made, I understand, to the Secretary of State's Department, and it was the duty of that Department to see that the information came to the Senate in proper order.

Hon. Mr. CASGRAIN: Did the honourable gentleman look into the Auditor General's report? Would not the Auditor General be in a position to say how much the Civil Service cost last year.

Hon. Mr. BRADBURY: I have not gone into the report, but I have made inquiry from the Auditor General's Department, and was informed that it was absolutely impossible to get the information.

Hon. Mr. CASGRAIN: If he does not know how much we are spending, what is the good of him.

Hon. Mr. BRADBURY: This country is entitled to know the cost of the Civil Service; but apparently those responsible are not willing to give the information.

PRIVATE BILLS

SECOND READING

Bill Y, an Act to change the name of the Rio de Janeiro and Sao Paulo Telephone Company to "Brazilian Telephone Company."—Hon. Mr. Green.

FIRST READING

Bill I-2, an Act to incorporate the Montreal Finance Trust.—Hon. Mr. Casgrain.

DIVORCE BILLS

SECOND READINGS

Bill X, an Act for the relief of Ernest Warren Porter.—Hon. Mr. Ratz.

Bill Z, an Act for the relief of May Elizabeth Meng.—Hon. Mr. White (Pembroke).

Bill A2, an Act for the relief of Maud Vera Butler.—Hon. Mr. White (Pembroke).

Bill B2, an Act for the relief of Lillian Black.—Hon. Mr. Mulholland.

Bill C2, an Act for the relief of Florence Elizabeth McDonald.—Hon. Mr. Fowler.

Bill D2, an Act for the relief of Gretta Melville.—Hon. Mr. Bennett.

DOMINION LANDS (COAL) BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Mr. DANDURAND moved the second reading of Bill E2, an Act to amend the Dominion Lands Act respecting the sale or other disposal of coal lands and coal mining rights.

He said: I am ready to proceed with the second reading of this Bill, but if my honourable friend prefers that it should be postponed I am at his disposal. He has been away, and may not have had time to familiarize himself with the answer I gave to the honourable gentleman from Brome (Hon. Mr. Pope).

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I would say, in answer to what my honourable friend has just observed, that I have no objection to his proceeding with the Bill; but I would be disposed to ask that the final disposition of the second reading should stand pending our getting further information as to the legal effect of the rather remarkable situation in which we find this matter. I should like to appreciate to a greater extent than I do the relation between the propsed legislation and the fiat which has already been issued, and the proceedings which are pending in the Exchequer Court. What bearing the one has on the other is a very difficult and complex question to grapple with. Consequently it might assist us in coming to a more satisfactory conclusion if my honourable friend would proceed with the second reading of the Bill, and inform the House as to his view of the legislation. That in itself would be informative, to say the least, and we could then pursue the subject further; but it would be my intention to ask that the second reading should not be finally disposed of until we have further information.

Hon. Mr. DANDURAND: Then I will proceed to move the second reading of this Bill. I do not know that I can add very much to the statement I made last week. I explained that last year, when I moved the Bill which is now Chapter 21 of 12-13 George V, the Act Respecting Notices of Cancellation of Leases of Dominion Lands, an amendment was moved in this Chamber to add the following clause:

> Notwithstanding anything in the Dominion Lands Act, Chapter twenty of the Statutes of 1908, and in the amendments thereof, coal mining rights and lands containing coal, if such rights or lands are within or adjoin the coal reservation near the junction of the Muskeg and Smoky Rivers in the province of Alberta, which reservation was established by the Order in Council (P.C. 2044) dated the sixth day of October, 1919, withdrawing from disposal and the provisions of the regulations then in force certain coal mining rights which are the property of the Crown in Townships 55, 56, 57, 58 and 59, Ranges 7, 8 and 9, west of the Sixth initial meridian, shall not be sold, leased or otherwise disposed of except under the authority of and in accordance with the provisions of any Act of the Parliament of Canada hereafter passed and specifically relating to such rights or lands and to the sale, lease or other disposition thereof.

Last year, when this amendment was made, I had to express the dissent of the Department of the Interior, and of the Minister of that Department, who felt that the amendment seemed to imply want of confidence in the Department and perhaps in himself as its head, and the amendment was not entertained. I do not remember now whether it was refused by this House or by the Commons.

Hon. Sir JAMES LOUGHEED: No, it was passed by this House.

Hon. Mr. DANDURAND: It was passed by this House, and refused by the Commons on the motion of the Minister of the Interior. To-day the Minister of the Interior, finding that there is some uneasiness about the final disposition of these coal leases, and hearing of rumors, to which my honourable friend from Brome (Hon. Mr. Pope) gave an echo in this Chamber, decided to appropriate for himself, as his policy, the amendment of the honourable gentleman; and I am now moving the second reading of the amendment which was moved last year.

I want to affirm that if this amendment had been adopted last year and had been made part of Chapter 21, 12-13 George V, it would not in the least have prevented the Department of Justice from issuing its fiat on a petition of right presented to-day. This is the one affirmation I make—that this amendment will have an effect much the same as it would have had on the procedure before the courts to-day, if it had been passed last year; because no legislation will prevent any party who feels hurt by such legislation from pressing his rights before the courts, and even testing the constitutionality of the enactment which may have been passed by way of estoppel.

To my mind, this Act puts a bar on any action of the Department of the Interior in dealing with those coal leases which prior to the Act of last year had been withdrawn from the administration of the Department of the Interior by the Order in Council of October, 1919.

The parties who felt aggrieved by the cancellation of those claims have applied to the Department of Justice, as I said last week, for the right to submit their claim to the tribunals of this country. They have been

given that right; but that is not under this amendment. If the Department of Justice could have alleged or pleaded any enactment against the claim of those people, it would have been the Act itself which we passed last year, which declared that as to all leases up to the date of the passing of that Act—and everyone admits that it covers the coal leases in question—all defects as to form of cancellation, or notice or service of cancellation, were cured, and could not be raised in any court of justice in order to revive those leases. This Act passed last year is now pleaded by the Department of Justice against the claim which has been presented under the petition of right.

I omitted to emphasize a statement of the honourable gentleman from Brome (Hon. Mr. Pope), but I did not need to do so, since it had already been made; but I desire to recall that while this legislation was proceeding through this Chamber, and perhaps before—I have not the exact data before me—the Department of Justice felt that it should make its position doubly safe, in view of the judgment of the Privy Council, by again serving on the proper parties notice of cancellation of these claims. Hence the claimants to-day before the courts are facing not only the cancellation of 1912, but also a cancellation of last spring, which is anterior to the lodging of their petition for a fiat. Besides those two notices of cancellation, they are faced with the action of Parliament, which declared that no one will be able to plead the technical flaws that the Privy Council found in those thousands of leases which were cancelled by the Department.

I was asked by the honourable gentleman from Manitoba (Hon. Mr. Bradbury) how it was, after the leases of Isenberg, or the estate of Isenberg, had been cancelled in 1912 and replaced by other leases granted to Dr. Shillington and Charles A Barnard of Montreal—which leases had been cancelled upon the action of the Senate—that those last lessees had been refused a fiat on the petition of right that they had presented.

Hon. Mr. BRADBURY: I beg to correct the honourable gentleman. I think he must have mistaken me for someone else. I did not say they had been refused a fiat, because I did not know.

Hon. Mr. MURPHY: It was I who asked that question.

Hon. Mr. DANDURAND: I sought information on that point, and this is the letter I received from the Deputy Minister of Justice:

Hon. Mr. DANDURAND.

Ottawa, 13th March, 1923.

Dear Senator Dandurand:

I find that Charles A. Barnard presented a Petition of Right claiming $250,000 damages for cancellation of eight leases which had been granted to Gouin, Leask, Hauff, Coppock, Weir, McClung, Barnett and Austin, and assigned to Barnard.

These were the parties who had been sent to the west to stake claims.

A fiat was duly granted upon this petition, and it was filed in the Exchequer Court on 17th February, 1920. Subsequently the claim was settled on the footing that Barnard should recover his out of pocket expenses connected with the matter, amounting to $7,050.96, for which he was to give the Crown a release of all damages. Accordingly a consent judgment was entered for the said amount, which was paid, and Barnard executed the release.

Shillington's name does not appear in the petition, and there is no record or knowledge in this Department that Shillington ever presented one. I see, however, by the Order in Council of 1st July, 1919, whereby the leases were cancelled, that Barnard and Shillington are referred to as the assignees of these leases. Perhaps, therefore, Shillington had a joint interest with Barnard in the Petition of Right which was filed notwithstanding that it is alleged by the petition that the leases were assigned to Barnard.

Yours faithfully,

(Sgd) E. L. Newcombe.

I have the honour to move the second reading of this Bill, seconded by Hon. Mr. Watson.

Hon. Mr. BRADBURY: Honourable gentlemen, I desire to say a few words on this question. It is not by any means a new one in this House. Some years ago there was a Committee of the Senate appointed to investigate the leasing of these very lands, and, as my honourable friend has pointed out, the Senate, on the strength of the findings of that Committee, was successful in securing the cancellation of those leases. The evidence taken before that Committee demonstrated beyond any question the immense value of this coal area. I think that without any doubt it is one of the most valuable coal areas on this continent. I have had the opportunity of going through the private papers of Dr. Hoppe, who was one of the principals in the first leases that were granted, and those papers showed that he had been negotiating with the Rothschilds in London for the sale of this land, and proved to my satisfaction that those coal areas were of immense value. If I would state $100,000,000 I do not think I would be over the mark. Dr. Hoppe and his engineers had made an estimate of the coal. That was submitted with the reports of the engineers to the Rothschild engineers. The Rothschild's engineers made a report; Dr. Hoppe had a copy of it, if I am correctly informed, and I believe I am, unless what I

saw with my own eyes was a forgery. The Rothschild engineers practically told Hoppe that he had underestimated the amount of coal in those areas. He had estimated that there were 100,000,000 tons of anthracite coal, equal, if not superior, in heating qualities to the best Pennsylvania coal, and in addition to that about 400,000,000 tons of a first-class bituminous coal.

Hon. Mr. ROCHE: What was the thickness of the seam?

Hon. Mr. BRADBURY: I canot tell you just now. I am referring to the engineers' report, which described all the seams and gave all the data that was necessary. I am not in a position to give all these details; I am going over the matter rapidly, because I do not intend to dwell on this phase of the question except to bring to the attention of this House the immense value of these coal areas. Whereas the Hoppe engineers had estimated 400,000,000 tons of bituminous coal, the Rothschild engineers intimated that there might easily be double that amount in those areas. Honourable gentlemen, I am sure it will not be very hard to convince this House that, if there are only 400,000,000 tons of coal there, these are very valuable coal areas and are worthy of some attention by Parliament with a view to protecting them for future generations.

I will not dwell at length on the cause of the cancellation of the leases. It is well known. It has never been suggested that the Interior Department, or the Minister of the Interior, were not at that time well within their rights in cancelling the leases. The Isenberg or Hoppe interests had defaulted in their rent, and according to the contract their lease was subject to cancellation; consequently proceedings were taken for cancellation. These proceedings may have been hurried on account of the notorious fact that both those gentlemen were proven beyond any question to be alien enemies. Without dwelling further on this phase of the question, I may say that the Department was well within its rights under the law in cancelling those leases, and it proceeded in the usual manner, serving notices on those with whom it had been dealing as agents of the Isenberg people. So the leases were cancelled, and the cancellation was not questioned at the time.

It was six months afterwards that the cancellation was questioned. After cancellation the lands were thrown open for settlement; and this is where the Shillington-Barnard syndicate came in. At the time those coal areas were re-staked by the Shillington-Barnard syndicate there was no complaint or suggestion by the Isenberg people that the leases had been wrongfully cancelled or that they had not been notified. In fact, the evidence on record is quite to the contrary, because there were letters from the Hawaiian Trust Company, who represented the Isenberg people, and from Dr. Hoppe himself, pleading for an extension of time that they might be able to pay up the rents. I am stating this fact in order to impress upon the House that the Government had proceeded in perfect order in cancelling the leases.

After the famous decision given by the Privy Council in the Paulsen case, parties here who desired to exploit the Isenberg interests—men who never had one dollar of interest in these properties, but who saw a chance of making some easy money— became interested. They thought they saw a loophole by which to attack the cancellations, and an effort was made to induce the Government to give them an opportunity of securing a fiat and going to court. I am hurrying over these facts, because I do not wish to discuss all the details. However, when this question came up it was, I think, the unanimous opinion of the members of this Chamber that those coal areas should remain the property of the Crown. At the time the Shillington cancellation took place the Government were urged to place those great properties in some way out of the reach of the Department, and a great coal reserve was created. A party of engineers was sent to that country to make a survey and present a recommendation to the Minister. The coal areas embraced a great deal more coal lands than those covered by the Hoppe leases. This reservation was made with a view to conserving the lands to the Crown or preventing their being alienated in the usual way. Unfortunately the Government at that time did not go as far as some of its friends thought it ought to go, and as experience now proves it should have gone. Those lands should have been placed as the Bill which my honourable friend is now introducing purports to aim at placing them, that is, under Parliament, so that they should not be dealt with except by Act of Parliament. If this had been done at the time the leases were cancelled, I feel, with all due deference to my honourable friend, that we might occupy a different position from that which we occupy at the present time. My honourable friend is a good lawyer. He shakes his head. The case is just this. After the late Government had cancelled the leases, and when we were led to believe that the door was practically locked and that there was no

danger of either the Isenberg people or their assigns again acquiring any interest in those leases, some gentlemen here in the city of Ottawa organized a syndicate headed by a man who had taken a good deal of interest when the Committee was investigating the Shillington leases—a man named Murdock—

Hon. Mr. TESSIER: Who is that?

Hon. Mr. BRADBURY: I do not know him. I do not know where he comes from. I know that he has been very active in connection with great coal areas. Under this man's direction, I presume, or through his influence, a syndicate of some kind was organized here in the city of Ottawa. There are in it, I understand, several young doctors and two or three young lawyers, and the public is told broadly that there are public men in high places associated with these men.

Hon. Mr. CASGRAIN: Name them.

Hon. Mr. BRADBURY: This last statement, honourable gentlemen, I am not ready to believe, but I want to say it is public property and is heard on the streets, and the rumor has gone to such an extent that something must be done to clear up this question and clear the names of these honourable gentlemen who are to-day resting under a cloud, in the opinion of many men in this city and a number of men in this Chamber.

To my mind, the gentlemen who, as I have already said, have associated themselves together in this syndicate deserve absolutely no sympathy from Parliament. They have in no way contributed to the exploration of those lands. They are simply a number of young men who think they see an opportunity of clearing up a lot of very easy money. One of them told me that they had an assignment from the Isenberg people—that they had absolutely got rid of the Isenberg people by paying them a sum of money. He did not state how much, but I understood it was very small.

Now, honourable gentlemen, this is a serious question, outside of the great value of these coal areas and outside of the fact that this Chamber owes to the country the duty of protecting the domain of Canada from the exploitation of men who are ready to take advantage of circumstances in order to obtain a great deal of very easy money in what appears to me to be in a rather questionable manner.

I desire to refer for only a few moments to what took place last year. This matter was a very live question then. It was under discussion when legislation respecting it was amended in this House. The Bill came over, and an amendment was moved by the honourable member—

Hon. Mr. DANDURAND: No, no. The honourable gentleman is in error. I introduced the Bill.

Hon. Mr. BRADBURY: I beg the honourable gentleman's pardon. At any rate, it was a Government measure introduced in the Senate by the honourable leader of the Government in this House. It was amended here. It went to the Commons in its amended form, and they refused to accept the amendment. The Bill that my honourable friend has introduced at this time seeks now to include the clause that was then struck out by the House of Commons—by the Government. This was one of the amendments from this side of the House to protect these great coal areas. Why that clause was not accepted has been, I will not say a mystery to me, but very surprising indeed. It is strange that the Minister of a great Department should be so sensitive about his position that he would take the risks, as he appears to have done, of jeopardizing this great coal area rather than allow the passage of that clause, which vested the right in Parliament.

When that measure was under discussion last year we on this side of the House—who had been interesting ourselves in the matter were very much determined that something should be done to protect those lands. There seemed to be something wrong when the Government refused to accept the amendments that were made in this House.

Hon. Mr. DANDURAND: There was but one amendment: I think it was this one.

Hon. Mr. BRADBURY: No, there were three amendments. This was one of the main amendments. We felt that the Government had refused to place these lands in the possession of Parliament and to divest itself of the power of dealing with them. In view of this fact some negotiations took place between the Minister of the Interior and my honourable friend the leader of the Opposition (Hon. Sir James Lougheed). The honourable leader of the Opposition insisted that some assurances should be given whereby he, and others with him, might feel that the Minister of the Interior at least was anxious to carry out the policy of the late Government in protecting these lands. The result of the negotiations was that the Minister of the Interior wrote a letter to the honourable leader of the Op-

position (Hon. Sir James Lougheed), and I will read you this letter. I do not see any date on the letter. It is printed in Hansard of the 27th of June, the day before Parliament prorogued. It reads as follows:

In case the explanation which I furnished to the House of Commons on Friday last in connection with Bill No. 153 respecting notices of cancellation of leases of Dominion Lands, was not a sufficiently definite indication of the position which, as Minister of the Interior, I take with respect to the lands formerly comprised within what were known as the Isenberg leases, I wish to state that, while, as Minister of the Department, I am opposed on principle to the reservation of this area by Act of Parliament, I am heartily in sympathy with the action taken by the former Minister of this Department to reserve the area by Order in Council.

It is not my intention to recommend any relaxation in the provisions of this Order in Council (P.C. 2044, dated October 6, 1919), copy of which is annexed here to.

If the Bill is passed by the Senate—

That refers to the Bill that was before the House last year—

If the Bill is passed by the Senate as originally submitted by Senator Dandurand, I will do my best to see that it goes through the House of Commons, without amendment.

I am writing you this letter with the full knowledge and consent of the Prime Minister, the matter having been discussed in Council yesterday.

The letter is signed by Charles Stewart, Minister of the Interior.

Hon. Mr. DANDURAND: And the Minister has not gone back on his word.

Hon. Mr. BRADBURY: I am very glad to hear that, because that, unfortunately, is not what the rumor says.

Hon. Mr. DANDURAND: Well, my honourable friend will have to give a little substance to that rumor.

Hon. Mr. BRADBURY: I may; I may.

Hon. Mr. DANDURAND: Because all the actions of the Minister, up to the time of my presenting the present Bill at his request, justifies my affirmation that he has been true to his word.

Hon. Mr. BRADBURY: Taking the honourable gentleman at his own word, I would like to ask him right here, what is the purpose of the Bill that is before this House? What is the intention of it? What will it do in reference to these leases?

Hon. Mr. DANDURAND: Exactly what it would have done if it had been passed last year.

Hon. Mr. BRADBURY: That, honourable gentlemen, is exactly what is agitating the minds of those who are paying any attention to this question.

Hon. Sir JAMES LOUGHEED: My honourable friend (Hon. Mr. Dandurand) will not contend that if that amendment had been passed last Session, the Department of Justice, in view of an express Act of Parliament, would have issued a fiat for the determination of the case in the Exchequer Court. Surely not.

Hon. Mr. DANDURAND: My honourable friend is very powerful where I am much less so. How can I answer what would have been the report of the Deputy Minister of Justice, Mr. Newcombe, to the Minister of Justice? I am not in his shoes, nor within his skin. However, I may say that a fiat and a petition of right could just as well have been applied for and pressed for and a fiat granted if the present proposed amendment had been in the Act of last year.

Hon. Mr. BRADBURY: Granting all that, honourable gentlemen, the situation before the people of Canada to-day is this. The Government has granted a fiat, and the case is pending. The inference I draw from that is that if the claim under the fiat is successful, then the Bill is absolutely useless. Am I right in that?

Hon. Mr. DANDURAND: No more useless than if it had been passed last year.

Hon. Mr. BRADBURY: That, to my mind, is begging the question.

Hon. M. DANDURAND: I would not like to jeopardize the stand that Parliament may take next year or the year after.

Hon. Mr. BRADBURY: I think my contention is pretty well borne out by the statement of the leader of the Government himself. He admits frankly that the proposed Bill is no stronger than it would have been if it had been passed a year ago. Now, I ask him this question—he is a good lawyer, and I am satisfied that he knows: in view of the fact that the Department of Justice has issued the fiat and that this case is pending, and, in view of the fact that the petitioners claim that they are still the lease-holders of this property; and, in view of the fact that if they are successful in their contention, their rights will practically be sustained by the courts, then why this Bill?

Hon. Mr. DANDURAND: As I have already stated, the Minister of the Interior did not take kindly to the amendment proposed in this House last year, because he felt that it was questioning his action in the future. He felt that he was in the presence of the Order in Council of 1919, which withdrew the leases from his Department, and that he would have

to apply to the Governor in Council to recall the Order in Council of 1919. He felt that these coal lands were perfectly safe in his keeping, either with or without the safeguards of the Order in Council, and he was somewhat irritated by the idea that all the Senators and members of the House of Commons had not the same confidence in him. But to-day he hears rumours, starting from I do not know where—rumours which have been repeated here and there; and he says that under the circumstances he will put a stop to the rumours by appropriating the amendment proposed last year by the honourable gentleman from Bedford (Hon. Mr. Pope) and putting these coal areas under the safeguard of Parliament. But, my honourable friend says, there is a fiat. I defy my honourable friend to establish in this Chamber that any individual, be he a foreigner or a British citizen, can be denied approach to the tribunals of justice.

Hon. Mr. BRADBURY: Does my honourable friend say that fiats are always granted when they are applied for?

Hon. Mr. DANDURAND: I put the question to the Deputy Minister of Justice, Mr. E. L. Newcombe, for whose judgment and integrity and reputation I have the greatest admiration and esteem, and he answered me thus: "Senator, a petition must be very frivolous indeed for this Department to refuse it. In some cases I have reasoned with a petitioner, because I felt that he was becoming involved in costs; but when he claimed that he could substantiate his claim, I had to give way."

Hon. Mr. McMEANS: Would the honourable gentleman consent to amend the Bill by inserting a provision that it should take effect prior to the time when the fiat was granted?

Hon. Mr. BRADBURY: Make it retroactive.

Hon. Mr. DANDURAND: I have stated in this Chamber that in my opinion—and I will ask lawyers of standing to examine into my statement—this amendment is as good and as effective as it would be if it were in the Statutes of last year.

Hon. Sir JAMES LOUGHEED: Is there any objection to making it retroactive to last session?

Hon. Mr. DANDURAND: At first sight, I have no particular objection to that. I will submit the suggestion to the Department of Justice.

Hon. Mr. BRADBURY: My honourable friend claims that this Bill is just as effective as if it had been passed a year ago. I am not going to argue that point. The point I want to emphasize is this. If the claim is successful, will this Bill prevent the Isenberg lease being restored to the Isenberg people?

Hon. Mr. DANDURAND: I am a little diffident about answering that question, because it seems to me that in the future the Department of Justice should be entitled to take all the advantages that it can honestly and legally take from our legislation. But, if my honourable friend presses me, I may tell him that I am convinced that the petition asking for the restoration of the rights of these parties and for the annulment of all the procedure that has intervened since the notice of cancellation was given, could be granted by the Privy Council, and these people could be declared the rightful lessees as though there had been no cancellation.

Hon. Mr. BRADBURY: Then the honourable gentleman admits that this Bill would have no effect.

Hon. Mr. DANDURAND: I think the Bill will have no more and no less effect than if it had been on the Statute Book last year.

Hon. Mr. BRADBURY: It seems that I cannot nail my honourable friend down to an answer to my question. The fact is, honourable gentlemen, that if the petitioners are successful, this Bill will not protect the Canadian people in their holding of these coal areas.

Hon. Mr. DANDURAND: No more than if it had been passed last year.

Hon. Mr. BRADBURY: Not at all. My honourable friend knows that.

Hon. Mr. DANDURAND: No, I take issue with my honourable friend on that point.

Hon. Mr. BRADBURY: Will my honourable friend question the Department of Justice and find out whether he is right or whether I am right.

Hon. Mr. DANDURAND: I will, and if there is the least possibility of making this Bill retroactive to a year ago, I shall do so with great pleasure.

Hon. Mr. BRADBURY: If the honourable gentleman finds that this legislation is not sufficient to safeguard those lands in case the claim under the fiat is successful, will he adopt legislation that will withhold these lands for the people of Canada?

Hon. Mr. CASGRAIN: Not to rob the rightful owners?

Hon. Mr. BRADBURY: I would like to ask my honourable friend who is so much interested in the rightful owners, who they are.

Hon. Mr. DANDURAND: Let us not enter into that. Surely my honourable friend would not argue—and I do not think he will find any support for the proposition that he makes to me—that, after a court of justice had declared that there were certain rights accruing to certain people, we should confiscate those rights.

Hon. Mr. BRADBURY: In view of what has proceeded in connection with these leases, and the fact that the original holders of the leases are practically out of the question and that they are to-day in the hands of a group who are exploiting them for themselves—

Hon. Mr. CASGRAIN: That has nothing to do with the case.

Hon. Mr. BRADBURY: You will remember that in June of last year, just on the eve of prorogation, the letter which I have read practically assured us that the question was settled, and that the legislation which this House asked for would be passed. In view of the fact that the Premier and the Government were thoroughly aware of that letter, the Government asked for a conference, I think at 9.30 in the evening—at the eleventh hour. At that conference there were present the Premier himself, the Minister of Justice, the Solicitor General, the Minister of the Interior, the Minister of Finance—in fact, the whole weight of the Government; and they were to consider two questions. One was the Hoppe leases, and the other was the British Columbia Temperance Act. My honourable friend will remember, I am sure, that the Hoppe leases took a very prominent part in the discussion. It was urged time after time that the Government should accept the amendment of the Senate. What for? So that the door might be locked against any possible fiat being granted.

Hon. Mr. CASGRAIN: You cannot do that.

Hon. Mr. BRADBURY: That was urged by myself to the Minister of Justice in the presence of Mr. Fielding and others who were there. I pointed out at that time why I was under the impression that action would be taken on the faulty notice of cancellation that had been used by the Department of the Interior for some 20 years. Some 15,000 or 20,000 leases had been cancelled by that notice. One case, which my honourable friend knows about, was taken to the Privy Council. In reading over the judgment I find that while there was a technical error in the notice, that was not really the basis of judgment. It was, rather, that the Government had compromised—had accepted payment or something. I must say in justice to this House, now that the question is under discussion, that from the very moment we went into the Council Chamber the Premier of this country seemed determined that the door should not be locked, but that a fiat might issue.

Hon. Mr. CASGRAIN: How could anyone do otherwise?

Hon. Mr. BRADBURY: That is a question which I do not think my honourable friend is in a position to answer. It is no secret that fiats are often refused; and if there ever was a case under heaven in which refusal could be justified, in my opinion this is the one.

Hon. Mr. DANDURAND: Will the honourable gentleman explain why Parliament, with our co-operation, passed Chapter 21 of last Session, respecting Notices of Cancellation of Leases of Dominion Lands?

Hon. Mr. BRADBURY: Is that the Bill that is under discussion?

Hon. Mr. DANDURAND: Yes, that is the amendment of last year, in which we declared that the flaws or irregularities found by the Privy Council in the form of cancellations, notices and service, could not be set up in any suit taken to annul those cancellations.

Hon. Mr. BRADBURY: I understand that thoroughly. I know exactly what my honourable friend is referring to, and of course the Government was well advised.

Hon. Mr. DANDURAND: Was it not to protect the country against judgments which would be obtained from the courts on similar suits being taken, in which those technicalities would be alleged?

Hon. Mr. BRADBURY: On the strength of the technicalities, yes; I admit that frankly; but I was saying that when this matter was under discussion, while that was one of the phases that presented itself, the important point in the situation was that those lands were very valuable coal areas which ought to be conserved by the Crown. I submit, in view of what took place at that conference, after our urging from half-past nine until half past-twelve o'clock at night that the door should be locked so that these leases could not by any possibility go back into the possession of the old lease-holders, and in view of the fact that the conference broke up—

Hon. Mr. CASGRAIN: Are we to understand that my honourable friend was arguing that the petition of right should not be granted, and that the fiat should not issue?

Hon. Mr. BRADBURY: I thought I had made myself pretty plain. Surely it could not be the Government that was arguing that point, because if it was we would not be in the position we are in to-day. I raised that point, and it was discussed openly. I do not know whether others raised it or not. However, the conference broke up; we could not accept the compromise offered by the Government. Their delegates went away, and we sat for another half-hour, and at midnight a notice came all at once that they had accepted the amendments of the Senate. I had every right, therefore, to suppose, and this side of the House had every right to suppose, that on the acceptance of those amendments the door was locked, and that no fiat would issue. But, behold, it did not turn out that the Hoppe leases were a dead issue, and that the land was perfectly safe. On the contrary, a fiat was granted. In conclusion, let me say that I would not to-day be making this protest if I did not believe—

Hon. Mr. DANDURAND: Not protesting against this Bill?

Hon. Mr. BRADBURY: I am not making a protest against this Bill, no, because I want to confess frankly that I do not think the Bill amounts to anything as a protection against these leases. What I am interested in is to protect for future generations, those great coal areas worth $100,000,000 or perhaps $200,000,000. My honourable friend asks, why should they be refused a fiat? I say there has not been a case in my experience in which they would be so thoroughly justified in refusing a fiat as in this case.

Hon. Mr. CASGRAIN: Is it because the parties have no case?

Hon. Mr. BRADBURY: What I am going to say is that, in view of the men who are exploiting the situation to-day, in view of the great number of rumors that are being circulated, this House owes it to itself to appoint a special committee in order to afford an opportunity to clear the names of public men that have been associated with those men on the street. Honourable gentlemen, this has been done openly and brazenly by the men who are exploiting the situation to-day. It is not any political rumor. It is said that those men have the assistance of men in this Chamber and men in the other Chamber. I say, in view of that—

Hon. Mr. TESSIER: I do not think it is fair to speak in a general way of rumors, attacking anybody in this Chamber. It means that we may all be under suspicion.

Hon. Mr. CASGRAIN: Yes; name them.

Hon. Mr. TESSIER: I think the honourable gentleman ought to name the people. As far as I am concerned, I entirely protest against speaking in that general way. When the honourable gentleman speaks of rumors about anybody in this Chamber, I think it is an insult to the Chamber.

Hon. Mr. BRADBURY: I don't blame the honourable gentleman a bit.

Hon. Mr. CASGRAIN: Whom do you blame?

Hon. Mr. BRADBURY: I don't blame the honourable gentleman, but I say that the only proper way to bring out the information, without my making a statement, is to ask for a special committee; and the Government can very well do that, and give them an opportunity of proving their case, and of getting all the evidence regarding this situation.

While not opposing the second reading of this Bill, I wish to emphasize this, that if the honourable gentleman is moving the second reading of the Bill with the idea of leading this House to believe that he is in any way safeguarding the best interests of Canada with regard to the Hoppe leases, then he is very much mistaken. I am sure that the general opinion among men who have given any thought to this question is that this Bill is not worth the paper it is written on, as far as conserving these coal areas to Canada is concerned. If the petitioners are successful in the case now pending before the courts. I have asked my honourable friend if the Government is willing to introduce legislation that would protect those areas in case the suit under the fiat is won by the plaintiffs.

Hon. Mr. CASGRAIN: The honourable gentleman is in a very strange position. He has no confidence in the Government and he has no confidence in the courts. If a certain party asks for a fiat on a petition of right the Government has no discretion in the matter. I can quote a case in which the Government of a certain province positively refused for months to grant a petition of right, and the party went personally to the Lieutenant Governor himself and said: "It is the undeniable right of every British subject to lay his grievance at the foot of the throne"—which he did—and he said further to the Governor: "I don't ask you for an answer; I just want

to put my grievance before you." In another case a very distinguished lawyer from Montreal came up here, having been refused several times, and went straight to the Governor General and got his fiat there and then. People do not have to take "no" from a Government; they have a higher authority in the Governor himself; but the honourable gentleman would take away from those parties the right to plead for justice in our own courts.

Hon. Mr. McMEANS: Might I ask the honourable gentleman what would be the use of asking any Government at all for a fiat, if everybody is entitled to it?

Hon. Mr. CASGRAIN: Somebody must issue it.

Hon. Mr. McMEANS: You might as well put words into the act stating that anyone applying by a petition of right can have a fiat. Did the honourable gentleman ever hear of a fiat being granted in a case in which there was an agreement between the Government and the party, and the Government was saying that the party's lease was cancelled?

Hon. Mr. DANDURAND: Certainly.

Hon. Mr. McMEANS: I would ask the honourable gentleman to point out one case.

Hon. Mr. DANDURAND: The Paulsen case.

Hon. Mr. McMEANS: The Paulsen case was on a different footing.

Hon. Mr. DANDURAND: Not at all. His lease was cancelled, and he obtained a fiat, and he went to the Privy Council, and they restored to him his rights.

Hon. Mr. McMEANS: What were the circumstances? The Crown had from time to time extended his period and made new agreements with him, and accepted money. That is a different thing altogether.

Hon. Mr. DANDURAND: Well, it was a lease that was cancelled.

Hon. Mr. McMEANS: When the honourable gentleman who has just sat down talks about a fiat going as a matter of course, I want to tell him he is mistaken, because I know of cases in which they have been refused by the Provincial Government.

Hon. Mr. DANDURAND: I do not know whether the remarks of my honourable friend are addressed to myself, but I simply relied on the statement of the Deputy Minister of Justice, which he made to me yesterday and again this morning.

Hon. Mr. CASGRAIN: How does my honourable friend know the Lieutenant Governor had nothing to do with that refusal?

Hon. Mr. McMEANS: As far as I understand constitutional law when the Prime Minister and his Cabinet say no I have never known a case in which a Lieutenant Governor could override that decision; because, if he did, we might just as well do away with responsible and representative government, and place the reins in the hands of the Lieutenant Governor.

Hon. Sir JAMES LOUGHEED: Give us the case.

Hon. Mr. BEIQUE: It seems to me we attach too much importance to the issue of a fiat, which is merely leave to take an action, but does not give any right if it does not exist. It is merely a right to sue. It is well known that unless the demand is frivolous it is granted. No suit can be taken against the Crown without the permission of the Crown. I would like to ask the honourable member who represents the Government in this House if I understood him to state that the Department of Justice last year renewed the notice of cancellation to these parties?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEIQUE: That is the strongest evidence to my mind of the desire of the Department of Justice, and I suppose of the Government which is represented by that Department, to protect the rights of the Crown in those lands. Honourable gentlemen will possibly remember that last year, when what is now Chapter 21 of the Statutes was passed, I took the ground that the Act was a nullity, because it was dealing with a matter which was in the exclusive jurisdiction of the province, and that the correct course to follow was to give the notice in proper form. Evidently the Department of Justice has acted on that suggestion and given the notice. Therefore I think the country is protected in those lands, not by passing the Act of last year, but by the serving of the proper notice, as was done.

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

VANCOUVER HARBOUR COMMISSIONERS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand the Senate went into Committee on Bill 16, an

Act to provide for further advances to the Vancouver Harbour Commissioners.

Hon. Mr. Bennett in the Chair.

Section 1 was agreed to.

On Section 2—the Crown may advance $5,000,000 to Corporation:

Hon. Mr. WILLOUGHBY: The honourable leader of the House gave some figures yesterday in connection with the expenditures on the proposed works, but they are not reported in "Hansard."

Hon. Mr. DANDURAND: I was to give a statement of the intended expenditures under this Act. I will give it.

Hon. Sir JAMES LOUGHEED: Can my honourable friend give this information to the House: to what extent will the Government supervise, in something more than a formal way, the expenditure of this money? Inasmuch as it is only a loan, and the payment of the interest must be entirely contingent on the wise administration of the Harbour Board, it seems to me very necessary that the carrying out of these works should be substantially under the supervision of the Government.

Hon. Mr. DANDURAND: I would say, speaking generally, that such work is carried on by Harbour Commissions, and supervised by the Department of Marine and Fisheries in the same way all over Canada. Reports are made asking for an expenditure for a certain object, with a detailed estimate, and a memorandum justifying the expenditure. The Department examines into the demand and into the plans, and reports favourably or not. If favourably, the matter is reported to Council, and the amount is put at the disposal of that Harbour Commission for the purpose mentioned.

Hon. Sir JAMES LOUGHEED: Is the engineer in charge answerable in any way to the Department or to the Government for the manner in which the work is carried out? In what way is it checked over? Is the carrying out of work purely discretionary on the part of the Harbour Commissioners, or is the engineer the representative of the Government in the matter?

Hon. Mr. DANDURAND: The engineer who superintends this work belongs to the Harbour Commission, and is not under the control of the Department of Marine and Fisheries; but that Department has an inspector who follows the work as it proceeds, and who checks the expenditure and reports to the Department.

Hon. Sir JAMES LOUGHEED: Is there any good reason why, in a case of this kind, the work should not be carried out under the supervision and on the responsibility of the Government, just as much as any other public work? After all, the Harbour Commission of any port is very largely a fiction: it represents simply in a popular way the public of a particular area. The Government is making the exepnditure here as directly as if a public work were being carried out under the supervision of the Public Works Department. That a largely irresponsible Harbour Commission, whose members are appointed simply because of certain political services they may have rendered the Government, or by reason of, say, political sympathy, should be charged with the responsibility of carrying out an enormous expenditure of this kind, does not appeal to my sense of reason.

Hon. Mr. DANDURAND: My honourable friend, I know, was overworked when he was a Minister of the Crown, and I would not throw a stone at him for not having grappled with this problem. I realize that the system is one which has prevailed for some years. These Harbour Commissions are but the creations of the central Federal power, which owns the harbours and should exercise a close surveillance over the work of its delegates, the Harbour Commissioners. There is all the more reason for the Federal Government doing so when interest is not paid on the amount it has loaned. Does the Government exercise a close supervision? Has it done so in the past to a satisfactory degree? These are questions on which I should not like to pass judgment.

Hon. Sir JAMES LOUGHEED: It was in my experience as a Minister that I ascertained the weakness of the system.

Hon. Mr. DANDURAND: I confess that I have not had as close a contact with the administration as my honourable friend, for he has been here in Ottawa administering some of the Departments and has been in closer touch with his colleagues. I will speak my mind frankly. I am at one with my honourable friend in expressing the wish that a closer superintendence might be kept of the expenditures of the various Harbour Commissions, even those that show surpluses.

Hon. Sir JAMES LOUGHEED: "That show surpluses," did the honourable gentleman say?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: How many are they? The honourable gentleman might

have said, "even if one should show a surplus."

Hon. Mr. DANDURAND: I would have to mention a place near my own home, and I do not like to do so.

The Commissioners estimate the requirements for their present purposes in accordance with the following figures, some of which I mentioned yesterday:

Amount required to complete Ballantyne Pier	$1,760,765
Extension to present elevator	400,000
New elevator and site	2,000,000
Log booming ground	171,000
Marine Ferry terminal	155,375
Ballantyne storage yard	76,000
Railway equipment	81,000
Strip of land adjacent present Government elevator	50,000
Lumber assembling wharf	190,000
Granville Island paving	27,000
Overhead approach to Ballantyne Pier	65,000
Contingencies	23,860
Total	$5,000,000

Hon. Mr. WILLOUGHBY: What is to be the capacity of the new elevator—the $2,000,000 elevator?

Hon. Mr. DANDURAND: Two million bushels.

Hon. Mr. REID: Honourable gentlemen, I do not rise to oppose the passage of a vote for improvements at Vancouver. I think Vancouver is a port that must be developed as our country grows. So in any remarks I make I do not wish to be understood as opposing votes for the improvement of Vancouver.

However, as to the proposed expenditure on improvements at Vancouver, it is my opinion that while the Government would spend the money, it would be the railway companies who would use the facilities. The railway companies themselves should develop the port. In other words, most, in fact nearly all, of the proposed expenditure is in connection with the Canadian National Railways. These elevators will be on the Canadian National Railway System.

Hon. Mr. DANDURAND: Not at the Ballantyne pier. The C.P.R., and not the Canadian National, are already near the present elevator.

Hon. Mr. REID: I understand the situation in this way. The Canadian Pacific line into Vancouver at the present time, it is true, goes alongside of the present elevator and the Ballantyne pier. The Canadian National Railway, or what was formerly the Canadian Northern, had not developed the terminals at Vancouver. They had no elevators, docks, or facilities of that kind. All they had to do in order to connect with that elevator and the Ballantyne pier was to buy a piece of land, such as is being bought, and extend a short line of railway from their present terminals. That could be done by the Canadian National Railways for a small portion of the amount that it is proposed to expend, and they would then be in exactly the same position as the Canadian Pacific Railway.

Hon. Mr. TURRIFF: Could my honourable friend answer this question? Did the Canadian Pacific Railway build those elevators at the wharves that they are on?

Hon. Mr. REID: No. The Government of Canada built the elevator and owns it.

Hon. Mr. TURRIFF: Yes.

Hon. Mr. REID: The site of what is known as the Ballantyne pier was purchased by the Government of Canada. The pier was being built by the Marine and Fisheries Department, and the elevator on the Ballantyne pier is to be constructed by the Government of Canada.

Hon. Mr. TURRIFF: But what I had in mind was this. My honourable friend says that the Government Railway should build any new elevator or any pier that they wanted. That would mean that the Government Railways would have to go to the expense of providing elevators and piers, whereas the Canadian Pacific Railway had the advantage of the Government building the piers and elevators.

Hon. Mr. REID: I say that if the Government of Canada are spending this $5,000,000 they could do it through the Canadian National Railway. If the elevators belonged to them, the Canadian National Railway would be in the more advantageous position of controlling and operating them. The result would be, in my opinion, that Vancouver would benefit, because the Canadian Pacific Railway would likewise build elevators for itself. If the Government spent the money through the Canadian National Railway, the Railway would be placed in the position of controlling the wharves and other accommodation at Vancouver.

What will be the harbour situation when the proposed expenditures have been made? So far as the Canadian Pacific Railway is concerned, it is well situated in Vancouver. It owns its wharves, and has control of the terminals on the wharfage in Vancouver. It has large wharfage terminals. If these terminals were constructed through the Canadian National Railways, they would own them and

would be able to go to the wharves, etc., first; but under the present plans the Canadian National Railways at Vancouver will be in this position, that they will have no more right to these terminals than the Canadian Pacific, their great competitor, although the Government of Canada is spending every dollar of the money. That is one reason why I say it would have been better if the Government had constructed these terminals through the Canadian National Railways. In so far as a portion of them is concerned, the Trade and Commerce Department did operate the elevator, and the Marine and Fisheries Department did operate the dock. If the terminals were operated even in that way, instead of being operated by the Harbour Commission, the Canadian National Railways, belonging to the people of Canada, would have the advantage of these terminals, on which the people of Canada were spending money.

There is another reason why I think it would have benefited Vancouver if the terminal facilities were provided through the Canadian National Railways. We all want as much of our traffic as possible to go through Vancouver. The railways themselves are in a position to compete with Seattle or any of the American ports in the way of dues. It is possible that very small dues might be charged at Seattle. It might be possible that the railways there would wipe out their dues. But the Harbour Commission must incur heavy expenditures in maintaining a big staff and in operating railways around the terminals. The work which the Harbour Commission would have to do could be done by the railways at very little cost. Moreover, the Commission has interest to pay and must collect it from the traffic going through. Thus a handicap may be placed upon Vancouver and the terminal facilities there. The situation is much different in other ports of Canada.

With reference to the construction of an elevator, I think it is absolutely necessary, and I shall be surprised if you do not need half-a-dozen elevators in Vancouver; but instead of the people of Canada having to advance enormous sums for the building of all these elevators, which will be as useful and give the same advantage to our competitor as to our own lines, they should be built in each case by the railway company that will use them, or by private individuals, as has been done at Port Arthur and other places.

I therefore make the suggestion that it would be better for us to adopt some other system than that of appropriating each year $5,000,000 for undertakings that, in my judgment, will not be to the advantage of the people of Canada as a whole. Next year, just as surely as we are in this House, we shall be asked to supply another $5,000,000. If this elevator is constructed and the traffic goes through that I and others expect, another elevator will be wanted, and another $2,000,000 will be required for it; and then there will be a demand for larger wharf accommodation. The Ballantyne pier is not sufficient, in fact will be of very little use, for other traffic—that is, for merchandise—for the reason that there is an elevator built on that. That will be the excuse offered next year. If we must build an elevator, the construction should be done through the Canadian National Railways. At least, they should be given the control and operation of it. There will be sufficient elevator capacity for the Canadian National at all events, and the Canadian Pacific Railway is able to do its share just as well as the Canadian National. Bonds could be issued, if necessary, with the endorsation of the Government, and the money could be raised as cheaply in that way as by the method now proposed.

So far as the items are concerned, I am not disagreeing with them at all. I am glad to see that that short connection, which is not a mile altogether, is to be made with the elevator; but I am very sorry indeed that the elevators, wharves and other facilities are taken out of the Canadian National Railway system and that every other railway company is put in the same position as the Canadian National so far as the use of those wharves and elevators is concerned, although the other railways have their own terminals and will have twice as much, or three times as much, as we have when this work is completed. I am satisfied, from what little I know, that when this is all done the Canadian National Railway System will not have half the accommodation that is necessary at Vancouver.

May I ask the honourable leader of the House if the proposed expenditure by the Harbour Commission is the carrying out of the policy as laid down by a commissioner who, as I understand, was sent two or three years ago to Vancouver for the purpose of devising a plan that would develop Vancouver Harbour in such a way as to meet all requirements for many years to come?

Hon. F. L. BEIQUE: Honourable gentlemen, I would hesitate to criticise anything that the honourable Senator has said on this question, because I know that from his experience he is much better informed than I am on the subject. However, I desire merely to call attention to the question whether it is not in the interest of Vancou-

ver, and of the Harbour Commisison, or the Government itself, that the elevator and the approach to it should be constructed and controlled by the Harbour Commission, in order that it may have the patronage not only of the Canadian National Railway, but also of all other railways, including the Canadian Pacific.

Hon. Mr. REID: In answer to the honourable gentleman, I may say that if the elevator at Vancouver were under the control of the Canadian National Railways, there would be at all times agreement or understanding that any other railway might use it, provided it was not filled by the Canadian National Railways' own traffic. If the Canadian National Railways are to take the grain from Alberta or Saskatchewan over their road, there will be only 1,000,000 bushels there. Suppose that the road competing with them were to run in a million bushels of grain and put it in that elevator; there is no way by which the Canadian National Railways could use the elevator at all. Let the other railroad have an opportunity to use the elevator too, and have equal rights, but if it is to be built by the Government it could be built as part of the Canadian National Railway System. If we are going to spend this money now, why should we not do it in such a way as to help our own railway system? The other railways could use the elevator just as well, provided that we were not overcrowded. That is the condition on the Canadian Pacific railway to-day, and there is no trouble at all. The C. P. R. is only too glad to take grain into any of the elevators it owns, provided they are not overcrowded; but it serves itself first, and then assists the others when it is in its power to do so.

Hon. S. J. CROWE: Honourable gentlemen, as a representative from Vancouver I want to say a few words in favour of this Bill.

The citizens of Vancouver will certainly be pleased with the Government for making this expenditure at this time. In 1919, when the first $5,000,000 was asked for from the Government, I advocated the building of an elevator and pier by the Government, as had been done in many of the eastern cities; but the Government then in power, of which my honourable friend (Hon. Mr. Reid) was a member, did not see eye to eye with me. In 1913, I think it was, the Government created a Harbour Commission, to administer the port of Vancouver, but the then Minister (Hon. Mr. Reid) could not influence the Government to make the expenditure.

As the building of these wharves was commenced under the jurisdiction of the Harbour Commissioners, I think they should be allowed to continue the work. I endorse every word the honourable gentleman has said with reference to their coming back here in two or three years and asking for more money to develop that port, because during the last year it has developed to a wonderful extent; and, given an equalization of freight rates, east and west, there is no doubt that the port of Vancouver will soon rival the port of Montreal.

Hon. Mr. DANDURAND: It is a twelve months port?

Hon. Mr. CROWE: Yes, it is a twelve months port, and with the increased number of bottoms coming to our city, the freight traffic has increased very largely.

If I may be permitted, I would like to read an interview with the manager of one of the largest milling companies in the prairie provinces. It is as follows:

> Vancouver, February 23.—That within comparatively short time Vancouver will be shipping from 100,000,000 to 150,000,000 bushels of grain annually was the prediction made to-day by Charles Stickle, western manager of the Maple Leaf Milling Company.
>
> Referring to flour shipments to China and Japan, Mr. Stickle said: "We are hampered by lack of shipping space and for that reason we have to refuse some very large orders for delivery in the Orient within the next few months. We have contracted for cargo space on every boat sailing from Vancouver until May 1.
>
> "Given fair freight rates and proper grain storage space, Vancouver will attract some of the largest flour mills and it will be only a matter of a few years until such will be located here."

Let me say a word with reference to the remarks of the honourable member from Grenville (Hon. Mr. Reid) as to the Canadian National Railway owning the elevators in Vancouver. As he was Minister of Railways, he ought to know that the Canadian National has not a road of its own into Vancouver at the present time. It has running rights over an American road, the Great Northern, also to the Ballantyne pier. It is the intention of the Harbour Commissioners, I understand, to build what they call a terminal railway connecting the Canadian National with the Ballantyne pier and an elevator built a number of years ago by the Government. As a matter of fact, the Government built the first pier and elevator there, and later turned them over to the Harbour Commissioners.

If an elevator is built at the Ballantyne pier, it will be built at one end of the pier, and, in my opinion—and in the opinion of engineers with whom I have spoken—will

not interfere at all with ships coming there for other merchandise. Large fireproof warehouses have been built there, with the very latest facilities for handling freight, and the grain elevator will not interfere at all with the other part of the pier. Several times last year ships had to lie in the stream because of lack of facilities for handling cargoes; but, as the Ballantyne pier will no doubt be finished this year, it will provide increased accommodation for vessels coming to our port.

I am certain that the citizens of Vancouver will appreciate to the very fullest extent the action of the Minister of Marine and of the Government in bringing forward this measure, and I hope Honourable gentlemen in this House will be as unanimous in its favour as were the members of the other House.

Hon. Sir JAMES LOUGHEED: I should like to ask the leader of the House for some information. From the observations of my honourable friend from Vancouver (Hon. Mr. Crowe) and likewise of my honourable friend from Grenville (Hon. Mr. Reid) I am convinced that the latter gentleman's proposal is the sounder one of the two. My honourable friend from Vancouver points out that the port of Vancouver will rival the port of Montreal. He points out likewise that the Canadian National Railways have no terminal facilities in the city of Vancouver.

Hon. Mr. CROWE: Pardon me. They have terminal facilities near their station.

Hon. Sir JAMES LOUGHEED: Yes, but no terminal facilities for the shipment of grain, and so on.

Probably the most energetic and formidable propaganda that has been exerted by the port of Vancouver at any time is now in progress in the province of Alberta, for the purpose of diverting the shipment of grain by way of the port of Vancouver.

The greatest undertaking the Government of Canada has entered on is the operation of the National system of railways, and that we should overlook the necessity of linking up that great system with proper terminal facilities in the port of Vancouver would be one of the grossest omissions of which any Government could be guilty. It seems to me that we should not make this enormous expenditure without consulting the manager of the Canadian National system. There is no distinction between the Government of Canada and the Canadian National Railway System, and that we should enter upon a gigantic undertaking at the port of Vancouver, involving an expenditure, I assume, equal to that made in the port of Montreal, without taking into consideration the interests of the Canadian National Railway system, would be a very serious mistake. Furthermore, if the port of Vancouver is to become the port of shipment for Alberta grain, most of that grain will be carried by the Canadian National System of Railways, because, as we all know, the grades on that system over the Rockies are more favourable than those on the line of the Canadian Pacific Railway.

I may further say this. I know of no organization as competent as the railway to carry out economically and wisely, and with such advantageous results to the Government of Canada, great undertakings of this character. The railway has the machinery necessary to carry out great public works such as the one now under consideration to a very much greater extent than any harbour commission or even the Government itself. The harbour commission is simply a channel, a conduit pipe, through which this expenditure goes. The loan is being made by the Government of Canada and the work is being carried out by the Government of Canada. It is precisely the same thing as if the loan were being made to the Canadian National Railway System. It seems to me that if we are going to enter upon a great undertaking of this kind, which necessarily must be germane to the successful administration of that railway system, we should consult that system in regard to it. It looks to me as though we were entering upon the matter regardless of its bearing on the railway. Why, honourable gentlemen, the two things are so closely linked up together that you cannot separate them. They are one and the same undertaking, and to think of spending millions of dollars upon these terminal facilities and handing them over to an organization not calculated to carry them on economically and not associated with the Government of Canada is a mistaken policy. I cannot urge too strongly upon my honourable friend the necessity of bringing down to this Chamber for our information the well-considered opinion of the heads of the Canadian National as to the carrying out of this project. It is not yet too late to retrace our steps. This loan is about to be made, and surely, if it is necessary, in the public interest, a co-operative arrangement can be entered into between the railway and the Harbour Commission by which the work can be carried on as a joint undertaking for the promotion of the interests of the Canadian National System.

Hon. Mr. TURRIFF: I entirely concur in many of the remarks of the honourable gentleman who has just spoken. I take it for granted that if it is better that the Govern-

ment railroads should be consulted in this matter, it will be done, and that the Government will see that the most economical method is followed. I understand that this is the second loan of $5,000,000 for the development of Vancouver harbour, and I trust that it will not be the last money that will be expended on that account. The better the facilities in the harbour of Vancouver, the greater the use that will be made of the Canadian National line, and the better it will be for every farmer in Alberta, and, to a considerable extent, in the province of Saskatchewan. Last season a considerable amount of our wheat went by the western route. In all probability more and more will go each year, especially if the rates on wheat going West are equalized with the rates going East.

I think the honourable Senator from Grenville (Hon. Mr. Reid) said that the bulk of the wheat would go West by way of the Canadian National. The bulk of the wheat will be grown along the line of the Canadian National, I believe, but at the present time the rate on the Canadian National is practically the same as the rate on the C.P.R., although, because of its grades, it costs the latter about double what it costs the Canadian National to carry it to the coast.

Hon. Sir JAMES LOUGHEED: They will scarcely cater for that trade.

Hon. Mr. TURRIFF: I do not think they will. If we get the same rate per mile going West as we have coming East, more and more of the Western wheat will go by way of Vancouver. There are many advantages to the western Canadian farmer in having his wheat shipped to the Old Country via the Pacific. We know, from what has taken place during the past year, that when the wheat goes down to Fort William the biggest part of it is shipped to the Old Country via American ports. We also know that our wheat does not get to Liverpool or to any other city in Great Britain, especially if it goes through American ports, in anything like the condition in which it leaves the West. It is trimmed down and mixed with the softer American wheat so that our grades are practically unknown in the Old Country. This is not true of the wheat that goes via Vancouver. It may be mixed to a certain extent by our own shippers, but it cannot be mixed to the same extent that it is when it goes by Buffalo or other American ports, for the simple reason that we have not soft wheat to mix with it, and because as my honourable friend suggests, we have a much better system of inspection.

This is one of the large sums voted by the Government with which I am in sympathy, because I believe it will benefit a large part of the country. I quite agree with the leader of the Opposition when he states that Vancouver is likely to become a rival of the port of Montreal in the years to come. As that honourable gentleman has said, it has a great advantage in being open the year round. The statement of the number of vessels and the tonnage now coming to that port shows that its trade is increasing very fast, and I am sure that it deserves every consideration from the Government of Canada. From the information brought down as to the revenue that was collected last year, I would judge that after a while that port ought to be on the same footing as Montreal, self-sustaining, and able to pay the Government interest on the money now being advanced as a loan.

In conclusion, I would say to the honourable leader of the Government that I think the suggestions made by my honourable friend from Grenville (Hon. Mr. Reid) and my honourable friend from Calgary (Hon. Sir James Lougheed) are well worth considering, namely, to look further into the matter and see if any improvement can be made on the plans now proposed for having this new work done and the new elevators built, and the whole matter so handled and managed that our own Government Railways may get every advantage that can possibly be given.

Hon. Mr. REID: I want to assure the House, and particularly the member for Vancouver (Hon. Mr. Crowe), and I want the people of Vancouver to understand, that there is no opposition in any way to the passing of this Bill, either by myself or I believe by any other gentleman who has been discussing it. It is only a question of the most advantageous way of spending the money.

I would like to correct the honourable member for Vancouver when he states that the Harbour Commission was appointed in 1913, and that the Government of which I had the honour of being a member transferred everything to that Commission. As I remember, the question of constructing an elevator at Vancouver was decided by the Government when I was a member, and the Government, under the Trade and Commerce Department, constructed that elevator; and I am subject to correction if that elevator was not still under that Department when the Government went out of power. So far as my memory goes, it was never transferred to the Harbour Commision while I was a member of that Government; therefore the final decision was not absolutely settled as far as the terminal of

the railways was concerned. The National Railways had to have more terminal facilities, and I took that question up with Mr. Hanna and his staff, and discussed it several times. The question at that time was not about the management of the railways, but the advantage it would be to them if they had terminals that they controlled. Their position in Vancouver was that they had a competitor who owned their terminal facilities, and there was nothing to prevent a vessel coming into Vancouver, say from China, and the C.P.R. offering to take the traffic in from the vessel without any charge for unloading, and passing it over to their cars, or indirectly giving some other advantage to that vessel, because of the C. P. R. owning the facilities. On the other hand, everything that passes through those elevators or over those piers for the Canadian National Railways must pay toll to the Harbour Commission, in order to make up the interest, due on the loan, and cover the cost of operation of the Harbour. In that way the Canadian National Railways are at a disadvantage in Vancouver. I have always believed in competition, and if those terminals were developed through the National Railways, which is another name for the Government, I believe that the Canadian Pacific, as a rival corporation, would fall into line, and thus the Harbour would perhaps be developed more quickly than it will be as a Government proposition in the way now proposed. I am only giving my own opinion for what it is worth.

Another thing the Government railways wanted to develop was a large pier and storage at False Creek, they call it, on the Kitsilano Reserve, and those piers and storage would be of great advantage to them. The honourable member from Vancouver and all the people of that city with whom I discussed the matter thought it was a good thing, and in the interests of Vancouver, of the railways and of the public as a whole. Now, the Harbour Commission may decide to spend this additional money at some other place, and the National Railways may be held up.

Hon. Mr. WATSON: Can the honourable gentleman tell me what happened to the C. P. R. elevators at Montreal?

Hon. Mr. REID: The C. P. R. elevators at Montreal and the Government elevators all went to the Harbour Commission; that is what I understood. As the honourable gentleman knows, the Government spent a lot of money on elevators; so did the C. P. R., and they went in on equal terms, so that if the National Railways took grain into Montreal before they had their own elevators they could use the Government and the Grand Trunk elevators. In Montreal the railways are on equal terms, but in Vancouver everything is one-sided, for the Government are going to build all those elevators alone, while the C. P. R. will not build any. We have to build them and be taxed for them, and we have to develop them all, while the other railway has its terminals free. That is the point I am making.

Hon. Mr. DANDURAND: The suggestions of my honourable friend have been examined by the railway companies. My honourable friend from Calgary (Hon. Sir James Lougheed) seems afraid that the Harbour Commission of Vancouver will not work in harmony with the Canadian National Railways for their mutual interest and advantage. He is expressing fears that are absolutely groundless, for the National Railways are working hand in hand with the Harbour Commission of Vancouver and know its proposals. Sir Henry Thornton has lately expressed the opinion, after visiting Vancouver and examining the situation, that it was for the Harbour Commission and not for the National Railways, to build the proposed elevator, and also the next one and others to come. Sir Henry is perfectly happy at the advantage which the Harbour Commission gives to the Canadian National Railways in the Great Northern spur, because the Commission secured running rights for the use of that Great Northern spur from its main line to the port, and has handed it over to the National Railways for operation. It will build a line to the present elevators, and a side line to the Ballantyne pier, so that the Canadian National Railways will have all the advantages that the C. P. R. possesses to-day. It has not been the policy lately for railways to build elevators. The C. P. R. in Montreal handed its elevators over to the Harbour Commission, and Sir Henry Thornton, on behalf of the Canadian National Railways, has handed over the Grand Trunk elevator in the port of Montreal to the Harbour Commission there.

Hon. Sir JAMES LOUGHEED: But the railway companies have considerable elevators at Fort William and Port Arthur.

Hon. Mr. DANDURAND: They were obliged to have them at the time. My honourable friend from Grenville (Hon. Mr. Reid) says that if the elevators are built by the Harbour Commissioners of Vancouver they will collect dues from the Canadian National Railways. Yes, but the railways will be sav-

ing the interest on the amount of money that would go to the building of those elevators. As a matter of fact, there is absolute co-operation between the National Railways and the Harbour Board, and these developments will be superintended, as heretofore, by the inspector. I hope that the Marine and Fisheries Department will try to expand its supervision, rather than contract it.

Hon. Sir JAMES LOUGHEED: I would like to ask to what extent the matter was submitted to the National Railway System. I can understand Sir Henry Thornton expressing diplomatic agreement with a scheme that seemed to him inevitable; that is to say, the Government has been inevitably committed to the carrying out of this undertaking of the Harbour Commission. Sir Henry's personal opinion might be entirely different. Did he know that this undertaking could be carried out, or that the Canadian National System might be saddled with the responsibility of carrying it out as part of a terminal scheme of that great railway?

Hon. Mr. DANDURAND: All I know is that I am informed that Sir Henry Thornton publicly expressed his views on this point after having examined the situation in Vancouver, and also that of his own free will he has agreed to transfer the Grand Trunk elevator in Montreal to the Harbour Commission.

Hon. Mr. McMEANS: Might I ask the honourable gentleman if he has seriously considered that Vancouver is ever going to become a great shipping port for wheat? As I understand the situation, Vancouver can never be a place where there will be a wheat market. I understand that when you ship wheat to Vancouver you cannot sell it; there being no market, there is nobody who can take it off your hands. If you go to Winnipeg you have the biggest wheat market in the world, and you can sell it the next minute after its arrival. While I have no personal knowledge of the matter, I doubt, from the information I have received, if Vancouver will ever be successful along these lines.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the statement that I read, and which seemed to be an official statement, that last year 50 per cent of the wheat went to the Orient, and 50 per cent went through the Panama Canal to Liverpool. If that is so, it is a good omen for the future. I hope that we shall cultivate our eastern market, and thus be able to send considerable of our western crop to the East. As to the facility with which shippers can dispose of their wheat when they send it to Vancouver. I read with interest all that was said by the members from Alberta who spoke on this matter in the other Chamber. They seemed quite confident of enjoying the advantage of 8 or 10 cents a bushel, as they did last summer, by sending it through Vancouver.

Hon. Mr. McMEANS: Did the honourable gentleman state that one-half of the wheat grown went through Vancouver?

Hon. Sir JAMES LOUGHEED: No; of the wheat shipped to the coast 50 per cent went to the Orient and 50 per cent went via the Panama Canal.

Hon. Mr. DANDURAND: Fifty per cent of the wheat that passed through Vancouver went to the Orient.

Hon. Mr. McMEANS: You have not any information as to how much passed?

Hon. Mr. DANDURAND: Some 14,000,000 bushels last year.

Hon. Mr. McMEANS: Out of how much?

Hon. Mr. DANDURAND: Well, the child will grow, and I express that hope, although a paper that seemed to be of yellowish colour was sent to me from Vancouver, accusing Montreal interests of conspiring to prevent anything being done for Vancouver port. But I am from Montreal, and I am moving this advance of $5,000,000.

Hon. Mr. CROWE: I would like to inform the honourable gentleman (Hon. Mr. McMeans) that between January and February this year we have shipped about 12,000,000 bushels out of the port of Vancouver. He talks about a grain market not being in Vancouver. If I understand the handling of grain, the shippers never bring grain to any extent to any port unless they have a market some place else. I would imagine that there are several hundred million bushels of grain in elevators in Montreal and Fort William.

Hon. Mr. WATSON: Waiting for a market.

Right Hon. Sir GEORGE E. FOSTER: As a matter of fact, I would like to ask the honourable leader of the Government one or two questions. First, has the only elevator that has been built in Vancouver been transferred to the Harbour Commission? If so, at what time, and under what conditions? Was it transferred free, if it has been transferred, or was it for a consideration, as a part of the ultimate vote for the equipment of the harbour? That question remaining for a moment, I think nobody in this Chamber or in the other Chamber has any other idea than that

a port on the Pacific shall be developed to the largest extent possible, and nobody is more pleased than myself to hear the statement made of the rapid growth of the transportation of wheat through that port.

I was Minister of Trade and Commerce when the elevator system was devised and carried out, and I know that at that time we were not so hopeful as to what would ultimately go through the western port as we may be now, in view of the progress made since that time. But I always had an abiding faith that there was to be an exit through a western port, and that the facilities of the Panama Canal, outside of what might be advantages for the sale of our surplus product in the far East, gave a prospect of a large and increasing business being done through there.

To my mind the whole crux is this, that in the first place we should be assured that the Board which has been nominated, and which shall have the expenditure of this money, shall be a Board with the experience and business capacity and energy necessary to grapple with a large question of this kind. Have we that kind of men on the Board? If we have, or have not, the responsibility is upon the Government, and they must face that responsibility before the Parliament of Canada. That is the main essential—that there shall be a competent Board to manage this work. It is not simply perfunctory business that they are supposed to carry on. Their duties are such as require large information and excellent business ability. The formation and development of a port on the Pacific coast, such as the port of Vancouver gives promise to be, is something which requires the very best of business ability. We all agree to that.

At the same time, there are other interests concerned. I do not care how able a body of Commissioners you have, there are some other things that should be taken heed to at the same time. The Government of Canada is furnishing money, therefore the Government of Canada should be assured that in the plans that are projected, and in the dispositions that are made for the development of the port and the carrying out of that development progressively, the plans proposed by the Commissioners shall meet with their approval. I thing the Government is not simply to throw the responsibility of the plans upon the Commission and say: "We are not responsible; all we have to do is to furnish the money; these are the men that are looking after the development of the port, and we have nothing to do with the matter." I am not saying that the Government is doing that. If it is doing so, I think it is not doing its full duty. Therefore I think there must be the most careful supervision, in the first place, of the plans which are proposed for the development, as a basis upon which the money is to be spent, and then that the expenditures which are undertaken are carried out by the Commission.

But there is a third party to this. You have not only got the Board of Commissioners—a first class body of business men of wide experience—to carry on that part of it; and you not only have the Government furnishing the money, and as the trustees of the people seeing that it is expended on proper plans; but the third element is equally important, and it has been pressed by honourable gentlemen on this side of the House, and agreed to by all—that after you have your Commissioners, your plans, your paraphernalia in the port, the great livening influence and impetus is in the commercial corporations which use it, and those are the railroad corporations which centre in that place. The Government would not feel very well justified nor satisfied, neither could the Board of Commissioners, though they are not responsible to us, if after they had prepared plans, and after money had been voted and expended in the working out of those, and the sending of the products of Canada by those great railway corporations, the management of the railways came to the Government and said: "These are not proper plans; they are not doing what they were intended to do; therefore the money that you have spent has not gone to the point; we still have disabilities there, because those plans have been insufficient or improper." Therefore there ought to be the closest consultation with the managements of the great railway systems, more especially our own, which we are supporting by the resources of Canada, so that there might be perfect understanding and complete co-operation all the way through between those three elements which enter into this enterprise.

Now, suppose a Board of Commissioners have their engineers, and that those plans depend on their engineers' ability and work; does the Department have a supervision of those plans as well? Does the Department —which is the centre of the engineering ability as far as public works are concerned here in Canada—have part and parcel in this and collaborate in the preparation of those plans? It does or at least it ought to do so If it does the Government is responsible to see that that supervision is ample and that it is applied.

The other question is: have the managements of the great railways—particularly our

own, which will largely use these facilities, the other already having terminal facilities of its own—have the managements been consulted, not as a mere matter of saying amen to what the Government has decided to do, but as a matter of careful examination, from the experience that they have had for years, and their knowledge of the traffic that will come or go through that port? Have they carefully examined these plans? Do they think they are sufficient? Are they in accord with them? If these three questions are answered in the affirmative, all we shall have to do is to put our trust in the Government, and hold it to the trust, to see that that correlation is maintained after it has been in the first place applied.

Progress was reported.

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

THE SENATE

Thursday, March 15, 1923.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READING

Bill J2, an Act for the relief of Marian Eugenie MacCordick.—Hon. J. H. Ross.

Bill K2, an Act for the relief of Elizabeth Frankland.—Hon. Mr. Taylor.

Bill L2, an Act for the relief of Arnold Carrington Burke.—Hon. Mr. Taylor.

CRIMINAL CODE BILL

FIRST READING

Bill M2, an Act to amend the Criminal Code.—Hon. Mr. Lynch-Staunton.

KENT NORTHERN RAILWAY

INQUIRY

Hon. Mr. BOURQUE inquired of the Government:

1. Referring to the proposed acquisition of the Kent Northern Railway by the Government, on what date did the deputation wait on the late Minister of Railways and urge the acquisition of such railway?
2. Is it at the present time the intention of the Government to acquire the said railway, and if so what steps, if any, have been taken towards such acquisition?

Hon. Mr. DANDURAND:

1. Exact date not of Departmental record, but it was during the early part of the Session of 1922.

2. An offer to acquire the road having been declined by the owners, the Government has taken no further action.

CANADIAN NATIONAL HOTELS

INQUIRY

Hon. Mr. McDONALD inquired of the Government:

In connection with the taking over by the Government of The Grand Trunk, The National Transcontinental, The Grand Trunk Pacific and the Canadian Northern Railway Systems:

1. How many hotels were included?
2. How many of these hotels are operated continuously?
3. How many are operated as summer hotels?
4. And where are they located respectively?
5. And how are they to be administered?

Hon. Mr. DANDURAND:

1. Six.
2. Six.
3. None.
4. "Prince Arthur," Port Arthur; "Prince Edward," Brandon; "MacDonald," Edmonton; "Fort Garry," Winnipeg; "Chateau Laurier," Ottawa; "Highland Inn" and camp, Algonquin Park.
5. By the Railway Company.

EXPORT TRADE OF PRAIRIE PROVINCES

INQUIRY

Hon. Mr. DAVID rose in accordance with the following notice:

That he will inquire from the Government:—If the greatest part of the export trade of the prairie provinces goes to American seaports of the United States to the detriment of our railways and elevators and does the Government intend to consider and remedy that state of things?

He said: I had intended modifying my question in order that we might have a discussion upon it, but as I am not desirous of speaking now, I put the question as it is.

Hon. Mr. DANDURAND: I have not been able to secure an answer for my honourable friend. A Royal Commission is at present investigating the movement of the grain crops shipped from the West to the head of the lakes, and that Commission will very likely give considerable information to the honourable gentleman and to the country regarding the question he has raised.

EUROPE AND THE LEAGUE OF NATIONS

DISCUSSION AND INQUIRY

Right Hon. Sir GEORGE E. FOSTER rose in accordance with the following notice:

That he will invite the attention of the Senate to conditions in Europe and the work of the League of

Nations and will ask the Government if it will lay on the Table the Report of the Canadian delegates to the third Assembly of the League of Nations.

He said: Honourable gentlemen, it may be a far cry for me to invite the attention of the members of the Senate to affairs in Europe, passing thus from the consideration of our own national questions, which are of prime importance to us, so far as we ourselves are concerned, and within our own boundaries. But a moment's reflection in that respect will clear the air.

In the first place, I may remark that the Senate is not so hard pressed for time, in dealing with the public affairs of Canada which come before it, as to make it a matter of consequence that time should be exclusively devoted to these and not even a short period to the question which is contemplated in my inquiry.

In the second place, when we come to consider the matter, it is apparent that Canada has responsibilities, duties and interests which centre in continental Europe, and which are of great, if not of supreme, importance to Canada as a whole, in almost every phase of her work and administration. Whether we like it or not, Canada took part in the Great War, and, as hostages to her faith and her confidence in the purposes of that war, has left thousands of her own flesh and blood on the plains of Europe. Canada also took a part, and not an unimportant part, in the Treaty of Peace which was framed and signed at Versailles, and in that respect has an interest in the fulfilment of the terms and conditions of the Treaty.

In the third place, Canada is a member of the League of Nations, the design of which was to perpetuate the Peace which came from the labours of the representatives of the various powers in Paris, and as a member of that League has a continuing interest in the carrying out of the terms of the Peace Treaty and in their results in Europe and the world.

Outside of that Canada has also an interest, although it is a minor one, in such reparations as may be got from Germany, a portion of which comes to Canada as being part of the British Empire.

Leaving out those, which are important considerations, there is another interest which Canada has, and that is the interest of an exporter, trading in continental Europe as a market for her products—a market which in the past has been an important one, and which in the future, if conditions of peace, security, and prosperity can be gained and maintained, promises to be a very essential one for the most important of all our products, the agricultural products of Canada.

We sometimes forget how much of an interest that is. I suppose nothing has been more striking than what has taken place within the last year in the United States of America in reference to the interest among the farmers of the United States in the European situation. For a long time they were almost oblivious to any interest in continental Europe, but they have now been attracted in that direction by the fact, which is becoming more and more patent to them, that for the agricultural products of the United States continental Europe is a most important market, and that that market cannot be had at its best unless the people of Europe are at peace and as prosperous as it is possible for them to be.

But the United States and the British Empire have another interest in continental Europe—in its pacification, in its re-establishment, and in the speedy regaining of its full capacity for trade and commerce, in order to secure and render profitable the investments that have been made.

It will impress some of us, if we have not paid some attention to it, to look for a moment at the magnitude of these investments. Europe—I mean that part of Europe which was engaged in the Great War—owes to-day to Great Britain $9,000,000,000, and owes to the United States $6,700,000,000. France, Italy and Belgium owe to Great Britain $5,500,000,000, and owe to the United States $5,625,000,000. That is, the three powers which are to-day conducting the military occupation in the Ruhr owe to the British Empire and the United States, in round figures, $11,000,000,000. This total investment of actual moneys which have been employed during the war for food, for supplies to armies, and for the equipment of armies in the defence of France and Belgium would at 4 per cent involve an interest payment of $628,000,000 yearly.

I quote these figures to show the stake that the British Empire and the United States of America have in the rehabilitation of Europe, as being creditors to an enormous amount, and therefore, going upon the principle that the United States goes upon, looking upon these as debts that have been honourably contracted and must be honourably met. That principle is already being carried out in reference to England, which owes $4,600,000,000 to the United States and has just made a funding agreement by which it pays that sum within 62 years, with interest and amortization payments each year during the continuance of the term. It is apparent, then, that more than France, more than Belgium, more than Italy, have a very keen and direct interest in the rehabilitation

of Europe, and in the payment of the reparations which have been set by the Treaty, or which may be hereafter agreed upon to be paid. For the above reasons I think I am entirely justified in bringing before the Senate, as an essential part of the Parliament of Canada, these considerations, which appeal to the legislator, to the business man, to every thinking citizen, and to every lover of peace in our country.

So much with reference to that. For a long while the war went on. It so happened that the Great War lasted for four years and three months. The singularity of the coincidence is in this, that since the Armistice was signed until this particular moment a similar term of four years and three months have already passed. The war surprised the world by the length of its continuance, by the slowness with which it was consummated, by the disappointment of all the earlier hopes as to its speedy or immediate finish. The signing of the Armistice ushered in a period when the hopes of the world were again high that the movement would be quick, uniform, and steady towards the pacification and rehabilitation of Europe and of the countries engaged in the war. But just as the progress of the Great War was pathetically slow, tragically slow, horribly slow, with equal truth it may be asserted that pathetically slow and disappointingly slow has been the progress towards the rehabilitation of Europe.

Hon. Mr. DAVID: Will the honourable gentleman allow me to put to him a question? Is he not afraid that another war will take place before the end of the negotiations for peace?

Right Hon. SIR GEORGE E. FOSTER: If my honourable friend will allow me, I will touch on that question as I go on. My honourable friend will not think that I am lacking in courtesy if I do not answer the question now, because it will come in the course of the remarks I am to make.

Although that progress has been slow, there is not a shadow of doubt that there has been progress. We cannot thoroughly judge of the operations of four and a quarter years without taking into account the situation as it was faced by Europe upon the signing of the Armistice. You had countries which had passed through all the horrors and burdens and catastrophes of an unexampled war. You had in Europe itself an impoverished set of peoples who had gone to their limit in prosecuting the war. You had a large number of new nationalities just setting up housekeeping, that were laden with debt, without cash and without credit. Each of those had its national boundaries, and contiguous to every boundary there was another nationality, and each was suspicious of the other. There were jealousies, there were boundary disputes to be settled, there were all the difficulties of passports, customs and transport regulations, the absence of all amenities of trade and commerce and communication from nationality to nationality. Guards were upon every boundary line, and soldiers were behind the guards, and what was also quite apparent was that in some of those there were aspirations which were, to say the least, inopportune, and ambitions which were exaggerated and unholy.

We had examples of those in Poland and in Greece. In Poland the union of the old parts of the former empire into a new Poland did not satisfy the Polish people, and war actually broke out between Poland and Russia. The consequences of that war might have been very prejudicial to Poland, and to the peace of Europe. Happily, however, by the co-operation of the French military advisers, the war was soon brought to a close. Greece had ambitions for a time to establish a second Grecian empire in Asia Minor, and pressed her way in that direction. That was an ambition which was far beyond the capacities of Greece, and it ended in disaster to Greece itself and a serious complication in Near Eastern affairs which yet remains unsettled.

All those were conditions and situations faced by the different nationalities in Europe under circumstances which were of the most strenuous kind, and, to my mind, there is little wonder that progress has been so slow in the meantime. But there has been progress. To-day one observes the increasing amenity of trade and communication between those different nationalities, one finds them mildened and softened by mutual agreements, by the growth of greater confidence from year to year between neighbouring nationalities; by agreements and ententes which are negotiated; by the settlement of disputed boundaries, the uncertainty of which caused intense strife and racial hatred. These have been softened. Gradually the amenities have been increased; gradually the difficulties have been done away with, until the whole aspect of European national housekeeping has materially changed, with a good prospect of reaching conclusions which will largely stabilize the new dominions.

Then all of a sudden, one after the other, just as these difficulties were being happily arranged, and prospects of peace and rehabilitation were growing hopeful and optimistic, two things happened. There was the come-

back of the Turk, the rout and expulsion of the Greeks from Asia Minor, and the victorious advance of the Turks to the shores of the Bosphorus, bent upon entering Constantinople and Thrace, flushed with their success in Asia Minor. Happily they were prevented from an entrance into Europe at that particular time. Since then negotiations have taken place. What may happen in the end no one knows, but at the present moment it does look as though war may be avoided, and as if a standing-ground of mutual agreement may be had between the Turk and the western powers of Europe.

The other thing that happened was as sudden as the first. It was the occupation, by force, by military power, of the Ruhr by France and Belgium as the culmination of a series of negotiations which resulted at last in a fundamental difference of opinion between the Allies and the action which all of us know, and which many deplore. I will have something more to say on that a little later on.

My conclusion so far is that progress has been made, and that on the whole such progress has been satisfactory, but that at the present moment there are gathering and ominous clouds which need to be dissipated, and that to-day an anxious world is fixing its mind upon Europe, filled with doubt and uncertainty as to the possible outcome. It may turn out that the clouds may pass without a thunderbolt and a crash, but on the other hand the action may result in chaos and disruption to the great detriment of the peace and prosperity not alone of Europe but of the world; and behind all the grim spectre of another war shows in outline.

Leaving that part of my subject, I propose now to bring before the members of the Senate some of those conditions in Europe. I had the opportunity of a couple of months' travel in the different countries of Europe during the last summer and autumn. I do not make any pretension that that qualifies me to form dogmatic conclusions or formulate opinions which cannot be questioned; but what it did was to give me an idea of the atmosphere and of the surrounding circumstances which helps one to correlate his ideas, and to value his information as he could not otherwise do.

The first thing that impresses one in continental Europe to-day is the change as contrasted with ten or fifteen years ago. The man who travelled through Germany and Austria in those days and travels there now is struck with the almost revolutionary nature of the contrast between the two periods. Then you had all the splendour and magnificence of military pomp, backed by autocratic military power. Then you had the mighty empires of Austro-Hungary and of Germany and of Russia. At the present time these have passed away, and in their place there have come up a succession of smaller nationalities. One sees the retrogression of the monarchical and militaristic, and the emergence of the democratic and republican notions of government.

Someone asks me: "What is your impression as to the continuity of progress in that direction? Will the great monarchies come back in Germany, in Austria, and in Russia?" One can only give his impressions. My own opinion is that the Hohenzollern or the system he represented will never come back in Germany, nor the Hapsburg in Austria, nor the Romanoff in Russia—that democratic methods of government in these countries have come to stay. But it comes in slowly, it progresses slowly, it gains strength only by stages, and it would be a strange thing if any other kind of progress could be anticipated. In old Germany there was no democratic or republican sentiment that arrived at the governing stage. The same was practically true in Austro-Hungary. The same was absolutely true in Russia; and it would be a wonderful thing if a new democracy or republicanism which antagonized traditions of ages—of many, many years at least—should suddenly come into full power and dominance. But it is coming. Republican and democratic institutions are on the march, with tottering steps in many cases, but they are still on the march, and are gathering strength from day to day.

Just here let me add this observation. When we make up our judgments as to what we think Austria should have done or Germany should have done in Government policy and administration, we must have some regard to the situation I have just mentioned—the weakness and uncertainty of new incoming governments, based upon hitherto untried principles and the consequent lack of that strength and stability in its initial stages, which may be expected when the new systems have been sanctioned and settled by practical experience.

The next thing that struck me as an observer was the emergence of the peasantry and I think we must give that some thought, for it intimately affects Canada. Before the war, in a large portion of Europe—take Russia, Poland, the northern Baltic States, Rumania, portions of Austria and of Hungary, and what now forms Czecho-Slovakia—there was no extended peasant proprietorship in land. The peasant population in these countries was largely in the majority. It is said to form at least 90 per cent in Russia. It was in a

very large majority in the other countries that I have mentioned, but up to that time the peasants were not to any large extent in possession of the lands. There was a fraction which owned their lands in small, sometimes very small, allotments; a very small fraction which had fair holdings of which in some manner or other they had obtained possession; but the great majority of the lands were held by the large landed proprietors, and on those lands the peasants were labourers, not proprietors.

This has all been or is being revolutionized. In Russia the peasants have come into the user of the land. It is true they are not yet yet owners in fee simple, but it is equally true that they have possession and the usuage of those lands, and that possession and usage can never be taken from them; so that the peasantry of Russia is slowly but surely becoming a landed class with smaller or larger holdings which in the course of time will develop them from labourers into effective farmers. If you take Esthonia, Latvia, Lithuania, Poland, Rumania, all of new Serbia, and Czecho-Slovakia, what I have spoken of is the rule. To-day there is legislation, in hand or in actual effect, which is dividing up all those landed estates, and fixing the maximum which any man may now hold, that maximum running from 500 acres to 1,000 or 1,200. The rest of it is broken up and distributed and sold, or put in one way or another into possession of those who were formerly labourers or very small land holders, and those holdings are parcelled out under a scheme running from a minimum holding of 50 acres each up to 250 in some countries, 300 in other countries, 400 in others, but always keeping in view that it should be well distributed and that the number of farmers that will own it shall be as large as possible.

Now, that is a fact of very great interest to us in this country, as a farming country. What may be deduced from this condition of affairs? In the first place, that your labourer is on the march to landed proprietary. That means a good deal. In the second place, you will have poorer farming for a time. The landed farmer had means, organization, and intelligence, and his farming was a productive operation. The new peasantry that go on the farm will have little organization, little capital, and but a modicum of intelligent knowledge of farming. What will happen then at first will be that there will be a lessened production. That lessened production will extend through a longer or shorter period of time, according to the methods of education and encouragement given to the farmer, his accumulation of experience, and his possession, gradually, by degrees, of some capital and some force to put into his farming. So the first result that will accrue from those two considerations is that the markets which were supplied by the farming class of those countries, will not be supplied with as great a surplus as formerly, and consequently there will be a greater demand, other things being equal, for supplies from overseas. Another effect will be observable along that same line. Your labourer and small holder was ill fed and ill nourished. When he comes into the possession of a sufficient plot of land, he will feed himself more generously. If you apply that procedure to the vast area of the peasantry which is making this revolutionary change, you will find that a larger part of their produce in grain and meats will be consumed by themselves. As a result we have another factor which has to do with the supply that will be required from outside countries, including our own. These are on the economic side of the question; but another thing, which is of still greater importance, is that you are imparting gradually a strength and stability to these countries. A class of peasant farmers who own their land will be conservative in their opinions, and will conduce to the stability of government and the maintenance of order. That class of people will not be inclined to extreme communistic or socialistic adventures, and consequently will make for stable and good and reasonably conservative government.

The next impression a traveller receives is of the insecurity and instability of governments in continental Europe. It arises not only from the influences of the war, but largely from another consideration. Democratic principles are being applied in these new nations upon a basis of practically universal suffrage. They depend, then, in their new government, upon a vote which goes down to the maximum of the people who are governed, but which does not always find a maximum of intelligent and well-formed opinion as to policies and governmental action. Built upon that you have in the elected legislatures groups which are astonishing in their variety and much more astonishing in the views which they hold of the so-called principles upon which they are founded. In Poland they have no less than 18 political groups, and those 18 political groups have a tremendous amount of prejudice and hatreds, creedal, religious, racial and national, and all kinds of ideas as to what should be put into practice to renovate their own condition and make their position stronger.

I wonder what would become of a Government in the city of Ottawa which finds certain inconvenience in carrying on when there

are three groups and a fraction to contend with, if they had 18 groups in the House of Commons with about the same feelings animating them that animate the groups, say in Poland or in any other country in continental Europe? There a Government which is formed depends on groups and combinations which are as unstable as water and which may change overnight. Consequently there is an insecurity in Government and an instability and lack of strength which are easily deducible when you come to see the elements upon which it rests. A member of the Austrian Government told me that in Austria, where the people are comparatively of a sweet and amiable disposition, no member of the Government when he left the council room one day could be quite certain that his life would be spared him to go back to the council room the next day. Such is the insecurity of the life of members of an administration. You have only to recall the assassinations that have taken place in the German Government and administration up to the present time, the fate of the last Governor but one of Poland, who was no sooner elected than the assassin's knife found him, sharpened by partisan and race bitterness. There was the case of the Finance Minister of Czecho-Slovakia, who because of his insistence upon sound financial principles in his administration fell to the knife of the assassin. You have to go no farther than Greece, where a cabinet, so to speak, was set up against a wall and shot to pieces as a result of a sudden revolution.

But if you want one example that stands out stronger than all others as to the insecurity of government at this stage, take Italy. What has happened in Italy? For years they had been working out a constitutional form of government, and had at last arrived thereat: a king, a cabinet dependent upon the branches of the legislature, and two branches of the legislature elected by the suffrage of the people—all the forms of constitutional government which we have here. But what happened? Not for a moment going into the causes of what happened, let me state the facts. Of a sudden there appeared in Italy what is called the Fascisti. The Fascisti proved to be a systematized organization that, without authority of government, leave or license, took it into their heads to march into city after city, depose the municipal authorities, turn them out neck and crop, and put their own men in. They took upon themselves under a lawful government, a constitutional government, and without the authority of the government or fear of it, to engage in sanguinary conflicts with the Communists—

to fight them, kill them, arrest them, and turn them out from the different industrial operations they were carrying on. One fine morning 40,000 or 50,000 Black Shirts appeared under the leadership of Mussolini on the streets of Rome, marched straight up to the Capitol and demanded of the King that he give them a fiat to form a Government; demanded of the Government that they should get themselves away; demanded of the legislature that they should keep perfectly quiet. And what has happened? Mussolini reigns to-day; but in a constitutionally governed country he has never submitted his cabinet, his policy, or himself to the suffrages of the people. Constitutionalism was trampled under foot, and force—the force of a cabal at first, of a large party at second, and of a government at third —is in power in Italy to-day; and it has passed through a legislature not elected on its own issues, a measure giving it despotic and absolute control, and enabling it to carry on its rule until the end of 1923. It is not constitutionalism which is enthroned in Italy to-day; it is direct force; and the leader of the force is really absolutely despotic and autocratic. Circumstances had been such that the move was rather looked upon with favour by the Italian people, and so up to the present time it has been tolerated if not welcomed. But the question is not settled, and before the people of Italy to-day there is the question of whether they shall be ruled by force or through the procedure of a constitutional government. So much then with reference to the insecurity of government. With governments so insecure as that, dependent as they are on groups, it is impossible for the wisest measures to be carried through for lack of power. Therefore, they have had in the countries of Europe a lack of what we call sound legislation, but, generally, they have gone as far as the weakness and insecurity of tenure would permit them to do.

The next point that comes before the observer is the instability of the currency, and, as a result of that, the confusion of trade and commerce, and of entreprise and productive and distributive energies. We in Canada really have not the slightest idea of that condition because it is so difficult for us to translate ourselves into the position of the continental European. Take my own case. When I left London I fortified myself with some marks, as I was going to Germany, in order to be able to pay my passage until I should make a change of money in Germany itself. For a one pound note I received in London 2,200 marks. Before I left Germany my pound note would have brought me

10,000 marks, and if I had waited a fortnight longer, it would have brought me 238,000 German marks. Upon going from Germany, where the mark at that time yet had the appearance of respectability, without having looked into the Austrian currency, I found myself one evening at the railway station at Vienna. Fortunately I had secured rooms at an hotel, and my first duty was to get a conveyance to take me to it. I negociated with an automobile driver and asked him to take me and my effects to the hotel. It took him 10 minutes to do it; and when I got out from the cab I asked him, as was usual: "what is your fare?" "35,000 crowns." Well, to use a colloquial phrase, I almost fell over backward. 35,000 crowns. I was not sure that I was overfavoured by the Bank of Montreal in Canada, and that my future stay might not be a very short one, in Austria at least. However, I asked the hotel man if that was an extravagant charge. He said: "No, that is about the right charge." Then I said: "Will you pay it?" Next morning I went to the bank and took out from my pocket a drab brown looking one pound sterling note, and the bank manager, without a wink of the eye, handed me over 375,000 crowns. Well, honourable gentlemen, I had 20 of those pound notes in my breast pocket, and I felt I was secure for a time at least. So I went to my hotel and said: "I propose to stay here ten days. What will my room cost me?" "300,000 crowns per night." I had 20 pounds, so at 375,000 crowns to the pound that gave me seven millions and a half crowns; so I said to the hotel keeper: "I will stay for ten days." In those ten days 3,000,000 of my crowns would go for lodging, and outside of that I would have four and a half millions to go upon. Gentlement, none of you will ever know what it is to feel yourself made a multi-millionnaire within the space of half an hour at a bank in a foreign country. Well, to translate it into the Canadian vernacular, imagine what would be the condition of Canada if such was the plight of Canadian currency, and you will be in a better position to see in some measure how it affects the country at large. A tourist who goes to Europe and passes rapidly through finds that his money grows as he sleeps and increases as he travels, without any toiling or spinning on his own part. He goes to the hotels, and visits the theatres, and dines in the restaurants, and walks about the streets. There is an appearance of great activity, and an apearance of very great prosperity. The streets are crowded with well dressed promenaders, the hotels are full, and beer and champagne, for those who like them, can be got at reasonable prices. The theatres are crowded night after night; the restaurants are filled. You can get a good square meal, or could at that time, for 25 cents of Canadian or American money. Your dinners would cost somewhere in the vicinity of a shilling or a shilling and threepence in English money. Naturally the tourist who did not sound the depths, and did not spread himself very widely, would come away with the idea that Austria and Germany and those other countries were in a state of unexampled prosperity. But let him think. The moving panorama visible at the hotels, the restaurants, the theatres, and on the streets, are in the first place but a minute fraction of the total population of the countries visited. In the second place, this panorama is mostly made up of tourists who by hundreds of thousands pass continually through the gateway and out again, of foreign colonizers who more or less temporarily come to sojourn where their stable currencies command fabulous premiums, of speculators who come from every quarter of the globe greedy and barbaric, of bargain hunters in batallions and of the nouveau-riches native and foreigner. These are no sure indicia of the conditions of the masses who form no part of this moving panorama.

You have to look below the surface and try to translate yourself into the position that is made general by this condition of things. In Germany, in Czecho-Slovakia—which, however, has a comparatively stable currency—in Poland, in Austria and in other countries where the currency is very unstable, there are men very like men in Canada in that they have made earnings and have invested them, just as we invest earnings, in various kinds of securities. Now let us take two or three examples. Take Austria for instance. A man in Austria has been in possession of 100,000 Austrian crowns. In 1913 or 1914 he invested that money at 6 per cent. Those 100,000 crowns in 1913 would be worth to him $20,000 of American money. The yearly interest on it as an investment would have been 6,000 crowns, or $1,200 of American money. He made his investment on that basis, and he looked forward to it as a continuing investment, and thought it a good one; and so it was. But he wakes up in 1923 and finds that, while he still has the exact number of crowns he had before, yet that investment represents in American money, only $1.43. He had as income on that investment $1,200 per year. If he chooses to let the crowns remain on investment and asks for his interest, he will get at the end of the year exactly 8½ cents in American money. His investment of $20,000 has shrunken to $1.43, his yearly in-

terest of $1,200 to 8½ cents. Spread that over all the classes of investment among people who invest just as we do here in this country. Translate that to Canada and imagine if you can the condition of a country under those circumstances.

We have pensions in this country. They are a provision against old age. An Austrian came into possession in 1913 of a pension of 6,000 crowns, worth to him at the time $1,200 of American money. To-day he has the pension, but when it is paid to him at the end of the year he does not get his accustomed amount of 6,000 crowns to the value of $1,200, but he gets 8½ cents. I myself saw in Vienna an aged couple who had a pension of 8,000 or 10,000 crowns per year, supposed to be a provision for their declining years, their old age, and who under present circumstances, when that pension is paid to them, receive the enormous sum of 9 to 10 cents in American value.

Go a little farther and take salaries. A salary of 6,000 crowns was sufficient for an officer to live upon to pre-war times. His 6,000 crowns now would be of no more value to him than what I have stated, 8½ cents.

In mortgages the effect is the same. Take municipal stocks, government bonds,—all kinds and forms of investment: the very same thing holds. That gives you the situation in Austria. It is not much better in Germany.

Let me give one example which is pre-eminent, and shows not only the disappearance of the earnings of the mass, but also the possibility of profiteering by certain companies and interests. The other day in New York I saw in the paper the advertisement that on a certain date in April the Hamburg-American and the Nord Deutsche Steamship Companies would pay off their bonds. Their bonds were issued in 1913 for 140,000,000 marks, which at that time represented in good money 32,500,000 American dollars. In April they will pay off every one of those bonds in marks, and they can buy the wherewithal to pay them off for the sum of $3,500. The multitude who thought that a fine investment—and it was at the time— and who put their earnings and savings into it, find themselves to-day bereft, absolutely robbed, of all their investment and reduced to the penury of the few cents that they may get out of the stock at its present redemption. In every kind of investment—mortgages, stocks, government bonds, municipal bonds, loans—the situation in Germany is on a parallel. Life insurance is a tremendous investment in our country. It was equally prevalent in Germany, Austria and other European countries, and millions of their money were invested by people of small means in life insurance, so that when the breadwinner died the family might have something to come and go upon. What happens? A man in 1913 insured his life for 10,000 German marks. At that time this was equivalent to 2,380 American dollars. Yesterday he died, and to-day his wife goes to draw the insurance, and she gets exactly 25 cents! Can you translate that through all the wide area of life insurance in Germany, Austrian and other countries of continental Europe, and can you form even a shadow of an idea of the confusion, the loss, the misery and utter ruin of masses of the people in that respect?

Hon. Mr. DANDURAND: Would the honourable gentleman allow me, before he passes to another point, to ask what is the theory as to the whereabouts of the millions of coins, silver and gold, of those countries? Has the honourable gentleman seen any of those coins?

Right Hon. Sir GEORGE E. FOSTER: I have not seen one. Gold is a thing that never gladdens your eye in continental Europe. You never see it; neither do you see silver. You have only bills. And when I got my 375,000 crowns I had to bulge every pocket in the clothes I was wearing, in order to carry home the money. On that point the theory is as old as it is well proved, that bad money drives out good money; and bad money has absolutely driven all the good money from circulation in continental Europe.

Hon. Mr. GRIESBACH: Having regard to the whole situation, are there not compensation of substantial value involved in this depreciation of currency? Are not private, municipal and other corporations enabled by it to discharge indebtedness which they contracted previously?

Right Hon. Sir GEORGE E. FOSTER: Yes, there is a compensation such as I have mentioned in the case of the two steamship lines. That is a compensation which results in what is really an enormous robbery. It takes the small earnings of the mass of people and puts them into the hands of a big corporation or a government. There is no compensation as regards the general mass of the people who are robbed of their investments and impoverished thereby. You may ask, "If the mark goes down, does not the wage earner get a larger number of marks? Is he not compensated in that way?" But what is the fact? That as the mark goes down prices go up. I will read you, just on this point, something which bears out that statement. I read from the Frankfurter Zeitung of December, 1922, comparing 1913 to 1922, that the index of prices in Germany runs in this wise. The par of 100 in the year 1913,

in textiles, is raised to 320,623. The par in 100 in minerals is raised to 262,212. The par of 100 in foods is raised to 175,845. The par of 100 in finished goods is raised to 151,193. For all goods the par of 100, the index number of 1913, is raised to 205,417. That shows you that although prices are chased by wages, although it is the rule in Germany, in Austria and in most of the other continental countries that the wage is rated up in proportion to the rise in prices, that is, in the cost of living, yet the wage is always somewhat behind the cost of living, which advances with such astonishing rapidity that compensations to the mass of the people do not exist. For the speculator, for the big company, for the corporation, for a certain kind of organized business which depends largely upon speculation and is fed by it, there is the transferrance of wealth from the mass to themselves; but in the end the corporations themselves feel the effects, and the prosperity which comes to them for a time is not an enduring prosperity.

I think I have elaborated the effect of instability in exchange upon the masses and upon trade and commerce, sufficiently to enable honourable members to apply the information in thinking out the matter for themselves. It is a very abstruse question, and it is difficult to solve the whys and wherefores of all these changes and combinations. But one thing emerges as evident in the light of experience; that they all tend to impoverish the mass of the people and to approach the ultimate state in which chaos and commercial anarchy must prevail. That is the condition in Germany, Austria and many other countries of continental Europe to-day.

Hon Mr. GRIESBACH: I would like to ask the honourable gentleman another question, before he leaves that point.

Right Hon. Sir GEORGE E. FOSTER: Yes.

Hon. Mr. GRIESBACH: Was it not within the legislative and financial genius and capacity of the nations to which he has referred to ameliorate their own conditions themselves had they desired to apply themselves to the task?

Right Hon. Sir GEORGE E. FOSTER: If the governments of these nations had commenced with the desire to do so and had actually set themselves to the task, the first difficulty they would have met would have been as to their ability to get legislation to enable them to carry it out. Take the German government itself—a republican government for the first time in the history of Germany; a republican government coming into power after the cataclysm that wiped out the old military and despotic government, and with no credit, with little cash, with domestic burdens on every side, and having to maintain within their own country services which were absolutely indispensable to national existence. Take the same in Austria, and in Poland. Does not the honourable member see the almost if not quite insuperable difficulties involved in getting down to the strict business methods of finance and economic administration? But the point is not so much as to what they might have done, as to what was done and the situation which now confronts the world. There is no salvation in going back to the might have beens of five years ago. There is the one example of Czecho-Slavakia, a much smaller and a much more self-contained country and a country which when it set up housekeeping had the choicest of the dominions that formerly belonged to Austria and to Hungary, and in part of Germany. Dr. Benes and his Government set themselves to work to bring the economic and financial condition in agreement with accepted principles, and the consequence is that Czecho-Slovakia has the best stabilized currency in the newly-established nations. But in working it out her finance minister fell to the assassin's knife.

I now come to the question of reparations, the question which to-day looms largest and compels the most careful thought in Europe and by all who are interested in the future conditions of Europe and their own fortunes as affected thereby. The question of reparations, if followed out carefully and in detail, would take more time than I propose to give it, or than this Chamber would agree to sit and listen to; but I will touch the main points in it.

There were different ideas as to reparations from the time the war ended in the Armistice up to the present time. The idea was early prevalent in France that the Germans should pay all the costs of the war. I am not saying that that was the idea of any one government, but that was the idea which was prevalent—that they should get back from Germany, if they conquered, not simply the damages but the costs of the war. In Great Britain, for various reasons, the idea was encouraged that Germany could pay and should be made to pay the costs of the war; if not all the costs, then every penny that it was possible to be taken from Germany for that purpose. So you had the general opinion in France, and a prevalent opinion in Great

Britain, that from the reparations large sums of money would be got, and could be applied to the reparation of the devastations and to the payment of war costs.

Well, the Treaty of Versailles made the first step in that direction. It did not fix the exact amount. That was left to machinery provided by what was called the Reparations Commission. Its duties are set out in the Treaty; in short, it was to receive and collect all the damage claims.

But before I deal with that, the Supreme Council and the Peace Treaty makers, after repeated discussions, came to an agreement as to what should be covered by reparations, and I think I should read that, so that honourable gentlemen may have a clear idea as to how far it goes: The decision was: "That Germany's reparation obligations were to be determined in accordance with a fair construction of the Allies' pre-armistice declaration, and that such construction excluded imposing on Germany the costs of the war, but was limited to what may be called actual damage."

There was a strong demand that Germany should pay more than the actual damage. There was some dispute as to the terms of the Armistice and the terms which afterwards were imposed by the military authorities. After a full discussion of both of those this was the decision: that the costs of the war should be excluded, but that the actual damages should be paid by reparations; and amongst those damages, after debate, pensions and separation allowances were included. The authority which was to decide what those reparations were to be was the Reparations Commission, which was established by the Treaty. They were to collect the damage claims from the different nations; were to examine them; were to take Germany into conference upon those damages, and hear what the Germans had to say; and in the end the Reparations Commission was to decide the full amount of reparations, and the schedule of payments upon which the reparations were to be made.

That was the duty of the Reparations Commission; but, as in many other instances, the Supreme Council dabbled with the duties that belonged to other bodies created by the Treaty itself, and so from the time of the Armistice up to May, 1921, the Supreme Council tried over and over again to settle the total amount of the reparations which were to be demanded. Mr. Poincare was the Chairman of the Reparations Commission. He placed his resignation in the hands of the Supreme Council, because he said: "You are proposing to do what the Reparations Commission was constituted to do, and if you are going to do it there is no use of my wasting my time on the Reparations Commission." And so he resigned his office, and another was appointed in his place.

Four different attempts were made by the Supreme Council between the time of the Armistice and May, 1921, to settle the amount. The amount to be asked ran from 269 billions of German gold marks to 215 billions, and could not be settled amicably by the Supreme Council at those figures. At last they gave over to the Reparations Commission the fixing of the total amount. The Reparations Commission gathered in the claims which in total amounted to 184 billions of gold marks. The Commission examined these claims, cut them down to 132 billions, presented these to the German Government for their remarks and statements, went into the matter with them, and ended by deciding that 132 billions of gold marks should be the amount fixed; and, to make a long story short, the German Government was obliged in the end to agree to that. They did agree to it, and it was passed and approved by their parliament.

There you come, in May, 1921, two and a half years after the Armistice to the first settlement of the amount which was to be paid by reparations. But there were other conditions, and we must in a fair-minded way take all those conditions into account if we are going to reach a reasonable judgment. Not only was this sum of reparations first fixed by the Reparations Commission and afterwards settled at the sum that I have named, to be paid by Germany, but Germany had other penalties, and other obligations imposed as well. Germany was to pay Belgium the amount which Belgium had borrowed from the Allies or elsewhere in order to carry on her war so far as that went; and the amount which was ultimately fixed by the Reparations Commission was 2,500 millions of gold marks. That was over and above the reparation amount, 132 billions of gold marks. Germany also had to give up all her shipping of 1,600 tons and over, which was forfeited and handed over to the Allies. One-half of all Germany's merchant shipping from 1,000 to 1,600 tons was also to be handed over, and was handed over. One-quarter of her trawlers and fishing boats were to be given up, and were given up; and 20 per cent of all her inland river shipping was to be given up as well, and was given up. That is, Germany had to suffer the loss of those instruments of production and of distribution, and that was a very real and very large penalty. She was to deliver to France

the Saar Mines in the Saar Basin for the period of 15 years, to be worked absolutely by herself; and the coal that came from those mines was to be the coal of France. The Reparations Commission was to fix ultimately the value of the Saar Mines, and put that to the credit of the general reparation account; but in the meantime that coal that formerly was at the disposal of Germany was to be for 15 years at the absolute disposal of France and Belgium and Italy.

France, outside of that, was to receive from the Ruhr 7,000,000 tons yearly for 15 years, plus the difference between the former output of the French mines before they were devastated and the actual yearly production as they should be gradually brought into operation, to a maximum of 20,000,000 tons for ten years, and after that to 8,000,000 tons, for the succeeding 5 years. Belgium was to get 8,000,000 tons for 10 years. Italy was to get from 4,500,000 to 8,500,000 tons until 1929. Luxembourg was to get her former consumption, whatever that might be. The total amount of coal which was thus to be provided amounted in all to about 510,000,000 tons. That, too, was to be credited to Germany at a valuation fixed by the Reparations Commission.

But we must remember this—that it was no less a burden to the Government which had to pay. The Government owned certain mines, but it had to get the coal from its own mines, to pay all the costs of raising the coal, and of shipping it. If it got it from other mines it had to provide the money to pay the other mines for the coal. It was a burden, continuous and uniform, upon the German government to provide that. Outside of that, France was to get 35,000 tons of benzol, 50,000 tons of coal tar, and 30,000 tons of sulphate of amonia for 3 years; that also to be credited to the reparations account at a fair valuation, but it had to be provided by the German Government.

Then, Germany had other penalties imposed upon her. Alsace and Lorraine were to come back to France, and rightly so—it was a provision of the Treaty—but it was, by that much, a weakening of the resources that Germany had formerly possessed.

Then, again, all her colonies were taken away from Germany, and that meant that Germany's resources for tropical products were entirely taken from her, and she was left to the purchase and importation from countries which possessed those commodities for all time to come.

In addition to that, Upper Silesia, which was a very productive centre of coal and of metallurgical industries, was in the end given to Poland; and that was also a diminution of the power and resources of Germany.

Those are mainly the terms of the Treaty. In addition, Germany was to pay the costs of all occupation of the territory by the Allied governments, all the costs of the reparations Commission and of all the other commissions that were appointed to carry out the different terms of the Treaty. I have put that on record in order that we may see what was the nature and incidence of the penalties and reparations imposed upon Germany. We have to take that into consideration.

Let me now invite the attention of honourable gentlemen for a moment to a comparison. Great Britain owed the United States, as a war debt, $4,600,000,000. After she had made certain payments of interest and certain small payments upon the principal, that is what it came to in the end. A Funding agreement was arrived at by the two governements by which this debt was to be worked out in 62 years. The interest charged was 3 per cent for the first ten years, and 3½ per cent for the remaining 52 years. The first year's payment by Great Britain consists of interest, $138,000,000, and a payment on amortization account of $23,000,000, making in all $161,000,000. Each year the amount of interest paid diminishes according to the amortization payment of the preceding years. Each year the amortization payment increases until in the final year Britain has to pay, on amortization alone, $175,000,000.

Now, honourable gentlemen, please keep that in mind. That is a burden, for the first year, of $161,000,000 upon Great Britain. It is a debatable question in Great Britain yet, in financial circles, whether she will be able to fulfil these payments. For two generations these payments subsist under the conditions fixed, and when the two generations have passed, the total amount which will have to come from Great Britain to the United States will be about $11,000,000,000. Can Great Britain collect that sum in taxes from her people, and in the meantime sustain her credit, her commerce, her trade, her industries? She has determined to do it if possible. She has started out on the path of fulfilling it, and I believe that she will do it; but what I wish to call the attention of honourable members to is that it is a question of financial life and death, almost, for Great Britain to undertake to make that payment. Yet it is only $161,000,000 for the first year.

Now, will you look at the reparations as fixed for Germany? 132 billions of gold marks. That means $32,000,000,000. That sum of $32,000,000,000 bears an interest of 5

per cent and an amortization tax of 1 per cent. That is, the first year of that reparation, if carried out by Germany, would have called for what? It would have called for $1,920,000,000. Take the two figures into account. Great Britain, with her strength, her power, her credit, and her equipment for business, finds that it strains the last tendon to pay $161,000,000 and keep up the payments proportionately afterwards. Yet, the first year's payment on the reparations demanded from Germany would have called for $1,920,000,000. The interest itself for the first year would be $1,600,000,000 and the sinking fund $320,000,000. The two added together give the figure I have mentioned $1,920,000,000. If Great Britain found that it taxed her capacity to the utmost to make a payment of $161,000,000 to the United States on her debt, what is the position of Germany, conquered, dismantled, with her mercantile fleets liquidated to a large extent, with all the impoverishment which came from the war. when she is called upon to pay $1,920,000,000 as the first year's contribution? Is it humanly or physically possible for that to be done?

Hon. Mr. BEAUBIEN: May I ask the honourable gentleman a question? I understood quite clearly that on the 5th May, 1921, the total amount of 132 billions of gold marks had been made payable at the rate of two billion gold marks a year.

Right Hon. Sir GEORGE E. FOSTER: There were negotiations with the Supreme Council and attempts at fixing the reparations were made by the Supreme Council, which, however, did not culminate in success; and so, on the 5th of May, the reparation amount was fixed and definitely stated to Germany and was accepted by her at 132 billions.

Hon. Sir JAMES LOUGHEED: Marks or dollars?

Right Hon. Sir GEORGE E. FOSTER: 132 billions of gold marks, equivalent to $32,000,000,000 of American money. And the schedule of payments settled by the Reparations Commission was $2,000,000,000 gold marks plus 26 per cent of the yearly value of German exports, estimated at 1,000,000,000 gold marks.

Hon. Mr. GRIESBACH: The honourable gentleman has stated the amount which the Germans were to pay. It is a very large amount. Will he tell us what they did pay.

Right Hon. Sir GEORGE E. FOSTER: Yes. I have the figures before me and will give them. That reparation amount of 132 billions of gold marks was divided into a series of bonds, A, B, and C. There were A bonds, for 12 billions at 5 per cent and 1 per cent amortization; there were B bonds for 38 billions of gold marks at 5 per cent, with 1 per cent amortization, making the 6 per cent, and there were C bonds for 82 billions of gold marks, which were not issued, but which were to be issued just as soon as the Reparations Commission thought that the payments of the German government was sufficient to make a sinking fund and an interest charge of 1 per cent and 5 per cent. So the calculation I have given is correct in that respect.

Now, if you take 50 billions of gold marks which are already issued in the A and B series of bonds which are now running, and upon which the interest charge is 5 per cent and 1 per cent for sinking fund, it makes an amount of $727,000,000 which is to be paid on those two series alone, leaving the 82 millions of bonds hanging in the future and to be issued whenever the Reparations Commission think they can get sufficient interest and amortization fee to carry them. The amount that was asked from Germany under those conditions was for the first year twelve times the amount Great Britain is paying to the United States; and if you take the lesser computation on the 50 billions already running, the amount is four and one-half times as much as is required from Great Britain for her first year's payment to the United States.

I simply place this before honourable gentlemen because it reveals the situation, and because the question must be answered by each one of us. Do we think it is physically possible for the German Government to make payments of that kind and of that intensity? I have my own opinion. I think it is physically and financially impossible. I not only think that, but I doubt whether there is an intelligent Frenchman in France, who has looked upon both sides of this question, who has not now come to the conclusion that the full amount can never be obtained, while he holds the opinion that every cent that can be obtained must be obtained. With that conclusion I have no fault to find. That is the position taken by the Government of France. We must look at the Government of France sympathetically, but at the same time we must look this question in the face economically. Sympathetically France was led to believe, and it was made as fairly possible and certain as it could be at the Peace Conference, that Great Britain and the United States would guarantee to protect France from the aggression of Germany, and would remove that menace from the German border. But that

did not carry. The United States did not approve of the Treaty, and consequently it fell to the ground. So France says, and rightly so: "We signed the Treaty of Peace and went into its terms with that guarantee in view. We did another thing: knowing that reparations were in order and decreed, we went to work and raised money as fast as we could and built up our devastated regions until to-day we have put 90 billions of francs into them. Where did France get that money? Not from England; nor from the United States; not from any other great commercial or financial market of the world. She raised that money from her own peasantry, from her own small investors, and it is that money which has built up the devastated regions in so far as they have been built up."

Hon. Mr. DANDURAND: And France says: "We have been able to do this with ten departments crippled. Why could not Germany do that in our stead?"

Right Hon. Sir GEORGE E. FOSTER: That is very well as a question, but there also is the situation which confronts us to-day. We cannot go back and say: why did not Germany in 1918 and 1919 commence to do what she should have done to carry out her obligations as far as she could? The fact is that she did not, partly because she had not the will or the wish, and partly because the physical and economic circumstances of the country made it impossible to do so. It was a country which had neither credit nor much cash, and which was ostracised by the other nations of the world in so far as trade and commerce was concerned.

Hon. Mr. DANDURAND: But it had the wealth of the industrial class.

Right Hon. Sir GEORGE E. FOSTER: Yes, and although they are numerous, they are a small percentage of the vast German population which has been practically impoverished. You may milk them to the extreme. I have no objection to that at all.

Hon. Mr. DANDURAND: Could the right honourable gentleman inform the Chamber what the 132 billions of gold marks which Germany agreed in 1921 to pay comprised under the head of pensions? The suggestion has often been made that, the load being heavy, the pensions which were added at the last moment of the conference in Versailles or Paris should be deducted. Has the right honourable gentleman any idea of what the total amount of those pensions would represent if deducted.

Right Hon. Sir GEORGE E. FOSTER: No. As my honourable friend has said, the pensions were added afterwards. They were added after a very considerable debate, and after a strong expression of opinion on both sides. I wish the pensions had never been added. I think they should be taken off. But that is not a very large proportion of the total. I cannot give my honourable friend the exact sum.

Hon. Mr. SCHAFFNER: Is the honourable gentleman in a position to answer the question of my honourable friend from Edmonton (Hon. Mr. Griesbach) as to what the Germans have done?

Right Hon. Sir GEORGE E. FOSTER: Up to April, 1922, the latest figures which I have had access to show that Germany had paid in cash and in kind 12,030,255,000 marks, which translated into dollars is about $3,000,000,000. There is the account handed in upon the demand made by the Reparations Commission for the payment of the 20 billions, which was to be made by the first of May, and which was not paid by the Germans, in which they stated that they had paid in kind and in cash 21 millions of dollars.

Hon. Mr. GRIESBACH: That includes the involuntary surrender of ships, and coal and benzol.

Right Hon. Sir GEORGE E. FOSTER: That included all the payments in kind and cash.

Hon. Mr. GRIESBACH: Can the honourable gentleman say what amount of cash has been raised by way of taxation and so forth.

Right Hon. Sir GEORGE E. FOSTER: I have not the separate amount of the cash or the other; I have only the totals of the two.

Hon. Mr. TURRIFF: Would the honourable gentleman say whether that is over and above the upkeep of the allied armies of occupation.

Right Hon. Sir GEORGE E. FOSTER: The 21 millions of dollars includes everything that was paid in kind and in cash for occupation.

Hon. Mr. DANDURAND: What did the Reparations Commission admit out of that sum?

Right Hon. Sir GEORGE E. FOSTER: When the 21,000,000,000 gold marks bill was presented by the German Government, the Reparations Commission admitted about 8,000,000,000 and disputed a great deal of the rest. There was included in the bill a certain portion which had not been adjudicated upon, but which would be placed, at a value to be fixed afterwards by the Reparations

Commission, to the credit of the German Government. Those are the latest figures I have seen as to the total amount paid. I should imagine that of that amount nearly 2,000,000,000 had been paid in cash, but I am not sure that that may not be overstating it. Besides that Germany has paid a certain proportion of the Belgium indebtedness as it has fallen due, and, I believe, is still carrying on that payment.

I am afraid I have taken a lot of time.

Hon. Mr. TURRIFF: No, no. Go on; it is very interesting.

Right Hon. Sir GEORGE E. FOSTER: I am sorry to take up so much time.

Hon. Mr. DAVID: We are not sorry.

Right Hon. Sir GEORGE E. FOSTER: But I desire to place this matter before the House as fully as I can.

The Peace Conference had not completed its work, and certainly had not departed from Paris before doubts were raised as to the reasonableness of the reparations demand made upon Germany and her ability to pay it. It is a long story to follow, but an intensely interesting one, as to the opinions, the negotiations, and the statements that were made pro and con. Almost immediately the Reparations Commission appointed a committee of financial experts, who met in Paris in January, 1920, and these went into the whole matter of the ability of Germany to pay, of what would be the terms of payment and modes of payment, and the possibility of Germany getting a credit in some way or other in order to enable her to pay. The Committee made a report to the Reparations Commission, and that report, with a statement, was submitted to the Brussels Conference, a tremendously important meeting of financial men of thirty-seven nations of the world. The general recommendation of the Committee's report in the first instance, and of the memorandum sent to the Brussels Conference, was adopted by that conference and was sent broadcast to all the nations belonging to the League of Nations. The main points were these,—that in order to rehabilitate Europe there must be co-operation amongst the nations, and that in some way or other credits should be advanced to Germany and to other nations in perilous financial circumstances, for the general benefit of all the war nations and of the world as a whole. The recommendation has gone to the different nationalities and the proposition has been worked out successfully on those principles in some countries of Europe.

But a much more important Committee was that which met in 1922, convened by the Reparations Commission, with the assent of the Supreme Council and the Allied Powers. It was composed of the foremost financial experts in the world. J. Pierpont Morgan was one, from the United States of America. There were seven of them altogether, the best that could be got, and they were instructed by the Reparations Commission to take up this matter, examine into it, deliberate upon it and report to the commission. They took it up. In the instructions from the Reparations Commission it was stated as a condition that this committee should not take into consideration the total amount to be fixed for reparations; that that did not come within their scope. The committee sat, deliberated, examined into the matter, came back to the Reparations Commission and said, in effect: "Unless you can allow us to take into consideration what would be a reasonable amount for Germany to pay, we are helpless in this matter and there is no relief that we can see and recommend." The Reparations Commission took that suggestion into consideration. All the members with the exception of France agreed to give that committee full scope. That would not bind the Governments, and it would not bind the Reparations Commission, but it would give the committee scope to arrange some scheme upon the basis of a reasonable amount which Germany would have the ability to pay. That amount could be fixed and payment could be worked out under proper restraints and proper supervision. France objected to that, and on that objection the committee reported that they were powerless to assist, but that their services were at the command of the Reparations Commission whenever they should see fit to give them permission to consider the amount of the reparations as well as other circumstances and conditions. That permission France did not give and has not since given—to my mind a golden opportunity lost.

Over and over again there have been discussions by the Allies as to this matter. The Entente was to be kept; if by any possible means it could be kept; and it has been kept up to the present time, and it may be kept hereafter. I am not altogther pessimistic in that respect. But there developed two grades of opinion. There was what you may call the Anglo-Saxon opinion, the opinion of the British Government and its experts; the opinion of the United States and its financial experts and business men, so far as it is ascertained, and so far as it is actually concentrated in plans and in suggestions. That was

the idea that in order to get out of this mess and to have France and the other Allies obtain the reparations which it was possible to obtain, there must be a moratorium of some length of time, during which Germany should not be called upon to make payments, and that immediately during that moratorium, financial experts, not politicians, should be gathered together and asked to consider Germany's ability to pay, and how credits could be raised, and whatever could be done to make the matter solvable in the end. It was proposed that in connection with that there should be a stabilization of the mark, gradual, but progressive in its nature, and that during that time financial control should be kept over the expenditures of the German Government its taxation, its fees for services and everything of that kind, for the purpose of ascertaining the maximum that Germany would be able to raise, taxation included. If this proposal could be carried out, it was to be a point in the policy of Great Britain, she pledged herself, to stand by it absolutely, even to the application of force, if in the end that became necessary. The British plan was that, once it had been decided what amount Germany had the ability to pay, Germany must pay it. That was discussed between France and Great Britain, and they failed to see alike. The French Government said, "That does not satisfy us."

Hon. Mr. DANDURAND: Did Germany express any opinion as to that financial control that it would have to accept?

Right Hon. Sir GEORGE E. FOSTER: Yes, Germany, although wanting to keep its sovereignty and its control, has not expressed its entire disagreement with any sort of financial control. That, however, is a matter of detail, and a committee would be able to decide what should be the control, and the Allies would be able to say that must be the control. It would not be in the power of Germany to minimize that in the least. The conditions must be such as would meet the approval of that committee and of the Allies.

But France says: "No, that is not enough for us. We want productive guarantees. Consequently, if we and you cannot agree, we will take the matter into our own hands and we will settle down in certain districts in the Ruhr and take possession. Thereby we shall have what we call productive guarantees. There is the customs, we will put a customs barrier around certain areas and we will collect customs from the trade. There are the timber dues; we can administer them and take the profits. There are the mines and the factories, and in the end, if it becomes necessary, we can make them work and help to pay us, or we can work them ourselves if the workmen who are at present in them do not do so. Anyway we shall then have a position in the country and shall be in possession of some of their most valuable resources and be able to say, "Here we are. Pay us what you owe. We stay here until you pay, or until we are satisfactorily arranged with for payment, with proper guarantees."

There is the difference between the two, and in the last Paris Conference both sides honestly, and, I belive, properly stated their positions, and they then came to the conclusion: "We cannot agree. Sorry. But if we cannot, we are honest enough to say so to each other. Let us shake hands. We will smile on each other still and we will try not to offend each other's feelings or prejudices." "But we do not believe," say the British, "that yours is the policy that will get you reparations." "And we do not believe", say the French, "that your plan, the British plan, will ever get us where we want to get."

That is the situation to-day And on the failure of Germany to produce the amount of coal she was to send yearly, and the timber that she was to give, default was pronouced, contrary to the opinion and the vote of the British representatives, and France took possession of German territory on the 11th day of January.

So much for British opinion. There is also the opinion of the United States. Secretary Hughes before the final Conference in Paris, made a very important speech, and he gave a copy of that speech to Monsieur Jusserand, who sent it to Paris, and it was in the hands of the French Government while that Conference was going on. And what was the suggestion of Mr. Hughes? In the first place the United States took away their soldiery from France. Britain did not.

Hon. Mr. DANDURAND: Why?

Right Hon. Sir GEORGE E. FOSTER: And I believe Britain was right in not taking away her forces. In the second place, in that speech of Mr. Hughes, which embodied the thought of the American Government, the points made were simply, in plain English, these: "We are not in favour of forcible occupation. We are in favour of having experts look into the question of the ability of Germany to pay, and the terms under which she should pay. The United States, as a country, is willing to co-operate and lend the services of its experts for that particular object." And the hope was held that if that

were done co-operation might be brought about and a result which they thought would never be attained by force might in the end be accomplished.

That is the Anglo-Saxon opinion as against the French opinion, the Belgian opinion and the Italian. Well, may I be permitted to say, with all proper regard, that I think that was an opinion which should have had very great weight. I look back to the time when the great war commenced and to the long weary years when it was being carried on. I look back to the time when Belgium and France were not oblivious to the opinions or the help of Great Britain and of the United States. I look back to the time when Britain sent her money, shed her blood, and devoted the forces of her whole Empire to defend the sacredness of a treaty and to withstand the aggression of the military autocracy of Germany and of Austria. That expenditure of money, that outpouring of blood and that immeasurable sacrifice make up a credit which entitles the United States and Great Britain to a greater respect for and deference to their opinion in a crisis such as the present than has been given to it. Europe is debtor of Great Britain and the United States to the extent of over $15,600,000,000. France, Belgium and Italy are debtors to Great Britain and the United States to the amount of $11,000,000,000. Does Britain want to get back some of the indebtedness that is there? She has not so far pressed her claim. She has so far had no offer of payment from these debtor powers of interest or principal. For years and at present the British taxpayer is carrying the burden. But the United States has laid it down that she must have her bills paid. Anyway Great Britain has a trust in the reparation and ought to have some say as to how that reparation can best be obtained. The United States and Great Britain together, representing the Anglo-Saxon sentiment, have in Europe a stake of unparalleled magnitude—a stake such as no countries have ever had before—and a greater stake yet in the pacification of Europe and the re-establishment of the economic and commercial status of Europe and the world. The United States looks to continental Europe for a market for her products, without which the avenues to a great amount of her prosperity are closed. Great Britain depends more than we think upon the continental market. It was a great market for her before. It is a small market for her now. Only by pacification and re-establishment can it become a great market for her in the future. In every way, therefore, the Anglo-Saxon world has a stake in Europe, in the reparations and in the re-establishment, which at least entitles its opinion to great weight. That opinion would have said, in brief: "Go slow. We know your patience is tested, but really what you are after is not a slice of German territory, inhabited by German people. You have had experience in that respect with Alsace and Lorraine, and it did not turn out well for Germany, and you know how it went to the very strings of your heart for that long half-century. You do not want to annex millions of German people. You do not want to annex thousand of square miles of German territory. You do not want to go in there and manage Germany—you a country of forty millions, and the Germans a people of sixty millions. What you want are reparations. Will you get them by your policy? Would it not be better to take our policy? Though the time would be long, yet in the end you would get something equivalent to what you want. It is possible that under your policy you may get nothing and that Europe may be plunged into economic chaos."

There were two positions. The question was for France, and France has made her choice; she has gone into the Ruhr. She has been there a little more than two months. In that time she has got no coal, she has got no coke, she has got no reparations in cash or in kind. That is true. She says: "But there is not time enough yet to have solved the problem; let us go on." Nobody is hindering her; Great Britain stands and looks on, although she disapproves.

Hon. Mr. DANDURAND: But Great Britain hopes that France and the Allies will win.

Right Hon. Sir GEORGE E. FOSTER: Well, none of us would like to see them end in failure, because that would be a cataclysm for France, for Europe, and almost for the world, and so we must hope even against hope. But she has got no coal; she has got no reparations in kind; she has got no reparations in cash. In the whole of that district every avenue of enterprise and business and transportation is confused, disarranged, becoming stagnant, whereas formerly it was a centre of production and a source of tremendously wide distribution.

Well, but France says: "If we are not getting coal and reparations, the other fellow is feeling uncomfortable." He is; but what happens? It happens that with exports from the Ruhr region prohibited, with an export duty on what is allowed to go, the industries and trade of allied and friendly nations are being affected, those of Germany are feeling the pinch, diminishing, going out of operation,

and all the difficulties of non-employment, non-production and what comes therefrom, if this fight continues, is to go on progressively from bad to worse until the final result is attained.

Hon. Mr. DANDURAND: Until Germany knows that she is licked.

Right Hon. Sir GEORGE E. FOSTER: That perhaps would be met with different notions by some. If Germany is rich, then what would be the objection on the part of France to following the advice of Britain and the suggestion of the United States, and having that absolutely determined by independent authority, and yet by authority which would be sympathetic with France?

Hon. Mr. DANDURAND: Because France felt that if she gave four years of a moratorium without the guarantees, in four years she would have war.

Right Hon. Sir GEORGE E. FOSTER: Well, that is a matter of conjecture. I do not see, nor have I seen, though I have listened and looked very carefuly, anything which to my mind makes that a certainty. But how far short of war is she now and that without the support and sympathy of the Anglo-Saxon world? If, however, she had fallen in with the advice and suggestion of the Anglo-Saxon world, she would have had the influence of the United States and the influence of Great Britain at her back, and no Germany that could be reformed within the next century could stand against those guarantees and that power. But there we are. Opinions differ, and we have each to be guided by our own opinions and come to our own conclusions.

And now I beg the pardon of this Chamber for transgressing on its patience by one further line of thought, which shall be short. That is with reference to Austria, where a different line of conduct was carried out.

Austria after the war was dismembered, and, without going into details, found herself in a perilous financial and commercial condition. In 1921 her position became so perilous that France, Belgium, Czecho-Slovakia, Italy and Great Britain felt that if Austria collapsed there would be trouble amongst all the surrounding nationalities, and that Europe would be precipitated into a condition of things which would make re-establishment almost impossible. So in 1921 the Supreme Council asked the League of Nations to make an investigation and prepare a scheme for the rehabilitation of Austria financially, and in a trade and administrative way. The Council of the League of Nations took the matter up, put its Commission to work, prepared a scheme, and submitted it to the Supreme Council. That scheme provided for the setting back for 20 years of all the debts that were owing by Austria to the Allied powers. The United States was one of those. It was suggested that a moratorium for 20 years should be granted; that during that moratorium the League should take charge of the financial matters of Austria, subject to the sovereign rights and co-operation of Austria, and should by supervision and by aid in every possible way try to rehabilitate her finances. There were thirteen nations involved as creditors of Austria. Before anything could be done all those had to be communicated with, and it took one whole year to complete negotiations, and the last nation that gave its consent was the United States of America. During that year Austria went from bad to worse. In February 1922 collapse was imminent, and was only averted by an advance of £2,250,000 by four friendly powers. But there was no financial control, the money was spent, and six months thereafter the situation was worse than ever. The Austrian Government then went to the Supreme Council at its meeting in London in August and said: "You made us what we are; it is impossible for us to carry on any longer without help; come to our aid, or we must give up the ship, and collapse will take place in Austria, and you know what that means to the surrounding countries and to Europe." The Supreme Council replied: "We are very sorry we cannot help you; go to the League of Nations." So they went to the League of Nations in August last year, and stated their case. The Council of the League took it up, and put its Commission at work to form a plan. This Commission had twelve different meetings. At the end they agreed upon a plan. That plan was submitted to the Assembly of the League of Nations and was unanimously adopted by the Assembly, which authorized it to be put into operation.

What was that plan? First, that the League of Nations should appoint a commissioner not belonging to any of the great Allied powers, and that that Commissioner with the League's financial experts should go to Vienna and arrange matters in collaboration with Dr. Seipel, the Finance Minister of the Government, and get the necessary conditions consented to. What were those? First, Austria must give to the Council of the League of Nations financial supervision and agree that she will not make expenditures unless those expenditures are countersigned by the Council's representatives. Austria

agreed. Secondly, that Austria shall cut down over-employment and useless services, raise rates, of public services such as railways, tramways, and all utilities. Austria must restrict expenses in every possible way, amalgamate necessary offices, abolish unnecessary overheads, conform to stricter and better methods of administration, impose such taxes as are approved by the Commissioner, and in every way lay the foundation to bring about within two years' time the equalization of the budget so that the receipts and expenditures shall balance each other. In the meantime Austria is to stop printing notes, to establish a bank and find money therefor. That bank is to take over the Austro-Hungarian Bank, is to be a bank of issue to be forbidden by its constitution to give money to the Government except on securities which banking men will take to be sufficient. Austria must do more than that—and it is a wonderful thing that they assented to it:she must get the different groups in the legislature together, and they must pass resolutions and an Act by which they bind themselves not to interfere with this program for two years; that is, that they give to the Government and the Advisory Council plenary power for two years to carry out this operation without interference by the legislature and the parties in the legislature. Austrian sovereignty was to be absolutely respected. The League will place in charge Dr. Zimmerman, an ex-burgomaster of Rotterdam, and he will reside in Vienna. If all this be done, then the allied nations will guarantee a loan of £15,000,000, which will carry Austria through until the end of 1924, when she will be on straight rails, with a balanced budget and a stabilized currency.

That was all agreed to. Legislation passed; the bank has been subscribed to, and has been in operation since the first day of January; the crown has been absolutely stabilized since November last; not a single note has been printed on unsecured paper—that has been done away with entirely.

What has happened? That savings are coming back to the savings banks, that business is springing up, that confidence is being inspired, that the loan placed on the London and Paris and Amsterdam and other markets last week for temporary treasury bills, to be paid off when the loan for the £15,000,000 is made, passed triumphantly through the Stock Exchange and is to-day in London operated in at a little above the par of issue.

It is a wonderful thing that an enemy—a down-and-out enemy—once it puts itself in a position of being helped, will get the sympathy of the political and financial world.

Sir GEORGE FOSTER.

The large loan is guaranteed by eleven different nations most of it by Great Britain and France, Czecho-Slovakia and Italy. Next summer this £15,000,000 loan will be made international, and it is believed will be readily taken up. This action has revived the confidence of Austria, it has revivified their fading hopes, and has given them faith in a national future. The whole transaction is a wonderful testimony to what can be done by a non-partizan body acting as the League of Nations acts.

Some such thing as that could have been done—could yet be done—to settle the reparations trouble. It is wonderful how you take the sting out of things when you put into the hands of a representative Council of 52 nations what otherwise would be attempted by two or three or four interested and jealous powers.

If there is one thing that has retarded the settlement of Europe more than another it has been the differences of opinion between the Allies themselves. It has been the counter-ambitions, the petty selfishness here and there displayed, and the lack of real, unselfish unity, that has made things as slow as they have been made. In proportion as you get these out from the Supreme Council and a few nations, and into the hands of the representatives of all the nations of the world, the sooner you will have good results, the sooner you will have peace and ultimate re-establishment.

And so I turn, in my last words, to the League of Nations, which stands like a beacon tower in a lone and weary land; which points the way, and which guides the wayfarer. It is a friend sitting constantly, watchfully, with a heart that feels and a sympathy which acts, and a fairness of judgment which cannot be swayed even by the strongest members that belong to the League of Nations. It is the helpful counsellor that goes to the different nationalities, bruised and bleeding and torn with their credal, racial and national animosities, and says: "Be reasonable men; sit down around a common table; we are your friends; tell us your grievances; let us help you to accommodate them; let us together come to a solution which will be human, and which will be just as well."

And so the League of Nations has averted four wars which were fairly certain if it had not acted. And so to-day we get the news that at last the long contention between Lithuania and Poland has been settled. The Council of the League has kept its hand on it for two years. There have been lines of soldiery drawn up, facing each other; there

have been magazines of explosives behind, ready for war; but the League has kept its hand on the shoulders of each, and it has said: "Be reasonable; wait wait," until at last, worn out by friendly sympathy and the offer of aid they said: "Yes; go to it, League of Nations; make the award, and we will stand by it." And to-day we have news that the Supreme Council has affirmed the decision of the League, and that henceforth this trouble is out of the way.

There is a body which I think might well be appealed to in this case. It might be appealed to by the great nations of the world who are interested. It might be appealed to, to take the business point of view absolutely. Difficult? Somewhat difficult; maybe quite difficult; but perhaps it will come to that in the end. Let us hope so.

On motion of Mr. Beaubien, the debate was adjourned until Wednesday next.

At 6 o'clock the Senate took recess.

The Senate resumed at eight o'clock.

DIVORCE BILLS

THIRD READINGS

Bill X, an Act for the relief of Ernest Warren Porter.—Hon. Mr. Ratz.

Bill Z, an Act for the relief of May Elizabeth Meng.—Hon. G. V. White.

Bill A2, an Act for the relief of Maud Vera Butler.—Hon. G. V. White.

Bill B2, an Act for the relief of Lillian Black.—Hon. Mr. Mulholland.

Bill C2, an Act for the relief of Florence Elizabeth McDonald.—Hon. Mr. Fowler.

Bill D2, an Act for the relief of Gretta Melville.—Hon. Mr. Bennett.

VANCOUVER HARBOUR COMMISSIONERS BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 16, an Act to provide for further advances to the Vancouver Harbour Commissioners.—Hon. Mr. Dandurand.

Hon. Mr. Bennett in the Chair.

On section 2—the Crown may advance $5,000,000 to Corporation:

Hon. Mr. DANDURAND: When the Committee rose yesterday I was asked a few questions which I desire to answer. The first question was: have the works or the projected works of the Vancouver harbour been made in virtue of a general plan which has been approved? The Harbour Commission of Vancouver is working upon plans that were either made by or submitted to Mr. Swan, the Engineer, of Montreal, who was specially sent to Vancouver for that purpose. The whole scheme of improvement was prepared or approved by Mr. Swan himself.

As to the extension of the present elevator and the building of another, I may say that one of the best experts in elevator building that the country has produced has been asked to study the situation and prepare plans and make a report. This is Mr. Rolph, President of J. S. Metcalfe and Company.

I have also been asked as to the ability of the Harbour Commission as at present constituted to supervise and carry on that work. I may inform the Chamber that the Chairman of the Commission is Mr. Kirkpatrick, an engineer of repute, who has presided over that Commission for some time. I am quite sure that Mr. Kirkpatrick would not be criticized by any member of this Chamber or by anyone coming from British Columbia. The other two members of the Commission are Mr. R. E. Beatty and Mr. Sam Prenter. They replaced Mr. Sam McClay and Mr. Mackenzie. Comparisons are always odious, but I may say that the gentlemen at present associated with Mr. Kirkpatrick stand as high and have had as much experience in matters pertaining to the financial side of the operations of the Board as their predecessors.

I have been asked whether the improvements in the harbour which will be developed if this $5,000,000 is put at the disposal of the Commission have met with the approval of the railways that are utilizing those terminals. I am informed that the Harbour Commission as well as the Marine and Fisheries Department are working in close co-operation with the railways. If conditions similar to those in the harbour of Montreal prevail on the Pacific Coast we may rest assured that the railways play an important part in the preparation of plans, because they utilize those terminals, and in Montreal they have had a great deal to do with the final preparation of the plans. I am told by the Department of Marine and Fisheries that the C.P.R. authorities, as well as those of the Canadian National Railways, are perfectly satisfied with the work to be done and the improvements made in that harbour.

Hon. Sir JAMES LOUGHEED: Can my honourable friend say what is the settled policy of the Commission with reference to the building of elevators? Are all Harbour Commissioners hereafter to build the elevators

at the ports which they administer? If that is so, I apprehend that it means that the Government decides upon a policy. I presume that a Commission of this character will scarcely enter upon so important a policy as that of building elevators without the approval of the Government.

Hon. Mr. DANDURAND: The Harbour Commission prepares plans with the help of its engineers and obtains estimates of the cost. Those plans are brought to the Department of Marine and Fisheries, where they are studied.

Hon. Sir JAMES LOUGHEED: I do not refer to that so much as to the general question of who will build the elevators. Will it be the railways, organizations in the grain trade, or the Commissions? In the past, I understand, the chief elevators at these ports were built and owned by transportation companies, grain companies, and other organizations.

Hon. Mr. DANDURAND: All I can say is that under the vote which we are examining it is the intention to enlarge the present elevator and to build another one. It is apparently the intention of the Department of Marine and Fisheries to permit the Commission to do the building, as we are voting money to be put at their disposal for that purpose. As to the further policy which will develop in regard to the building of other elevators, I am not ready to speak. I heard in another place that there was a possibility of private corporations entering the field later on. But that is indefinite, and I can only speak as to the utilization of the money we are about to vote.

Hon. Sir JAMES LOUGHEED: You are establishing a very bad precedent if you expect private corporations to build elevators hereafter.

Hon. Mr. DANDURAND: The Harbour Commission at Montreal seems to have obtained the consent of the Government during the last ten or fifteen years to the Commission itself doing the building. Further, it has absorbed the Canadian Pacific railway elevator, and is now taking over the only terminal elevator in Montreal which does not belong to the Board, namely, the Grand Trunk elevator.

Section 2 was agreed to.

On section 3—interest on money during construction to be paid out of capital:

Hon. Mr. McLENNAN: To whom would the interest be paid? Is it contemplated that these bonds would be sold to private parties?

Hon. Mr. DANDURAND: No. The bonds are taken by the Federal Government and the money is advanced upon those bonds.

Section 3 was agreed to.

Sections 4 to 7, inclusive, and the preamble and the title were agreed to.

The Bill was reported.

THIRD READING

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

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

NORTHWEST TERRITORIES BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee upon Bill 7, an Act to amend the Northwest Territories Act.—Hon. Mr. Dandurand.

Hon. Mr. Bradbury in the Chair.

On section 1, new section 59, subsection 1—Jurisdiction and powers of stipendiaries; application of criminal proceedings outside Northwest Territories:

Hon. Mr. DANDURAND: There was some objection to the proviso:

> Provided that a person shall be qualified to serve as a juror although he is not a British subject.

If my honourable friend who leads the forces on the other side, who knows the conditions in the West better than I do, thinks that we can do away with that proviso and take the risk of the administration of justice being hindered because of the shortage of one British juror, I will not insist.

Hon. Sir JAMES LOUGHEED: I do not know that the present Northwest Teritories Act requires a juror in the Northwest Territories to be a British subject. My honourable friend and also the honourable gentleman from De Salaberry (Hon. Mr. Béique), read from the Act when this Bill was under consideration a day or two ago. It seems to me desirable that this proviso should be amended, as the present Act already fully provides how the jury shall be selected. This proviso would apparently introduce a complex situation and might render the present law difficult to interpret.

Hon. Mr. DANDURAND: Under the circumstances I will move to strike out the proviso.

The amendment of Hon. Mr. Dandurand was agreed to.

Section 1, new section 59 A as amended, was agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

THIRD READING

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

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

MARRIAGE BILL

SECOND READING

Hon. ARTHUR C. HARDY moved the second reading of Bill V, an Act to make lawful the marriage of a woman to her deceased husband's brother or such brother's son.

He said: Honourable gentlemen, this is not the first time that the provision contained in this Bill has come before this Chamber. As far back as 1880 it was introduced as a second clause of what is now known as the Deceased Wife's Sister Bill. The Bill, after having passed the House of Commons by a large majority, was rejected by a small majority in this House, and chiefly because it contained the provision which I am introducing to-night.

In 1882 the Deceased Wife's Sister Bill was introduced again, this clause having been eliminated, and it passed not only the House of Commons but this Chamber also and became law.

That was exactly 40 years ago, and I may be permitted to say that in the intervening time sufficient progress has been made in the world's affairs for us to consider again this provision, which puts a woman on exactly the same plane as a man, so far as marriage rights are concerned. I do not know whether one would consider the Deceased Wife's Sister Act as raising the plane of woman, nor could I say whether the provisions of the present Bill would raise a woman to the same plane as a man, or whether it would raise a man to the same status and level as a woman. However that may be, we do know that in the last ten or twenty years the rights of women have been recognized more than they had been in perhaps centuries before. In the last few years, partly on account of the war and partly as a result of the struggles of women for equal civil and political rights, we have seen the women of Canada put on an equality with men so far as the suffrage is concerned. I have therefore ventured to introduce this Bill, which would place a widow on exactly the same plane as a man whose wife is dead and who is permitted to marry his deceased wife's sister. This Bill would permit a woman to marry her deceased husband's brother, or such brother's son.

It is not my intention to lay upon this House the burden of the long legal argument which took place in the House of Commons when the Deceased Wife's Sister Bill was introduced. The debate covered a good many days and a vast amount of very abstruse and technical legal argument. I would not be capable of going into it even if I desired, but I think the whole matter is so plain to anyone taking an interest in the affairs of women today as to make it quite unnecessary to do so. We do know this, that the Deceased Wife's Sister Bill and all its consequences have been accepted fully and in the right way with reference to legal status. Whatever may be the objections on the part of some, based on conscientious or religious scruples, they do not come into the question in regard to this particular Bill. I am free to say that it does not affect religious scruples, because it does not compel any woman to marry her brother-in-law. It is simply permissive to any woman who desires to do so, just as a man is permitted to marry his deceased wife's sister, without being compelled to do so.

I would call your attention to the wording of the Bill. It contains only one operative clause, and that is in exactly the same terms as what is known as the Deceased Wife's Sister Act, except of course that the genders are reversed; and on this ground, if on no other, I may base the request for the earnest consideration of this House. Every argument that was brought forward in connection with the Deceased Wife's Sister Bill applies, obversely or reversely to the Bill now before you. On their merits I can see no difference, and I am quite open to conviction if anyone can show me on any physiological or psychological or religious or moral ground, where there can be any difference in the two cases. It is on this similarity, aside from anything else, that I base the justice of the Bill before the House. The relationship in both cases is precisely the same. There is no blood connection in this case any more than in that of the Deceased Wife's Sister Bill. There can be no claim that the contemplated relations between such a man and such a woman are made immoral by marriage of those two people. Though the old codes, for perhaps as far back as we can go, have forbidden such marriages, nevertheless they have been permitted either by dispensation of the Church authorities or by the ecclesiatical courts; and I think I am on safe ground when I say that those ecclesiastial courts would not grant dispensations for immoral relations between two

people. On this ground I feel that I can appeal to those who have some conscientious scruples, whether religious or otherwise, in such a matter.

I may say that the provisions of the Deceased Wife's Sister Bill have been fought for a great many years in practically every country of the Empire; but to-day there is only one small part of the British Empire where marriage with a deceased wife's sister is not permitted, and that is in the Colony of Newfoundland. In 1907 the law authorizing such marriages was made applicable to Great Britain, which I think was really the last section of the British Empire to fall into line with it. Canada, as I have said, adopted it as far back as 1882.

Permission for a woman to marry her deceased husband's brother has not become general through the British Empire as yet, and it is not the law of Canada. While I have no desire to compare our marriage law or divorce law with those of the United States—far from it—nevertheless we are neighbouring countries and their legislation has a relation to this matter, which I will point out later. Of all the states of the American Union, Virginia is the only state where the marriage of a widow with her brother-in-law is not permitted.

Before the Deceased Wife's Sister Bill was passed in England, as almost every member of this House knows English people of the very best class and in the best standing, emigrated to this country in order to take advantage of our law and thus escape the penalty as I might call it, of the position in which they would be placed in England at that time by marrying within the forbidden range. Just so to-day, we find many Canadians, good in every way, and most desirable citizens, the best we have, going to the United States and taking up residence there in order to escape the penalty of whatever obloquy there may be in connection with such a marriage. I say that this is a time when we require every good citizen that we can get in Canada, and this fact must have some bearing on the case. That is why I refer to the almost universal practice in connection with this matter in the various states of the republic to the south.

A short time ago a committee of the National Council of Women of Canada waited upon the Government to urge that such a law be passed. That committee represented over 300,000 Canadian women who are affiliated in the National Council, which has been formed regardless of race, creed or any other distinction. I believe that when such a body, which has for its object the raising of the status not only of women but of life as a whole throughout this country, take such a step, we cannot be far wrong if we adopt the moderate view and ask that this Bill be put on exactly the same plane as the Deceased Wife's Sister Bill. I believe we have good grounds for holding that such a provision is desirable and perfectly sound. The Law Committee of the National Council did not undertake that mission to the Government before making very careful inquiries, and the report of the committee states that one of the chief reasons for their advocating this change in the law was that it had been brought to their notice that there were in Canada a large number of women who had gone through the regular form of marriage with a brother of a deceased husband, both parties to the marriage and also the solemnizing clergyman taking it for granted that if it was legal to marry a deceased wife's sister it was of course legal to marry the brother of a deceased husband. Those people are to-day living as man and wife and bringing up their children, all unconscious of any such circumstances as to make their children liable at any time to be branded as illegitimate. It is quite possible that honourable members of this House know of such cases. If I might be permitted to refer to a particular case, I know one of our best and most prominent citizens, holding public office and known to many members of this House, who is just in that position to-day. Whether he contracted that marriage innocently or not I cannot say, but the committee of the National Council found a large number living in precisely the same way.

I need not dwell on such arguments as the fact that there could be no better stepfather to any woman's children than a brother of her deceased husband. We all remember that the same argument was used in connection with the marriage of a deceased wife's sister —that no one was better qualified to look after the children than the dead woman's own sister. Such a marriage brings no new blood into the family, and the connection is a perfectly natural one, and one which I think should appeal to all people.

In the province of Ontario particularly we are in rather a peculiar position. As the law stands to-day, a man and a woman living in Canada who desire to contract such a marriage may go to the United States and be married, and while it may not be an absolutely legal marriage in Canada, there is no court that has power to set it aside or to declare it void in any way. This is partly a matter of the jurisdiction of our Ontario courts, which were not given the powers of the Eccleastial Courts

of England when they were established in this Province. For that reason the laws of Ontario in this connection are very different from those in other provinces, where they claim the right to declare such a marriage void and illegal.

I do not think I need say any more, honourable gentlemen, for, while this question has not arisen in this particular connection, it is quite familiar to all of you in regard to the deceased wife's sister, and I believe that the reasons I have advanced are quite sufficient, without going into the various technicalities. I would therefore move the second reading of this Bill.

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

CONSIDERED IN COMMITTEE AND REPORTED

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

Hon. Mr. Turriff in the Chair.

On section 1—certain marriages not invalid:

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to confess that in my youth I was aware of the considerable agitation which took place in and around parliaments and in the press over the Deceased Wife's Sister Bill, but the matter never interested me to any extent. The law was altered so as to authorize such marriages, and at this moment I cannot remember the arguments that militated against the converse of the proposition which is now before us. I would not like to stand in judgment against the parliaments that have declared in favour of the deceased wife's sister's right to marry. For this reason I cannot find any objection in my imagination against the present legislation.

Hon. Sir JAMES LOUGHEED: It is good legislation.

Section 1 was agreed to, the preamble and the title were agreed to, and the Bill was reported without amendment.

THIRD READING

Hon. Mr. HARDY moved the third reading of the Bill.

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

The Senate adjourned until Tuesday, March 20, at 8 o'clock p.m.

THE SENATE

Tuesday, March 20, 1923.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill N2 an Act for the relief of Emily Margery Chrimes.—Hon. Mr. Green.

Bill O2 an Act for the relief of Lyle Johnson.—Hon. Mr. McCall.

Bill P2, an Act for the relief of Annie Belle Wilson.—Hon. Mr. Willoughby.

Bill Q2, an Act for the relief of Henry John Burden.—Hon. Mr. Hardy.

MIDLAND GRAIN ELEVATORS

INQUIRY

Hon. Mr. BENNETT inquired of the Government:

Are the two grain elevators at Midland, Ontario, known as the "Aberdeen" and "The Grand Trunk Elevator," now under the ownership of the Canadian National Railways? If not, does the Canadian National Railways propose to purchase both or either of them?

Hon. Mr. DANDURAND:

1. The Canadian National Railways own two elevators at Midland, which are sometimes referred to by the names mentioned.

2. See answer to No. 1.

OLEOMARGARINE

INQUIRY

Hon. GIDEON D. ROBERTSON rose in accordance with the following notice:

That he will call the attention of the Senate to the importance of extending the periods during which the manufacture in (the importation into, and the sale in) Canada of oleomargarine are permitted by The Oleomargarine Act, 1919, and the amendments thereto; and that he will inquire of the Government whether it intends to introduce any legislation to extend those periods or any of hem.

He said: Honourable gentleman, I desire to call the attention of the House and also the attention of the Government to the fact that the legislation permitting the importation, manufacture and sale of oleomargarine in Canada will expire in August next unless re-enacted. The justification for the continuation of this legislation is ample. The matter ought to receive the earnest consideration of the Government and the necessary legislation introduced at a very early date.

In the year 1918, when the cost of living had so advanced that it was becoming some-

what onerous upon the working people of Canada, the Government of the day, by Order in Council under authority of the War Measures Act, authorized the importation and manufacture of oleomargarine, in order that our people might obtain this wholesome food at a reasonable cost. In 1919, when the War Measures Act ceased to operate, a special Bill was brought in for the same purpose, and each year from 1919 to 1922 a Bill has been passed to extend the legislation for one year.

By way of justification of the continuance of this legislation, I desire to point out that in the year 1918, when it was first adopted, the price of butter was 46 cents a pound, according to the Department of Labour's reports; that in 1922, the last time the measure was re-enacted, the price of dairy butter was 35 cents a pound and of creamery butter 42 cents a pound; and that at present the price of dairy butter is 53 cents a pound, of creamery butter 60 cents, and of oleomargarine 30 cents a pound. These facts indicate clearly, I think, the importance as well as the desirability of having the necessary legislation to permit of this wholesome product being placed at the disposal of our working people at a reasonable cost. Honourable gentlemen will surely appreciate that the workingman, possibly out of employment and with a family dependent upon him, finds it very difficult to provide for them butter at the price of 60 cents a pound, but can get oleomargarine, a very cheap food, at 30 cents.

I desire to call the attention of the Government to these facts and to express the hope that they will without delay bring down the necessary legislation to continue in force the present Act.

Hon. Mr. DANDURAND: The matter is under consideration. I will draw the attention of the Minister of Agriculture and his colleagues to the remarks of my honourable friend.

CENTRE WASHABUCK WHARF

INQUIRY

Hon. Mr. McCORMICK inquired of the Government:

1. What was the cost of repair work on the Government wharf at Centre Washabuck, Victoria County, Nova Scotia, in the year 1922?
2. Where tenders asked for this work, and if not, who had charge of this work?
3. And what did he receive for his services?
4. What was the cost of the work (repairs)?
5. Is the Government aware that material used on this work has not been paid?

Hon. Mr. DANDURAND:

1 and 4. $397.33, of which $185.71 was for material.

2. Tenders were not asked for the work. It was carried out by the District Engineer by day labour—foreman, John McNeil.

3. The foreman was paid at the rate of $3.50 a day, and the total amount received for services was $69.12.

5. No, the Department of Public Works, so far as it has knowledge, has paid for all material used in the work as above.

PRIVATE BILLS

FIRST READINGS

Bill 3, an Act respecting The Royal Guardians.—Hon. Mr. Casgrain.

Bill 13, an Act respecting the Nipissing Central Railway Company.—Hon. Mr. Gordon.

Bill 32, an Act to incorporate The Alert Guarantee Company of Canada.—Hon. Mr. Crowe.

Bill 36, an Act respecting The Quebec Central Railway Company.—Hon. Mr. L'Esperance.

Bill 38, an Act respecting The Essex Terminal Railway Company.—Hon. Mr. Pardee.

CRIMINAL CODE (SOLICITATION OF STOCK SUBSCRIPTIONS) BILL

SECOND READING

Hon. GEORGE LYNCH-STAUNTON moved the second reading of Bill M2, An Act to amend the Criminal Code.

He said: This is a Bill to amend the Criminal Code so as to make it an indictable offence to personally solicit stock subscriptions. It is provided that it shall not apply to solicitation by advertisement or printed circular, nor when the peddler is authorized by Dominion or Provincial authority.

It is not necessary to call the attention of the House to the great evil which has lately manifested itself in the provinces of Ontario and Quebec from what are now called high-power stock solicitors. Millions of dollars have been taken from the class of people of this country, who, above all others, should be protected, namely, the humble, frugal Canadian citizens—a great number of poor people who are industrious and careful and saving, who have managed to get together a few dollars which they have placed either in Victory Bonds or in the saving bank, but who are quite incapable of protecting themselves against the wily and plausible educated stock solicitor. In my humble opinion it is the duty of Parliament to protect these people. They are the best of our citizens; they are people who, like most of those who are saving, are law-abiding, respectable, unsuspecting, and inexperienced.

It may be contended that it is not wise to prevent the sale of stock in companies which may be organized for the purpose of promoting industry in the country; but to that I reply that under the provisions of this Bill any sound and properly saleable stock may be sold by public advertisement or by circular, or may be authorized by a Dominion or Provincial authority.

In my opinion, there is no real reason why anybody should peddle stocks. Any legitimate enterprise can obtain capital going to servant girls, widows and old people who have their little nest-egg tucked away. Those enterprises could and should obtain their money from other sources. I contend that it is not desirable to ask the poor to invest in new enterprises.

Hon. Mr. CASGRAIN: The poor would not have the money.

Hon. Mr. LYNCH-STAUNTON: I contend that it is not wise or proper for a man who has a small savings account to risk it on the hazard of new business. Every lawyer, and everybody else who is experienced, knows the law and the courts have hedged about trust funds in order to prevent trustees or people who have funds of helpless people in their possession from investing those funds in anything except what are called gilt-edged securities. The reason for that is that it is unwise to allow dependents to invest in any hazardous business. I therefore contend that it is imprudent and unwise for us to allow or encourage a man who has no experience and no knowledge to match against the wit of those solicitors, to invest his money in a hazardous business. For that reason alone, even though I believed those solicitors to be honest, I would say that they should not be allowed to approach people of that kind in order to obtain subscriptions for their stock, unless the enterprise had been submitted to the scrutiny of some experienced person to ascertain that it was one in which the poor would be justified in investing.

In the next place, I contend that we should protect those people because the great number of these stock projects, which are peddled among the people from door to door, are not honest.

In the third place, I contend that we should protect them because we have passed legislation in the provinces and in the Dominion which facilitates fraud to a very extreme extent. We have allowed the issue of stock of no par value. We have allowed the issue of stock on such terms that it is not necessary for the money received from its sale to be paid into the enterprise itself. We have allowed the issue of stock at a discount. We have allowed the issue of stock in one dollar shares, or any denomination which the promoters choose. We have done everything to facilitate its sale and to render it tempting to small investors.

I am told by gentlemen, members of this House, that in some of the provinces there are prohibitions against this stock-peddling vice, and that these have worked extremely well; that the province of Saskatchewan has escaped this latest class of swindling by reason of the prudent legislation of that province; that it has been found not to work to the detriment of the public interest but to be a great protection to the people.

Hon. Mr. WATSON: Manitoba also.

Hon. Mr. CASGRAIN: They did not make it criminal.

Hon. Mr. LYNCH-STAUNTON: I am told there are laws of the same nature in other provinces.

My proposal, then, is that we merely prohibit the personal solicitation of persons to buy stock from agents, and prohibit companies employing agents to sell stock of this kind. If it is considered by this House to be in the public interest, as I believe it is, I trust the Bill will receive favourable consideration. I am not one who believes in grandmotherly legislation; but I am one who firmly believes that those who never will have experience and never can learn, by reason of their position in society, should be protected as far as we find ourselves able to protect them.

Hon. Mr. TANNER: I am very much in sympathy with what my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) has said, but I want to ask him a question. I understand that this would eliminate all color of crime.

Hon. Mr. LYNCH-STAUNTON: What is that?

Hon. Mr. TANNER: You simply prohibit anyone and everyone from selling shares.

Hon. Mr. LYNCH-STAUNTON: No.

Hon. Mr. TANNER: By solicitation.

Hon. Mr. LYNCH-STAUNTON: Yes, by solicitation.

Hon. Mr. TANNER: Whether the proposition is bona fide or not.

Hon. Mr. LYNCH-STAUNTON: Unless the solicitor gets authority.

Hon. Mr. TANNER: I wonder whether the honourable gentleman has considered the question of whether the legislation would be intra vires of this Parliament? On the same principle we could prohibit any merchant selling coffee or tea.

Hon. Mr. LYNCH-STAUNTON: So we could. I am quite sure this Parliament has jurisdiction to make anything it chooses a crime. It has absolute authority.

Hon. Mr. CASGRAIN: It would be the millenium or an ideal state of things, or paradise, if fakers could be stopped from selling stock. But how is it going to be worked? This idea is not new. It has been talked about before. The provincial legislatures could amend the law so as to impose a fine for carrying on these operations, but the Criminal Code is a federal matter, so the two cases would not be on all fours.

Many companies have been formed, absolutely good things, but one would not be governed by a written or printed circular. We all get them by the basketful, but we don't read them: we throw them away. If you want to form a company and sell stock in it, you have to hold personal interviews with people in order to tell them what you have. I myself and many others in Montreal have formed companies in that way to buy properties and for other purposes. That could not be done without personal solicitation.

Another objection to this Bill is that anyone soliciting for stock would have to obtain a license or authority from a provincial or the federal legislature. That would be much worse. A solicitor would say: I have a license from the federal government or the local government to sell you this stock. It would be as though the legislature was behind the stock and endorsed or guaranteed it. I think the idea of my honourable friend is an excellent one; but, like so many good things that are brought before this House from time to time, it is too good to live.

Hon. Mr. LYNCH-STAUNTON: The Bill contains a provision which I think meets the objection raised by the honourable gentlemen. It is provided that this section shall not apply to solicitation authorized in writing by Dominion or Provincial authority. This authority in the province of Ontario, I take it, would be the Municipal Board, as it is in the province of Saskatchewan.

An honourable gentleman has just shown me a paper which contains the following item:

> Little, if any, of the stock in the L. R. Steel Company, now declared bankrupt, is held in Saskatchewan, according to officials of the local Government Board. The company made several applications to the Board for permission to sell stock in this province, and in each instance it was refused. Any stock purchases made by Saskatchewan investors would, therefore, have to be made through agencies in other provinces.

I do not think this is a new principle in legislation. I can remember, 10 or 15 years ago, when this country was swept with the red wheat fraud and the patent rights fraud, that such legislation as this was passed. These frauds are like locusts; they sweep over the country every few years.

Hon. Mr. PARDEE: Must they have Provincial or Dominion authority for the purpose of advertising?

Hon. Mr. LYNCH-STAUNTON: No.

Hon. Mr. PARDEE: Why not? There are many people of the very class which the honourable gentleman has mentioned who are not personally solicited at all, but to whom a circular or an advertisement in a reputable newspaper will appeal much more strongly than a personal solicitation.

Hon. Mr. TANNER: They believe what is in the paper.

Hon. Mr. PARDEE: Yes. I am in sympathy with the honourable gentleman, although I must admit that there are some difficulties to be overcome. For instance, as the honourable gentleman from Montreal (Hon. Mr. Casgrain) says, suppose I solicit a friend in the most friendly way to buy some stock in a joint stock company, I would be liable. That, I think, is going a good way down the road, although perhaps the evils that would be cured would be greater than any objection I have mentioned. If you want to bring all classes of solicitation, either by advertisement or personally, within the four corners of the amendment, I think you should certainly provide for giving authority for solicitation, either by advertisement or personally.

Hon. Mr. LYNCH-STAUNTON: I was aiming at the cases of personal solicitation; but if the House thinks it better I have no objection to requiring all advertisements to be authorized. My efforts were directed at this back-door peddling of stock from house to house. I am not wedded to the form of this Bill, and if anything can be devised to prevent these humble people being victimized, I will gladly adopt it. I would like to have the Bill considered, and threshed out in Committee, in the hope of arriving at something. I am only offering the Bill in its present form because I feel that we ought to do something, if we possibly can, to prevent a repetition of

this awful scandal. A member of the Ontario Government told me of an enterprise which had victimized an old farmer out beyond Hamilton to the extent of $10,000. He got absolutely nothing for his money.

Hon. Mr. PARDEE: The honourable gentleman does not need to go further than the Steel company.

Hon. J. A. McDONALD: I suppose, honourable gentleman, the value of one's opinion is measured by his knowledge of the subject under discussion. I think the Senate is going pretty far. Last year there was a strong attempt made to pass legislation stating that no goods could be disposed of by means of certain kinds of advertising. After a struggle I got through an amendment adding the words, "where goods or money pass," and thus protected legitimate advertising. Speaking of high-pressure selling, who is going to be the judge? Some of the biggest failures in Canada have been big enterprises. Great injury has been done by the failure of projects that looked good and were not, while some of our greatest achievements, practically saving civilization, were high-pressure campaigns like, for instance, the sale of Victory bonds. Men, women, and children went out and put the sale through by going into the homes and meeting people and soliciting.

The honourable gentleman says this is to protect the poor people. Why have not the poor people the right to make an investment if they want to? If this is going to apply to stocks, why would it not apply to goods also? Where are we going to draw the distinction? I think the Senate is going pretty far in saying to people: "You shall not invest, you shall not do this and you shall not do that; it is your money, but you are not going to spend it in your own way." Talk about grandmotherly legislation. This beats all. I think we ought to pay more attention to carrying out the laws that we have passed than to matters of this kind. We should go into this question very carefully before we leave it. What kind of proposition is going to be acceptable? What is going to be considered wrong? We should be very careful how we bind people's judgments in investments.

Hon. W. B. WILLOUGHBY: We can all appreciate the beneficent results that the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) had in view in moving this Bill, but it seems to me that we are making a very startling innovation. It strikes me that we should not be too ready to enlarge the bounds of the Criminal Code. I thoroughly sympathize with the honourable gentleman in the motives which actuate him in his desire to protect certain classes of people who speculate—for perhaps it is only speculating—in businesses of the kind which he has in mind. On the other hand, I do not know why we should deal with this as a criminal matter. It is purely a matter of property and civil rights. I do not deny for a moment the competence of this Parliament to say that it shall be a criminal offence, but from the ordinary point of view this certainly would not be a criminal matter.

The honourable genleman has referred to the situation in the province of Saskatchewan. We have there what is commonly known as a blue-sky law. That law has worked well, and has shut off the selling of stock by a very large number of proposed companies in that province. Other provinces that see fit can follow the example of Saskatchewan if they wish. Surely the protection of the citizens of a province against the exploitation of fraudulent companies is a matter that could be left to the competence and judgment of the legislature of that province.

As has been pointed out by the honourable gentleman from Lambton (Hon. Mr. Pardee), advertisements might be equally injurious. An advertisement could be worded in such a way that it might be a trap to the unwary. That is the very thing that prevailed in the United States until a law was passed prohibiting the use of the mails to such advertisements and circulars. An advertisement could very well be framed that would be wholly misleading, and would have the same effect as personal solicitation.

There is another point. There are many companies incorporated, co-operative companies as well as others, which have wholesome and proper objects in view, and which are honestly and properly conducted. This measure would apply to co-operative associations as well as to others. One neighbour could not as an agent for the company say to another: "Are you going to take a share in this butter factory?" without coming under the provisions of this Bill. I for one am very reluctant to add to our Criminal Code any new offences not known to the common law.

Hon. W. H. SHARPE: I just rise to say that, as far as Manitoba is concerned, it has a Utility Commission to which every company that wants to sell stock must submit its proposition before it can advertise in the newspapers or offer stock for sale.

Hon. W. B. ROSS: Does that apply to stock in companies incorporated by the Dominion Government?

Hon. Mr. SHARPE: All kinds of stock. I do not think Dominion companies are affected.

Hon. Mr. ROSS: Then it does not cover the ground.

Hon. F. B. BLACK: I cannot speak from the standpoint of the legal fraternity, but as one interested in the business life of the country I want to enter my word of protest. I believe in paternalism to a certain extent, but I believe it can go too far. If any such legislation as this is going to be passed, I think it should be passed at the instance of and by the provinces themselves. Carried a step further, the principle of this measure would interfere with the sale of any article that you might want to put upon the market. You could make it impossible for a salesman to go out from a wholesale house to solicit orders. That is the logical conclusion of the legislation proposed by the honourable gentleman from Hamilton.

So far as solicitation is concerned, we all know that there is scarcely one large business concern in Eastern Canada to-day which has not put its stock on the market by means of the personal solicitation of the stock-broker or the stock-broker's agent. Ninety-nine out of every hundred stock promotions that have been put on the market in Canada have been safe. The one hundredth is like that of the Steel and others of that sort, which have been introduced very largely by outsiders and have caught people napping. There is a crop of suckers born practically every day, and there will be suckers as long as this world continues to exist, just as there have been from time immemorial. You cannot have legislation that will prevent any dishonest person from cheating his neighbour if his neighbour is gullible enough to be cheated. The further this Parliament or any other legislative body goes in endeavouring to cut off this annual crop of innocent victims, the more complicated will the legal machinery of our country become.

In line with the remarks made by other honourable gentlemen, I desire to say that, in my opinion based upon my observation, there have been more bogus schemes floated and imposed upon the public of this country by circular letter, or by advertising in the most reputable newspapers published in Canada, than there have been by any personal visitation by the agent of any concern.

Hon. Mr. LYNCH-STAUNTON: This solicitation is a new scheme.

Hon. Mr. BLACK: No.

Hon. Mr. ROSS.

Hon. Mr. LYNCH-STAUNTON: It has begun to be prevalent only within the last few years.

Hon. Mr. BLACK: As long as I can remember we have had stock-brokers and stock-agents all over Canada, and they have been selling legitimate stock.

To finish my argument with regard to pamphlets. They go into more homes than can be reached otherwise. The farmer and his family read the pamphlet at night and talk it over. The prospectus lays the proposition before them in brilliant, golden colours, and, through a letter, a pamphlet, or something of that description, they will buy stock that they would never think of buying from a skilled salesman after a personal interview.

Again, this class of legislation would hinder companies. I will take one of the largest operating companies in Canada, the Bell Telephone Company, which issues stock whenever there is a large development in rural or city telephones. The Bell Telephone Company, or any concern of that kind, issues stock—

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman permit me a question? Has he ever heard of the Bell Telephone Company peddling their stock?

Hon. Mr. BLACK: Yes, I have.

Hon. Mr. LYNCH-STAUNTON: I have not.

Hon. Mr. BLACK: They have not, I think, in the last 20 years made an issue of stock which has not been peddled or sold either through stock-brokers or their own agents. In the first place, they endeavour to sell to their subscribers and to their employees; and they do sell to their subscribers and to their employees. It is a good thing for both that they do. They go to their subscriber and say: "You have a telephone; you are paying perhaps $30 a year for it; why not take $500 worth of this new issue of telephone stock? It pays 6 per cent (or whatever it does pay—we will say it is 6 per cent). That will yield $30 a year. This little investment of yours, amounting to $500, will give you your telephone free, for the interest on your investment will pay for your telephone." That is a very proper thing from the Company's standpoint, and also from the standpoint of the subscriber. The Company get a new investor, and the user of the telephone becomes interested in the telephone company. That is a perfectly legitimate transaction in the interest of the Company and of the subscriber as well. Why should you prevent that kind of thing? This is one company that does it, and I know of many

others. I am myself at the head of a company that has done that repeatedly, and there is no better stock in Canada to-day than its stock. It has always paid its dividends, and I assume it always will. Legislation of this kind is a stumbling block in the way of business.

I have every sympathy with the desire which the honourable gentleman has in his heart to protect the poor man; but I do not believe that the honourable gentleman is going about it in the right way. If the Criminal Code is to be amended, amend it so as to reach the perpetrator of the offence—the man who sells bogus stock, and deter him by example, by imprisonment—life imprisonment, if you like. Make it as severe as you like. You will protect the poor man better by penalizing the man who cheats him. That, in my opinion, is the way to deal with the evil which is aimed at by this proposed legislation.

Hon. D. O. L'ESPERANCE: Honourable gentleman, although I am not a lawyer, I doubt that we can pass legislation that will correct the evil which it is intended to remedy by the Bill now proposed. But I am sure everyone shares my opinion in this, that a good many swindles and robberies are being perpetrated through the issue of bogus stock. Both Houses of this Parliament have tried to correct many abuses, with regard to drinking, gambling, horse-racing, etc. For my part, I have no sympathy with the gambler. He knows very well that he is taking a chance with his money. But I have a good deal of sympathy with the poor, ignorant people who are being caught in those swindles by being induced to invest their hard-earned savings in all kinds of companies, many of which the promoters know well will never make good.

How we can correct the evil I do not know. But I would like to see this Bill go to committee anyway, in order that it may be discussed, and perhaps in the combined wisdom of honourable gentlemen, we may find some way of remedying abuses which have prevailed to such an extent in this country.

Hon. J. G. TURRIFF: Honourable gentlemen, I am very much in sympathy with the proposed legislation by my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton). From what has been said by other honourable gentlemen here to-night, I feel, however, that possibly the proposed legislation may be going too far, and I agree with the honourable member who has just spoken that it would be advisable to have the Bill referred to a committee, where the whole matter can be threshed out. If the Bill went no farther than my honourable friend proposes, there is one kind of people whom it would favour to a very large extent. I can remember quite well when, about ten years ago, a loan company or building company in Toronto secured stock subscriptions amounting to many hundreds of thousands of dollars, the great majority of the subscriptions being secured from servant girls. The city of Ottawa, I know, was divided into sections and a woman would be given charge of a certain number of blocks and would canvass every working-girl in her area. I remember very well that the girl who was working for us at the time had put in what she had saved during a period of years—something over $400, and she got back a little over $100—I forget how much.

Hon. Mr. LYNCH-STAUNTON: She was lucky.

Hon. Mr. TURRIFF: There was some property of the company in Toronto, and in the course of two or three years the assets increased, and in the liquidation the subscribers got back part of their money.

I do not suppose there would be one in fifty of those subscribers to that stock who would have subscribed through any advertisement in a newspaper, or through any circular they might receive; but clever women agents went to their homes or to the places where they were working, and talked to them. They visited them every month to make collections, and robbed them to the extent of hundreds of thousands of dollars.

I believe that this proposed legislation would practically put a stop to that particular method of taking money from people who should not be speculating at all. Whether this is the best way to go about the matter or not I do not know. Whether or not better results might be accomplished by a law such as is in force in Saskatchewan I do not know. I am not sure, but am under the impression that there is something of the same kind in Alberta. I remember that during the oil boom that followed the discovery of oil south of Calgary, there was a tremendous rush to buy stock in all sorts of oil propositions, and it runs in my mind—my honourable friend from Calgary (Hon. Sir James Lougheed) will no doubt be able to set me right if I am wrong—that after a while action was taken to prevent the selling of those wildcat oil schemes. I know it was just about that time that the province of Manitoba prohibited the sale of that class of stock in the province; and shortly afterwards the province of Saskatchewan took a similar step.

You cannot stop people—or at any rate you cannot stop a great many people—from mak-

ing fools of themselves in foolish investments. I think most of us have been there at some time or another. I know I have. But we are not the class that are to be pitied so much; it is the poor people who are roped in by the high pressure salesmen at work at the present time.

Furthermore, unless we have a law affording protection along the line proposed, all sorts of organizations are going to come over here from across the line—because, remember, they are shut out of a great many of the States. I do not know how many of the States, nor do I know which ones, but I know that in many of the Western States the high-pressure agents are not allowed to sell stock. Unless we take precautions we shall have other affairs exactly like this L. R. Steel swindle that is taking hundreds of thousands of dollars out of Canada.

Hon. Mr. CASGRAIN: Nine millions.

Hon. Mr. TURRIFF: Millions of dollars out of Canada. I think it is our duty as legislators to try to work out some scheme to remedy the evil. Possibly the best plan is not what my honourable friend has proposed; but it would be sensible on our part to let this Bill go to a committee and have it threshed out thoroughly, in order to see if we cannot do something to curtail the evil that undoubtedly exists.

Hon. C. E. TANNER: I think the United States legislation referred to by the honourable gentleman from Assiniboia (Hon. Mr. Turriff) is principally State legislation. While I am in sympathy, as I have said, with many of the views expressed by my honuorable friend from Hamilton (Hon. Mr. Lynch-Staunton), it seems to me that the better way to deal with this matter is by provincial legislation. The legislation in Saskatchewan appears to be effective.

My principal reason in rising now is to state that I am pretty sure we have in Nova Scotia legislation which is very effective. I remember that legislation in this respect was initiated when I had a seat in the Legislature. At that time we were pestered principally by companies, not very solvent, who came down from Toronto. We thought it necessary to protect ourselves against them, and legislation was passed, which I think has proved to be fairly effective in regard to a good many companies of that class. I have a distinct recollection of one company, which I cannot name at the moment, and which sold a good many shares in the province. Under the law to which I refer the shareholders were all protected right up to the handle, because the legislation requires the company to make a deposit sufficient to cover the amount of stock they sell in the province. Now, it appears to me that the province of Ontario, which has been hit very hard by the Steel Company, can protect itself. It also appears to me that we have so many criminal laws now which are not very well obeyed that it is doubtful whether it is desirable to make more crimes. For that reason, while I am content that the Bill should go to Committee, I think that in the end it will be shown that the better way to deal with this matter is through provincial legislation.

Hon. Mr. McDONALD: May I ask the honourable gentleman one question? Which are the more prosperous and successful communities—Saskatchewan and Alberta, where all these kinds of investment are eliminated, or Northern Ontario, which is putting mining stock on the market and is making money out of its mines at such a rate as will in ten years pay the national debt of Canada?

Hon. EDWARD MICHENER: Honourable gentlemen, I am sure we are all in sympathy with the object of the Bill, but it seems to me the place to correct the evil is the provincial legislature. In the province of Alberta, before anyone can sell stock to the public, he must have an incorporated company, and before he can incorporate his company it must be approved by the Public Utilities Commission.

Hon. Mr. LYNCH-STAUNTON: The honourable gentleman is quite wrong in that. Companies can be incorporated in the United States.

Hon. Mr. MICHENER: But they cannot sell their stock in Alberta without charter or license from the Public Utilities Commission. So the people are protected right at the fountain head, in the registration or incorporation of the company.

The opinion has been expressed, and with it I agree, that this matter can be dealt with more effectively by the provinces in connection with the incorporation or registration of companies provincially than it can be by the Dominion. However, I am quite willing to have the Bill referred to a committee and discussed further. I am quite sure that the discussion of this matter will be of benefit.

Hon. R. DANDURAND: Honourable gentlemen, I thought, when reading this Bill, that it might as well prohibit outright any personal solicitation, as I could not see how a line could be drawn between those persons who should be authorized and those who should be refused sanction. The task and

responsibility devolving upon the authority or commission dealing with this matter would be very great. There seems to be always a considerable risk in sanctioning any solicitation. Such sanction would give the imprimatur of the provincial legislature or the Dominion Parliament to a company thus invested with the right to send out its agents. That was my first objection. The second was that there was as much harm done by printed circulars and by newspaper advertisements as by personal solicitations.

But my objection to allowing this Bill to proceed further is somewhat weakened when I am told that there is in some provinces—not in my own province or in the neighbouring province of Ontario, but in provinces smaller in population—legislation which may have blazed the trail and may indicate to us some modus operandi, of which I was not aware, for curing the great evil of the sale of valueless stock throughout the country. I suppose there is some valuable information to be had from the experience of some of the provinces which have imposed restrictions in this respect, and for that reason I would have no objection personnaly to voting for the second reading of this Bill, on the understanding that it would be debated, not in Committee of the Whole, but in the Banking and Commerce Committee.

Hon. Mr. MURPHY: No; in Committee of the Whole.

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

DIVORCE BILLS

SECOND READINGS

Bill F2, an Act for the relief of Frederick Wesley Graham.—Hon. Mr. Barnard.

Bill G2, an Act for the relief of Catherine Gunyo Chatterson Odell.—Hon. Mr. Pope.

Bill H2, an Act for the relief of Marietta Isabel Wilson.—Hon. Sir Edward Kemp.

Bill J2, an Act for the relief of Marion Eugenie MacCordick.—Hon. Mr. Ross (Moose Jaw).

Bill K2, an Act for the relief of Elizabeth Frankland.—Hon. Mr. Taylor.

Bill L2, an Act for the relief of Arnold Carrington Burke.—Hon. Mr. Taylor.

PRIVATE BILLS

SECOND READINGS

Bill I2, an Act to incorporate Montreal Finance Trust.—Hon. Mr. Casgrain.

Bill 14, an Act to incorporate La Banque Rurale.—Hon. Mr. Chapais.

Bill 18, an Act respecting The Dominion Fire Insurance Company.—Hon. Mr. Macdonell.

Bill 5, an Act respecting certain patents of Charles A. Channell.—Hon. Mr. Belcourt.

Hon. G. V. WHITE: This legislation is to revive certain patents which expired on the 4th of June, 1922. The patents Nos. 150322 and 153141, issued on September 9, 1913, and January 20, 1914, respectively, cover the well-known "O Cedar" mop, which has been made in large quantities in Canada. Over 100,000 per year have been manufactured during the last eight years, and sold for over $600,000. The Canadian company was organized to manufacture these mops, and has been doing so during that period. The applicant in this case applied for the patents through his solicitor, Chas. W. Hill, of Monadnock Block, Chicago, Ill., but before the expiration of the patents he changed his solicitor to John B. Lawlor, and owing to the said Hill not attending to the renewal, or advising the petitioner of the necessity of a renewal of the petition, it was not attended to, and during this period the original patents were in the hands of the said Hill. Under the amendment to the Patent Act of June 4, 1921, the taxes might have been paid at any time before June 4, 1922, but the petitioner was not informed of the expiration of the said patents until October, 1922. I understand that when this Bill was before the Committee in another place the Commissioner of Patents said there was no objection to this legislation.

Bill 19. An Act respecting certain patents of Albert Manvers.—Hon. Mr. McMeans.

Hon. Mr. GILLIS: This relates to patent No. 203,490, for leather manufacture, and 203,491, for vacuum apparatus, both granted on the 31st day of August, 1920. The inventions should have been manufactured in Canada before August 31, 1922. The patents cover a process which can be carried on only in a large plant, and the patent should have been placed under the Compulsory License clause, by which any Canadian manufacurer may obtain a license at a reasonable price. The present bill seeks to place the patents under the Compulsory License clause, Section 44 of the Patent Act, instead of under Section 38, this to be effective from the 31st of August, 1922.

Hon. Mr. WATSON: Could the honourable gentleman tell me if those are the patents for manufacturing artificial leather?

Hon. Mr. GILLIS: No, they are not.

Bill 25. An Act respecting a certain patent of Arthur R. Wilfley.—Hon. Mr. McMeans.

Hon. Mr. GILLIS: The applicant is a well-known inventor, and the originator of the Wilfley Screen. The patent in question, No. 198,319, issued March 16th, 1920, relates to a new type of sand pump. Since January 10th, 1922, when the period for manufacture as extended by war legislation expired, Mr. Wilfley has been continually in a state of ill-health, and has been obliged, at the direction of his physician, to spend the greater part of his time away from business, and in the state of California. He has been ordered, even at the present time, to avoid discussion of business matters. He has arranged, however, with the Mines Smelter and Supply Co. of Denver, a well-known manufacturing firm, to have the centrifugal pump covered by the patent manufactured in Canada at Peterborough, provided the patent can be reinstated.

DOMINION LANDS (COAL) BILL

SECOND READING

On the Order for resuming, from March 14, the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill E2, an Act to amend The Dominion Lands Act respecting the sale or other disposal of coal lands and coal mining rights.— Hon. Mr. Pope.

Hon. Mr. DANDURAND: I would like my honourable friend to allow me to give an answer to some honourable gentlemen who have asked me for some information from the Department of Justice. I was asked by some honourable Senators if I could obtain the opinion of the Department of Justice as to the effect of this legislation on a certain case, and, also as to the advisability of amending the Bill. I have interviewed the head and the deputy head of that Department, and after a discussion I have come to the conclusion that in the interests of justice it would be better that, with the consent of this Chamber, we take the second reading of this Bill and send it to Committee, and that in Committee I should move for the appointment of a sub-committee. I will mention the names that I have discussed with my honourable friend the leader opposite. I should move that Hon. Messrs. Sir James Lougheed, Senators Béique, Ross (Middleton), Lynch-Staunton, Pardee, Bradbury, Pope, and the mover be appointed for the purpose of examining into the legal effect of the present Bill upon the title to the said coal areas, the petition of right now pending before the Supreme Court, and the advisability of amending said Bill after consultation with the Department of Justice.

This small committee, which could be made larger, would hear the Department of Justice. I understand that the principal allegation so far has been as to the granting of the fiat. We would have the Department of Justice before that committee to answer all the questions which the committee might be pleased to ask. Then we would report to the general Committee, and we would be better informed as to the reasons why the fiat was granted on a petition of the parties.

I say this because my honourable friend may prefer to postpone his remarks until after he has all the information that may come from the appointment of that sub-committee of the Committee of the Whole; but of course he has liberty now to go on if he desires.

Hon. Mr. BRADBURY: Before my honourable friend rises, I would like to say one word in regard to the Committee. I am sure my honourable friend has no objection to widening the scope of that Committee. In view of what has been stated, and in view of what I have said myself, I think its scope should be broadened so that we might call witnesses if we wanted to, in order to find out who is connected with this Company. There have been very nasty rumors. I do not want to repeat them again, but my honourable friend knows them, and I think, in justice to this House and to the other House, that Committee ought to be broad enough to examine parties.

Hon. Mr. DANDURAND: Of course, my honourable friend realizes, that there are certain rules under which Parliament moves to inquire into certain matters. Rumors must be crystallized into a statement of fact written by a member of the House of Commons or the Senate in order that they may have the backing of a member of Parliament, because no Parliament having any self-respect would start investigating rumors flying about. I may tell my honourable friend that when I came here, and before my honourable friend from Brome (Hon. Mr. Pope) rose to speak, I had not the vaguest idea that there were rumors about Ottawa; but I have nailed one since, and I will give it. Well, if they are all from the same source as the one which I can give now to this Chamber, I am sure no one will think that it would be in accordance with the rules that should govern this Chamber to pay any attention to such idle talk, more especially when the source of the rumor is considered. We must abide by certain rules. Rumors may fly, but they must be given a certain status by a written statement.

Hon. RUFUS H. POPE: Honourable gentlemen of the Senate, as to this legislation, I will refer to it later, and as to the efficiency of this Bill before us for consideration, I will deal with it in a few moments. What I want to point out first is the necessity for relief to those northern settlers in the Peace River district. That relief comes from the development of those coal areas. I feel keenly the urgency of the plea that I make for those thousands of people who have gone into that northern country; and I am more concerned for their welfare than about any legal opinion on the face of God's earth. The Government of Canada called upon the people of the world, by publications and agencies in the United States and other parts of the world, and assumed the responsibility of inducing people to go into that northern country and open up homesteads, assuring them by that very fact alone that transportation on an economic basis would be placed at their disposal, and that it would be made possible for them to be prosperous settlers and Canadians in that northern country. The honourable the leader of this House will realize the situation when I tell him that in 1900 the population was estimated at 30,000, that three years ago it was put at 18,000, and that if there are 10,000 there to-day that figure includes the last soul living in that section of the north country. The bankers of that country, when they make out the renewals of their notes, have to send all over the United States to find the men who formerly lived in that country. When we consider bringing into this country settlers from the old land, and when we appoint agents to bring people here from the United States—and on his way in the new immigrant is met by the old immigrant who having lost his all is going out—I say this question becomes an extremely serious one and is deserving of more consideration and attention than it is receiving at the hands of this Government.

The other day the honourable leader said the time would probably arrive when this road would be built. How long does he think those people are going to wait? How long does he think they are going to starve?

Hon. Mr. DANDURAND: Were they ever promised anything more than the railway as far as Grande Prairie, which they got?

Hon. Mr. POPE: If they were never promised anything more, and never get anything more, they will starve—that is the point I make. I will quote you the freight rates from that country, which show how impossible it is for these people to live. One gentleman told me that they shipped two carloads of poultry to Vancouver. What do you think the freight amounted to on those two carloads? It was $2,600 odd. At that, they might get a little more than the freight out of it. Here are the freight rates per bushel of wheat: for 402 miles from Grand Prairie to Edmonton, 13.8 cents; for 1,290 miles from Edmonton to the head of the Lakes, 15.6 cents. This makes a total of 29.5 cents from Grand Prairie to the head of the Lakes. The average Manitoba rate is 8 cents. The people in this north country cannot live under such rates. These are the rates on the C.P.R., which has leased the line. The leasing of that line to the C.P.R. is nothing to me. Canada was not made for the C.P.R.: the C.P.R. was made for Canada. Its usefulness ends when it fails to serve in bringing about the prosperity of Canada. There is no reason why a through rate should not be given from that country to Fort William to help those people. Through rates are given from other areas.

The honourable gentleman the other day pointed out to us the financial position of Canada, and said that it would not to-day be possible to undertake the construction of the proposed road. Let me tell the honourable gentleman that I have it upon very high authority that the money to build the road and develop that coal area can be found in a very short time without inflicting any very extraordinary demands upon the people of Canada. The Government of the day are fooling with the great issues before them. They have not the courage to come down with a great national policy for the development of Canada and the welfare of her people. The honourable gentleman might do something if he were alone, but he has behind him in another place a group of men who do not agree upon any one point in the councils of the nation—and nobody knows it better than the honourable gentleman. With a little courage we can find money both to build the road and to develop the coal mines. The honourable gentleman the other day recited what was told to him by a Minister of the Crown representing that district, Mr. Stewart.

Hon. Mr. DANDURAND: The honourable gentleman will remember that the ex-Minister of Labour (Hon. Mr. Robertson) said that we were obliged to pay double wages to the miners of Alberta because they were only working three days a week. So the honourable gentleman will see that we have double the number of miners in Alberta that we need.

Hon. Mr. POPE: All right. I am very glad the honourable gentleman has mentioned that.

I will deal with that in a few moments. The honourable gentleman spoke of the coal deposits and the many mines in that country. A minister in another place only yesterday said in my hearing that we had all the railroads we wanted.

The honourable the leader of the Government in this House said that with $2,000,000 you could develop the Pat Burns anthracite deposit. I do not know whether you can develop it with 2,000,000 dollars or with 2,000,000 cents; even if you can it is not connected with the transcontinental railroads. That property south of Calgary is no such property as I am talking about, and it requires 85 miles of railway to develop it. The property I am speaking of can be developed wih 75 miles of road from Brule, and when it is developed you will have not a coal mine but a coal field.

Hon. Mr. DANDUAND: Semi-anthracite.

Hon. Mr. POPE: It is only a question of transportation. There is no earthly reason why the Canadian National transcontinental lines should burn anything but Canadian coal in the East and in the West; there is no reason why they should not make a four years contract so that the men would know what work they were going to do in a year. But all this has nothing to do with the anthracite or hard coal deposit known as the Hoppe lease. That coal can be brought down here by means of engines and cars that are lying idle all summer long; it is a wonderful quality of coal. It will keep out of doors for more than a year. Some of the veins in the Hoppe field are as pure anthracite as anything that Pennsylvania produces. I do not say it is all anthracite, and I do not think any one would say that everything we get from Pennsylvania is anthracite either, when he considers all the stone he has to pick out of it, and all the waste that he finds behind his house in the spring. Be that as it may, scientists tell us that 30 or 40 years will exhaust the coal supply of the United States so far as their export trade is concerned. I hope Canada is going to last longer than 30 or 40 years. If I were a Yankee, I do not think I would send the last lump of coal even to my neighbours in Canada. I have never yet found the Yankee so infernally generous as that. On the contrary, I have discovered him to be a very shrewd person.

Hon. Mr. DANDURAND: His coal comes high.

Hon. Mr. POPE: Yes, his coal comes high. I think it was the Minister of Railways who said we should invest $25,000,000 in cars. We would not require high-class cars. We can bring coal from the West in cars that are lying idle to-day. I want to tell you, honourable gentlemen, that, with modern loading facilities, you can load the coal into box cars nearly as cheaply as into coal cars—we can wait a while before we get the coal cars. The only thing that stands between us and the anthracite that is so necessary to the people of this country is the lack of a railroad. The construction of that road would give the relief required by these people in that northern country. Some honourable gentleman has said that you could have 1,000 mines of soft coal in Alberta if you wanted them. That depends on how many mines you could operate successfully. You speak of Drumheller. I have ridden over it many a time and I know that while the domestic coal it produces is of a fair quality, it does not begin to compare with the Hoppe coal. The soft coal can be mined more and more as the situation intensifies. Why should we continue to send to the United States $100,000,000 of our money to bring in anthracite when we can use our own coal to supply Eastern Canada? Why does the Government hesitate to formulate a policy? Why is the Government in power if it is not to assume responsibility? If the past Governments had been as fearful of responsibility as the present Government, Canada would never be where it is now. If the Government that built the railway across the country when we had four millions of people had been as fearful as honourable gentlemen are to-day, the Dominion of Canada would not now exist. I plead with my honourable friend, not from a partizan point of view but from a broad Canadian point of view, to carry the news to his colleagues and to tell them of this wonderful coal deposit. I know that money can be found to develop it without one dollar of cost to the people of Canada.

Then we have the Eastern coal. It has been said that we can produce in Nova Scotia only a few million tons. Why, the coal fields of Nova Scotia have only been touched on one side. There are many fields that have never been touched. We could get much more coal from Nova Scotia than we ever have got without beginning to exhaust the supply. I do not know what the situation in Montreal is now, but two years ago there were no facilities for handling coal. It was brought up and dumped in a great pile, and when the time came to move it, it was handled with horses and carts and men with shovels—and the men spent most of their spare time leaning on their shovels—and the cost of handling the coal was more than the cost of shipping it to Montreal. We must realize if we can

that the warming of the people is an important thing. Are not the people of Canada as great a national asset as the money of the country?

Now I have one or two remarks to make with regard to the northern country. I referred to the fact that the population had decreased from 30,000 to not more than 10,000. I beg to put upon Hansard a letter which is signed by the representatives of the banks in that country. This letter is addressed to the Board of Trade of Grande Prairie, Alberta, and reads as follows:

We understand that a delegation from your body is leaving for Ottawa to present to the Federal Government the claims of this district for a shorter and more direct route to the Pacific Coast. The Banks of Grande Prairie wish you to know that they are wholeheartedly in support of the Board of Trade in this matter and would urge that the delegation use their very best efforts to bring before the Government the conditions here and the extreme urgency of the situation.

As the business transacted by the Banks is dependent upon the prosperity of the community, we are naturally interested in any plans which will make for the betterment of conditions.

We are in support of a line of railway being built from the Grande Prairie district connection with the Canadian National Railways at Brule, as we are convinced that only by the providing of an outlet to the Pacific Coast can the present ruinous transportation problem be overcome.

The gravity of the present situation cannot in our opinion be over-emphasized. Our business brings us into intimate touch with most of the farmers of the district and we are in a position to know their circumstances and to have their difficulties brought home to us. Many of our former customers have left, very many more are preparing to leave and this all represents a loss, in many instances to us and always to the community.

We have found that the great majority of our customers cannot produce at a profit under such a handicap as our present freight rates imposes. The fertility of the soil and the ability of the farmers cannot be questioned, but even these assets do not allow the farmers to overcome the disadvantage arising through the prohibitive cost of marketing their goods.

The loans made by the Banks in this district are large, and we find generally that the customers are unable to pay interest much less liquidate the loans. Every consideration has been extended to those who have shown that they are willing to work and stay on the land and yet conditions are continually growing worse. It has therefore become apparent to us that something must be done if economic disaster to the Grande Prairie district is to be avoided.

The fact that there are five branches of different Banks located in the Town of Grande Prairie indicates that the Banking institutions of Canada have faith in this district. We are here and our interests are those of the people of Grande Prairie. It is therefore fitting that we should join with you in supporting a measure which would mean so very much to the country.

Wishing your delegation all success.

Yours truly,

The Canadian Bank of Commerce, Grande Prairie, Alta.
Per A. M. Pentland, Mgr.
Union Bank of Canada, Grande Prairie, Alta,
Per J. J. E. Clark, P. Mgr.
The Royal Bank of Canada, Grande Prairie, Alta.
Per F. M. Matheson, Mgr.
Imperial Bank of Canada, Grande Prairie, Alta.
Per C. L. Grisdale, Mgr.
Bank of Montreal, Grande Prairie, Alta.
Per C. L. Grisdale, Mgr.

Honourable gentlemen, that gives you some indication of what those who have made financial investments in that part of the country think of the matter.

Here is a resolution passed by the Edmonton Board of Trade. Some people might say that the building of that proposed line from Brulé across to Grande Prairie would do an injury to Edmonton. Here is the opinion expressed in a resolution of the Council of the Edmonton Board of Trade on the conditions in the Grande Prairie, Spirit River and Peace River districts of the province of Alberta, passed Friday, February 16th, 1923:

The Council of the Edmonton Board of Trade has given close study to the general conditions existing in the Districts of Peace River, Spirit River and Grande Prairie, and have definitely reached the conclusion that if these portions of the Dominion are to be saved to the generation of to-day, it can be done only by the Government of Canada taking immediate steps to relieve the conditions.

Lack of markets at reasonable cost has caused such a condition that settlers are not able to earn a living, and the population is being depleted by migration to the United States, while there is no compensating immigration. The situation is actually desperate and only the most sincere intervention immediately will assist.

Immediate intervention; not action postponed for three or four years, honourable leader of the Government in this House, but immediate relief. Some of these organizations, the Bankers, the Boards of Trade, etc., must know what they are talking about.

Therefore the Council of the Edmonton Board of Trade respectfully urges upon the Government of Canada its immediate consideration of this problem, and urges the immediate appointment of a Commission charged with the presentation of an effective plan to secure some measure of relief to these settlers and permit of their marketing their products at a profit, and thus save them as residents of Canada, and their investments. Unless some immediate relief is assured, immigration to Northern Alberta is hopeless, and migration will continue.

Still, I heard in the gallery of the other Chamber to-day of the wonderful plans for immigration to Canada. I have read the resolution by the Edmonton Board of Trade and the statement from the Bankers' Association, which practically all the bankers in that country have signed. A delegation has been down here interviewing the Government, and has spent at least three weeks attempting to persuade the Government of the necessity for granting relief to the people of those districts. You, honourable leader of the Government in this House, say that it may be granted by and by, some other day; but there is no day more suitable than the present for coming to the relief of those people. Mind you, when

they scatter all over the United States of America and visit their friends, the story that they tell of failures in Canada will cost you more money to overcome than all the money you are putting into immigration to-day, and even what it would cost to build this road. They will give Canada a bad reputation which can hardly be lived down in a century. We know what it means to have stories told of the "frozen north." We heard such stories years ago when we were trying to send population into that northern country—not so far north as the districts to which I have referred, but to Manitoba, Saskatchewan and Alberta. American propaganda was active all over Europe and Canada was referred to as the "frozen north." Honourable gentlemen occupying public places in Canada to-day remember when this country was said to be fit only for Indians and wild beasts. We know what has been the effect of all such statements on the development of our country. They have not yet ceased, and they can be renewed, honourable gentlemen, and may be renewed as a result of the bitter disappointment that will follow if the people of those districts do not receive the relief which could be given to them without any injury to the Dominion of Canada.

I do not wish to detain this House too long, but would like to refer to the legal situation. I have read the statute and have had several other lawyers read it besides myself.

Hon. Mr. DANDURAND: My honourable friend was a law student at one time.

Hon. Mr. POPE: Yes, and I learned to keep out of law, and that is as far as I got. I have submitted the statute to gentlemen who are as wise, I think, as any in this House. I listened to the speech of the honourable leader of the Government here the other night, and I heard his answer to the honourable member from Manitoba, in which he said that if the Bill would have had any effect last year it has effect now, and if it would not have had effect then, it does not have any effect now. I think the honourable leader of the Government is right. I do not think it would ever have any effect.

Hon. Mr. DANDURAND: Of what is my honourable friend speaking?

Hon. Mr. POPE: I am speaking of the legislation that we passed last year, and of the addition of this clause.

Hon. Mr. DANDURAND: My honourable friend should treat those two questions separately. Is he satisfied that there is no virtue in the Act that we passed last year?

Hon. Mr. POPE: I am going to plead a great deal of ignorance. I shall be about as humble an animal as you ever approached. Permit me to say in the first place that I have consulted lawyers both in and out of this House and I cannot get any agreement that there is any protection in that Act; I cannot get a consensus of opinion to the effect that there is anything in that Act that prevents the disposal of this property.

Hon Mr. DANDURAND: Is my honourable friend speaking of chapter 21 of last year?

Hon. Mr. POPE: Yes, I am speaking of chapter 21—the Act of last year—the result of the conference between the two Houses of Parliament at that time. I cannot get any united opinion from the lawyers, either inside or outside of this House, that that law is effectual or would hold that property for Canada.

Hon. Mr. DANDURAND: As far as it goes?

Hon. Mr POPE: But if it does not go far enough to hold the property, it is absolutely worthless. It must save that property to Canada if it is going to be effective in this country. That is the object we desire, is it not? Is not that what it ought to do? Do you not want to save that property for Canada?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. POPE: Then we agree on one point. That is more than I have got any lawyer to do yet.

What is the effect of these Orders in Council that you have passed? Let me see. Here is one dated the 18th of January. That is subsequent to the passage of the Act, is it not?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. POPE: I need not read it right through, but it concludes in this way:

Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of the Interior, is pleased to order that section 17 of the Coal Mining Regulations, approved by Order in Council, dated the 20th April, 1910 (P.C. 729), above referred to, shall be and the same is hereby amended by adding the following thereto:

"Provided that if at any time after a lease has been cancelled through failure to pay the prescribed rental, the person in whose favour the lease stood recorded on the date of cancellation applies to the mining recorder for the district for reinstatement in the rights which he formerly had to such lease, and tenders the full amount of the rental which should have been paid to maintain the lease in good standing, with interest, such person may be reinstated in the right which he formerly had to the location sought to be reacquired or to any portion thereof, which may still be available."

What is the good of that Act if you can pass such an Order in Council? We were told that this property would be reserved.

Hon. Mr. DANDURAND: It is.

Hon. Mr. POPE: This Order in Council says that any man who pays up his arrears and is in good standing can get his property back.

Hon. Mr. DANDURAND: If the property is available.

Hon. Mr. POPE: If the property is available.

Hon. Mr. DANDURAND: But it cannot be available in this case, because it has been withdrawn through the action of the Interior Department.

Hon. Mr. POPE: Very well, then. Let us see what was the Order in Council that you passed later, and why you did it.

Hon. Mr. DANDURAND: That was withdrawn by a subsequent Order in Council.

Hon. Mr. POPE: An Order in Council dated the 8th of March provides:

Whereas by an Order in Council dated the 6th October, 1919 (P.C. 2044) provision was made that the coal mining rights, the property of the Crown, in townships 55, 56, 57, 58 and 59, in Ranges 7, 8 and 9 west of the 6th Initial Meridian, shall be withdrawn from disposal under the provisions of the Coal Mining Regulations established by Order in Council of the 20th April, 1910, and the amendments thereto, and shall form a coal reservation in the northern portion of the Province of Alberta;

And whereas by an Order in Council dated the 18th January, 1923 (P.C. 91) provision was made that section 17 of the Coal Mining Regulations, above referred to, be amended by adding the following thereto:

And whereas the reservation created by Order in Council dated the 6th October, 1919, was for the public benefit, and should therefore extend as far as possible to all the lands within the townships described in the said Order;

Therefore His Excellency the Governor General in Council, on the recommendation of the Minister of the Interior, is pleased to order that the provisions of the Order in Council of the 18th January, 1923 (P.C. 91) above quoted, providing for reinstatement, shall not apply to coal mining leases comprising any portion of townships 55, 56, 57, 58 and 59, in ranges 7, 8 and 9 west of the 6th initial meridian, which have in the past been, or which may in the future be cancelled in the records of the Department of the Interior, owing to failure to comply fully with any of the provisions of the regulations under which such leases may have been granted.

The Order in Council of the 18th January, mind you, "shall not apply." If it did not apply, why was another Order in Council needed to declare that it should not apply? There you are confused again.

Hon. Mr. DANDUAND: No, no. If my honourable friend will allow me, I will answer.

Hon. Mr. POPE: Certainly.

Hon. Mr. DANDURAND: After that Order in Council of January 18th was passed some busybody interested in that claim—I could name him, he has been named here—thought he had found again—I was going to say, his gold mine—his coal mine. Looking at that Order in Council, he exclaimed, "That is fine," and he went about saying, "I think I have got back my leases." The Minister of the Interior consulted the Department of Justice, who answered: "No, no. The Order of January last does not apply to those properties heretofore covered by the Hoppe or Isenberg lease, because they are not available. They were withdrawn." The Minister of the Interior might have slept in peace after receiving that statement from the Department of Justice; but, in order to make assurance doubly sure, in order that there might be no question about it, he asked that this other Order in Council be passed. So my honourable friend (Hon. Mr. Pope) will see the intention of the Minister of the Interior. For his own personal satisfaction, in order that other Orders in Council dealing with leases might not arouse suspicion or raise any question, and in order that he might sleep in peace, he asked me to have these coal areas placed under the guardianship of Parliament.

Hon. Mr. POPE: The honourable gentleman has not yet satisfied me. He will excuse me for being dense or stupid. Stupidity is perhaps an inherited quality.

Hon. Mr. DANDURAND: Oh, no. We knew the father.

Hon. Mr. POPE: Still I fail to understand the matter. What I cannot get into my mind is this. There is the Statute, and here is an Order killing the effect of the Statute. Then the Government, on the 8th of March, try to undo the wrong they have done. I do not wonder that fellow cannot sleep. I do not know whether he is sleeping yet or not. If I were a Minister of the Crown and had at my disposal an asset of the value of these coal areas, and if I thought so little of it as to pass an Order in Council one month providing for one thing and another Order in Council another month providing for the opposite, I think it would be time for me to wake up.

Hon. Mr. DANDURAND: But that is not fair to the Minister of the Interior.

Hon. Mr. POPE: Not fair to the Minister of the Interior?

Hon. Mr. DANDURAND: That is not a fair statement.

Hon. Mr. POPE: Well, is it fair to say he was disturbed? The honourable gentleman (Hon. Mr. Dandurand) said he was disturbed mentally.

Hon. Mr. DANDURAND: He saw around him many people who seemed to be disturbed.

Hon. Mr. POPE: He heard rumours on the street. When he heard the stories which were being told throughout the length and breadth of this country, he got nervous, because his name was mixed up with them. The honourable leader of the Government in this House knows that. I do not say that the Minister did anything. I make no charge. I am not in a position to make any charge. If I could, I would not do it. You understand me. But when honourable gentlemen find their names compromised they do wake up occasionally and begin to investigate to see exactly how they will come out. I have no doubt that the honourable gentleman's mind is disturbed and he has made an effort to save the property, after the statute has been passed and proclaimed and the Order in Council has been added to it. At the same time you cannot get three lawyers, or even two lawyers, within this country to agree that the property is safe under the conditions in which it is placed. I cannot get any lawyer to agree that it is safe. If anybody else can, I would like to see him do so. I have submitted the statute to the best talent I know of, both inside this House and outside of it. Some of those to whom I have submitted it are present now and hear what I say. Can we not get some retroactive legislation that would secure that property, one of our great national assets, to the Dominion of Canada beyond any possibility of its being taken away except by Act of Parliament? I know of no other certain way of saving it for Canada.

The honourable gentleman speaks of the Department of Justice. I say nothing against the Department of Justice, or any of the departments; but they are semi-political. They belong to Governments. They are influenced sometimes one way and sometimes another, and they are just as likely to be honestly wrong as they are to be honestly right in their opinions.

Hon. Mr. DANDURAND: The judge, of course, has the last word.

Hon. Mr. POPE: The judge has the last word? The people of Canada should be the judge of their own property. We should be the judges of what we own.

Hon. Mr. DANDURAND: No.

Hon. Mr. POPE: Yes; to the last moment we should be the judges of what we own.

Hon. Mr. DANDURAND: Tribunals are appointed to judge for the people.

Hon. Mr. POPE: Tribunals are appointed to settle difficulties between scoundrels; that is what they are for. If we had no scoundrels we would not need any courts. Lawyers would starve.

These coal areas are one of the assets of Canada. Possessing them, Canada has a future such as she could not have without them, and there should be no delicacy about passing legislation just as retroactive as may be necessary. There should be no scruples about placing our possession of these properties beyond any doubt. With regard to the people who discovered that property and who are now represented by the Isenberg stake, the honourable gentleman knows full well that I have never said that no compensation should be given to them, or to any others who have discovered any of our hidden assets, uncovered them and spent money on them, whether in license fees, in labour, or otherwise. They have provided an asset that is valuable to Canada, and Canada wants that asset. I say, then, that Canada should go and take that asset, but pay those people for their trouble and their expenditure. But I cannot agree with the honourable gentleman's statement that some judge upon the bench, some ordinary mortal, of no greater intelligence than other mortals, should have the power to deprive Canada of the assets she requires for the general benefit and development of this country. Canada first, Canada last, and Canada all the time, with regard to the things that belong to Canada—that is my opinion.

Hon. Mr. DANDURAND: I am glad to learn that my honourable friend is in favour, not of confiscation, but of expropriation.

Hon. Mr. POPE: Expropriation, confiscation, or compensation—I do not much care which word you use.

Hon. Mr. DANDURAND: Confiscation is the method used in Russia to-day.

Hon. Mr. POPE: In Russia they do not pay. I propose that we pay.

Hon. Mr. DANDURAND: Yes; that is the difference between Canada and Russia, and between expropriation and confiscation.

Hon. Mr. POPE: That is a big difference. Now, I have here an amendment, and, although the Bill is going to a committee, I suppose there is no harm in my suggesting my amendment.

Hon. Mr. DANDURAND: Is it an amendment for the committee stage, or is it an amendment on the second reading?

Hon. Mr. POPE: It will be an amendment to the proposal which the honourable gentleman has submitted to us. It is the amendment that I submitted last year, with the addition of a few words.

Hon. Mr. DANDURAND: The honourable gentleman must wait until the Bill goes into committee. He cannot move it now.

Hon. Mr. POPE: I cannot move before it goes into Committee?

Hon. Mr. DANDURAND: No, not now.

Hon. Mr. POPE: When is this Committee going to sit?

Hon. Mr. DANDURAND: We can take the second reading of this Bill, and it will come into Committee to-morrow.

Hon. Mr. POPE: You will bring it in to-morrow, will you, so that I can submit this amendment to-morrow?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. POPE: Honourable gentlemen, I am sorry to have detained you so long, but I feel the importance of this question. I think it is away beyond anything that I have been called upon to consider during the many years I have been in Parliament.

Hon. EDWARD MICHENER: Representing the province in which the coal areas that are referred to in the Bill before the House, are situated, I would like to take the liberty of saying something, unless the leader of the House thinks it better to adjourn the debate.

Hon. Mr. DANDURAND: I think the House will hear the honourable gentleman now if he does not insist on adjourning.

Hon. Mr. MICHENER: There seems to be a wide difference of opinion as to the efficiency of this enabling legislation. As to that I am willing to leave the matter to the Committee that may be appointed. I wish, however, to deal with a phase of the question which, to my knowledge, has not been touched upon either in this House or the other. That is the question of the conservation and the immediate development of this particular coal area in the interest of the people of Canada.

It is the opinion of the public men, both in the province of Alberta and in this Parliament, that there are already too many areas developed in the province of Alberta. It has been stated that 15 per cent of the coal area of the world is in that province. To make the matter more vivid and realistic to the members of this House on a former occasion, I stated that, taking the geological returns of the Dominion Government, and basing the estimates on those statistics, the coal of Alberta would require 100,000 miners, mining an average of 5 tons a day, for 4,000 years, to exhaust the coal area of that province.

But while the opinion of a number of public men is that too many mines are already operating, in my opinion this particular mine should operate, for obvious reasons. If we are going to make an inroad on the market of the province of Ontario, we must compete with the Pennsylvania anthracite coal. In order to compete with that coal we must have a coal which is as near to that coal as we can get in Canada; and, as far as my information goes, from reading the geological reports, there is no coal area in the Dominion of Canada which would as nearly approach the American anthracite coal as the coal areas of Alberta. It is true that these formations are of a later age than the Pennsylvania coal, although, strange to say, in the geological reports at least two seams of this particular area are considered by geologists of the Dominion Government as purely anthracite coal, and the analysis of the coal of this area compares very favourably with that of anthracite coal.

The analysis of Pennsylvania coal, as given in the United States bluebooks, strikes an average of 75.2 per cent of fixed carbon, whereas the average of the anthracite coal of the Hoppe claims to which this Bill refers, is 79 per cent of fixed carbon; and there are other qualities in this coal that I am told make it even more desirable than the Pennsylvania coal for domestic consumption.

I understand that in Ontario there are furnaces and stoves in domestic use which are specially constructed for hard coal. Therefore in order to compete in the market of the province of Ontario, and as far west as the city of Winnipeg, we must have coal which will burn equally well in those furnaces and stoves. I contend that in order to get the Canadian coal in the market of Eastern Canada, as far west as Winnipeg, we must have the opening up of this anthracite coal area. With the immense reserve of coal in Alberta, I think we can take care of posterity for 4,000 years, and, if so, we will have done pretty well. But, in my opinion, if we do not provide the people of Ontario, and of Canada generally, with cheaper coal, and a

more certain supply, we will not have as extensive a posterity to take care of in a generation or two as we would if we provided our own people with fuel from Canada. We are sending from $75,000,000 to $100,000,000 of good Canadian money to the United States for coal, half as much for oil, and hundreds of millions for other products, most of which we can find in Canada. So long as we send our millions of money of the Canadian people to the country south of us, so long will some of the brightest minds of Canada follow that money to the large centres of the United States. Until the Government of the day realizes the great importance of keeping Canadian dollars for the Canadian people and for the development of Canadian industry, so long will we have an exodus from this country.

Never since Confederation has Canada been faced with such a crisis as faces her to-day. It has been said by public speakers, that the 19th century was the century of the United States, and that the 20th century would be the century for the development of this great Dominion. If we are to realize that prophecy we must begin not only by the conservation but by the development of our great natural resources in the interests of the people of Canada.

Interrelated with this question of coal supply is the immigration question, the national debt question, and our transportation question; and I believe that if the Government could see their opportunity at the present moment, and undertake in a broad, constructive way, in connection with the National Railways, perhaps through an industrial department of those Railways, the opening up of this great anthracite area for the people of Canada, they would start forces to work which would re-establish confidence in the country and enable the people of Alberta to live and live profitably in that Province. They would also hold the people of the Grand Prairie country, that great empire, of which my honourable friend speaks. At the same time they would create increased population, through immigration, a greater demand for labour, increased railway traffic, and larger production of goods in Eastern Canada to supply the increased population of the West.

Hon. Mr. DANDURAND: Provided you succeeded in finding a market for that coal.

Hon. Mr. MICHENER: Surely. That is the reason why I contend that we must open up this anthracite area, in order to compete successfully in the Ontario market for hard coal. It is true that we have Lignite coal mines opened up in Alberta, but we have no field of anthracite opened up and exporting coal to any great extent.

Hon. Mr. DANDURAND: But the freight rates would play their role.

Hon. Mr. MICHENER: Yes, I know that. Some years ago I took the liberty of interviewing Mr. Hanna, the ex-President of the Canadian National Railway System, on this question. On the basis of a rate of 3.80 per train mile, I think—the basic rate at which they could operate profitably, or we might better say without a loss on operating expenses—we could import coal from Alberta to Ontario and distribute it for about $7 per ton. The ex-Minister of Railways and Canals, who spoke on this question (Hon. Mr. Reid) had a better figure than that, and placed it at somewhat less. I think he mentioned $5. But by bringing the coal to Fort William and shipping on the lakes, I believe a dollar could be cut off that $7.

Now, it is true that at the present time coal mining is very expensive in Alberta; it costs over $4 a ton to mine, but the miners are getting $15 a day. Why should they be getting $15 a day when the farmers are working for their board, and some of them not even getting that? I say that if we are going to arrive at a basis of prosperity and development of this country, we must get down to a basis of relative values between the miner, the artisan, the farmer, and the man who lives in the city. We must get down to first principles, and get back to wages that are reasonable. The contention of the miners is that they only work so many days in a week, or so many months out of a year; but if a large coal area were opened up in that country it would demand hundreds of thousands of miners, and there would be work all the year round; consequently their wages could be reduced.

It is confidently estimated that coal in that country could be mined for $2 a ton, almost. I understand the estimate Mr. Hoppe made before the war was that they could mine this coal for 50 cents a ton. But those were pre-war conditions, and mining in that particular area is especially favourable to cheap mining, because it is a gravity system, and it does not require props, the intersections of lime rock between the two sections and the seams doing away with artificial props.

Some honourable gentlemen the other day asked a question as to the seams, and the depth and thickness of seams connected with those tunnels. A coal Company in that country is anxious to have railway transportation, so that they might mine coal more cheaply than they are now doing and thus compete

for the steamship business on the Pacific. They could mine bituminous coal with a steam shovel, perhaps, on seams 50 feet in thickness, and successfully compete on the Pacific Coast for Pacific steamship traffic. The seams given in these geological reports are very favourable for mining. The first seam is 8 feet in thickness, the next 19, the next 12, the next 19, and the next is 9.

I believe there are 5 tunnels in 5 seams 100 feet in depth. The lower seams in the coal area are considered real anthracite coal. The other seams are semi-anthracite, or, more correctly speaking bituminous coal of a high grade, which would reasonably take the place of our coal in furnaces and stoves such as burn hard coal in the province of Ontario.

The last speaker on this question referred to the Grande Prairie country, and to the benefit the opening up of those coal mines would be to that country. The Grande Prairie is wonderfully rich. It is an empire in itself. No more beautiful or picturesque or fertile land lies out of doors from the Pacific to the Atlantic, than the Grande Prairie country. I have traversed that whole country, and there are immense stretches of land there yet open for settlement. I believe there is a deputation here at present of three representative men asking the Dominion Government to build a railway line from Brule, 200 miles west of the city of Edmonton, up past those coal areas into Grande Prairie, a distance of about 150 miles. One of those gentlemen told me that they paid 13 cents a bushel for their grain to be shipped to Edmonton en route to Vancouver, and when it got to Edmonton it was 70 miles farther from the point of destination than when it left their home. Now, if a line were built from Grande Prairie down to Brule, on the line of the Canadian National, they would have an outlet to the Pacific, to Edmonton, and to eastern points as well, by direct road. At the present time the route from Vancouver to Edmonton is about 1,000 miles, whereas it would be somewhere between 600 or 700 miles if this line were built down to Brule, and then to Vancouver on the National line.

The honourable gentleman who spoke told of the depletion of population in that country. If the Government of the day would undertake to equip our Canadian National Railways for the carrying of coal, and build a line into that country, thereby tapping those coal areas, it seems to me it would give a new impetus to the development of this country, and largely settle the immigration question, the national debt question, and the increased production and railway questions. This would be an initial step which would re-establish confidence in the development of Western Canada; and if Eastern Canada is to succeed and be prosperous Western Canada must also succeed and prosper.

Back in the days of Confederation we had men of vision, men who saw the needs of this country years ahead, and with that vision they tied together the far-flung parts of this Dominion by the Candaian Pacific railway It seems to me there never was a time when we needed men of vision more than we do to-day, men who know what to do in order to solve the great problems which confront the Dominion of Canada. While we are doing everything in our power to bring immigrants to Canada, we find people are leaving Canada, and many of her best sons are moving away at a greater rate than others are coming into the country. If we are going to keep those people and create conditions by which they can be prosperous, we must keep our own money in our own country for our own people, and for the development of our own resources. It seems to me that this would be an opportunity by which the Government, at comparatively nominal expense, say $4,000,000 for constructing a railway, could do a great deal to develop the country. This work could be done under an industrial department of the Canadian National railways. I would have no objection even to a private operating company, though I think the time has passed for the exploitation of this country. In the construction of our railways we have had exploitation in Western Canada, and our people have been bled white, and we are paying enormous taxes as a result of those ridiculous guarantees which were given to promotion schemes throughout Western Canada. We have had all kinds of exploitation in regard to our timber areas, and I think the time has come when we should call a halt on any further exploitation of the resources of this country, especially as regards the essential necessaries of life such as fuel.

It has been my privilege to live in the city of Toronto, and I can appreciate to a certain extent the viewpoint of the people of this province, the concern they are feeling, and their desire for a positive coal supply for the future. We know that threats have been made. We know also that the time will come when the anthracite reserve will not permit of exporting Pennsylvania anthracite to this country. Now, why not prepare for the emergency, and be in a position to supply our own people with our own coal? Having settled in Toronto somewhat late last fall, I immediately went to the coal dealer nearest to where I lived, and asked him if he could supply me with coal. He said he thought he could, and gave me first a ton of soft coal,

which I found required the flues of the furnace to be cleaned every day. Now, the soft coal of the province of Alberta, as my own leader in this House knows, is of very good quality, and its use requires cleaning furnace flues only once in two weeks or once a month. After using this soft coal in Toronto, I succeeded in getting a ton of Pennsylvania anthracite, and when cold weather came I went to the dealer when I had a supply just for one night more and said, "You promised me another load of anthracite coal." He replied: "We cannot give you that; we must take care of our old customers; perhaps we will give you a ton this week, perhaps we won't." I told him I had only enough for one night, and a supply would be no good for my family after they were frozen; so I was successful in getting another ton. But my experience gives an idea of the problem in Ontario. A speaker in the other House stated that many people went cold this winter, and many children and women suffered from cold and sickness, and perhaps met their death, for the lack of a fuel supply throughout the province of Ontario.

In all seriousness, honourable gentlemen, it seems to me that no Government ever had such an oportunity to show that they could do something worth while for this country, and set an example of developing our own resources for our own people, keeping our own money in our own country for our people. That is the way to keep our people here. So long as we send our money out, so long will we send the people out.

A prophet of old said, "Without vision the people perish." We need in Canada men of vision, who will prepare for what is coming, and prepare now, without a year's delay, for a supply of anthracite coal, as far as possible from the Dominion, from this area which is referred to in the Bill before the House. Personally I have no fear but that the Minister of the Interior will do his very best to protect this area of coal for the people of Canada. I sat with him in the provincial House for many years, and I have the utmost confidence in his sincerity and honesty. I sincerely hope that the Government of the day will do something not only to relieve the people of the north country, but to assist in supplying the people of the Dominion with the first essential of life—fuel to keep them warm in the rigorous winters of Canada. In this way they will lay the foundation for new confidence and increased production and further immigration; they will create home markets by means of which Western Canada will become more productive; and this will have a reflex influence which will go far in helping to solve the transportation problem of the country. So I throw out the suggestion that this whole problem can be solved and this area developed in connection with the Canadian National Railways, and that it will not be many years before we are able to supply the coal requirements of our own people from Eastern and Western Canada. We will thus be bringing about a condition which will satisfy the people, will stop the exodus of our citizens, and will induce other people to come here and help us build up our country.

Hon. Mr. DANDURAND: Will the honourable gentleman permit me to put a question to him, as he is from Alberta? I have not heard a very clear statement as to how and by whom this area should be developed. I have heard the prayer that it should be conserved for Canada. My honourable friend says: Open it up. Is it to be worked by the Government of Canada, by the Board that has supervision over the National Railways, or by whom?

Hon. Mr. MICHENER: What is wanted to make the Canadian National pay is freight. If the freight does not already exist, let it be created by forming an industrial department which would open this area either directly or under a commission. It seems to me that in connection with the operation of the Canadian National railways an industrial department could be established which could command the services of competent mining experts, and that this area could be opened up in the interest of the people. This, of course, would be under the Department of the Interior of the Government of the day.

Hon. Mr. DANDURAND: The honourable gentleman knows that the C.P.R. went into mining, but that it has abandoned the operation of mines.

Hon. Mr. MICHENER: The C.P.R. is not charged with the supervision of fuel for the people of Canada.

Hon. Mr. DANDURAND: They found no profit in opening and operating mines.

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

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

THE SENATE

Wednesday, March 21, 1923.

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

Prayers and routine proceedings.

BIENFAIT COAL EXPERIMENT

DISCUSSION AND INQUIRY

Hon. J. P. B. CASGRAIN rose in accordance with the following notice:

That he will call the attention of the Senate to the enormous expenditure at Bienfait, Saskatchewan, in experimenting on coal and to ask the Government if they intend to have an examination of these accounts made?

He said: Honourable gentleman, I gave notice a few days ago that I would call the attention of the Senate to this matter. I will say only a few words on the subject.

I had previously made an inquiry and had been told by the Government that over $900,000 had been expended, of which half was paid out by the federal Government, one-quarter by the Government of Manitoba, and one-quarter by the Government of Saskatchewan. I am glad to see that the Manitoba Government paid its share, and the Saskatchewan Government did likewise. It was not like what happened with regard to the bonds that they guaranteed.

It would be of advantage to learn what officials or contractors or other persons connected with this affair were responsible for this enormous expenditure. I take it that the amount of $920,000 mentioned in the answer of the Government covers only the amount actually expended. There are years and years of interest. But even the sum of $900,000 at 5 per cent would be $45,000 a year. There is no use in crying over spilt milk. I dare say the expenditure has been incurred. Still, if those who were in charge of this matter had simply referred to the Canadian Pacific Railway and asked them about it, they would have discovered that 25 years before they ever started the work at Bienfait the C.P.R. had made experiments and found they were not successful. I am informed that a very high official of the C.P.R. even came here and told the Government of those experiments and of their dismal failure. However, here we are to-day with that money spent and nothing to show for it.

Hon. Mr. TESSIER: How many years' work does the experiment take?

Hon. Mr. CASGRAIN: It was started in the third or fourth year of the war.

Hon. Mr. DANDURAND: In 1918.

Hon. Mr. CASGRAIN: In 1918, and it is to-day recognized as an absolute failure. During all the time, three or four years, that the experiment has been conducted, at an expenditure of over $900,000, the total output has been only 75 tons of briquettes, of which not one ton has ever been sold. So the undertaking is an absolute loss. Surely we ought to be informed by what mismanagement or what careless administration such a large sum of money has been expended with absolutely nothing to show for it. As the expenses kept on increasing, if there was anybody at all in the Government taking any interest in the financial affairs of this country, he should have asked: " You have spent $100,000; what have you done?"—or, "You have spent $200,000, and what have you done?" And that question should have been asked again when the expenditure was $300,000 or $400,000. Two or three years ago, when I was speaking on this question, the expenditure had amounted to $600,000, I was informed.

Now I am informed also that the undertaking is absolutely abandoned, and, furthermore, those officials who were connected with it would like it to be forgotten altogether. Well, I think we should not forget that we have invested so much money there, and it would be right for us to hold an investigation to ascertain whether the large plant at Bienfait, on which we have expended all this money might be turned to some other purpose. The Government of Manitoba or the Government of Saskatchewan might be able to utilize it. There are, so far as I can see, many processes in connection with this plant. It has all the necessary elements for the making of commercial fertilizer. There is a process which has been used in Germany for years and years; it is the Badische Anilin at Oppau. In Germany a syndicate, or the Government—I do not know which—erected a plant at a cost of $50,000,000, and what is being done in Germany with that huge expenditure might be done on a smaller scale, I believe, at the plant we have on our hands at Bienfait.

On a former occasion, speaking on the subject of national research, I alluded to what has been done in France in this respect, and I do not desire to repeat what I said. In France, at Montereau, on the banks of the Seine river, only a few miles from Paris, Monsieur Georges Claude, who during the war had been working in a shed manufacturing asphyxiating gases, is now utilizing his plant for the manufacture of fertilizer. I will not describe the process, but if any honourable gentleman desires to know how the fertilizer is made, I would refer him to the Senate Hansard of May 18, 1921, in which he will find the full description. Suffice it to say that this fertilizer is composed of just two ingredients—three parts of hydrogen gas and one part of nitrogen gas. Hydrogen gas, as everybody knows, is the product of the coke oven. It is going to waste almost every-

where there are coke ovens. Very few utilize the by-product. But at Bienfait, we are informed, they are carbonizing coal. That is equivalent to making coke out of it. Therefore a large supply of hydrogen could be obtained. Hydrogen, I may tell you, en passant, means just gas that produces water; and, as we all know, water is one of the essentials for a fertilizer. The other element is nitrogen. Well, nitrogen is extracted from the atmosphere. I spoke on this subject in this House about thirteen years ago and have often referred to it since. Nitrogen is simply extracted from the air. That is done extensively in Norway to-day, simply by introducing an electric current in a chamber. On the positive pole comes out nitrogen, and on the negative pole comes out oxygen. That is all there is to it. Both these gases are liquefied and mixed together under tremendous pressure. You may ask how it is that this great pressure is obtained. It is done simply by means of pistons of very small surface, all that is required is simply cheap power. Anyway the coal is there, and it is good enough to generate steam of sufficient power. The enormous pressure attained is 1,000 atmospheres, which is equal to the pressure of gunpowder in the biggest guns that were used in the war.

Now, the Government, or whichever Minister has charge of this matter, should approach the Government of either Manitoba or Saskatchewan, or even private persons, with a view to leasing the plant at a nominal rental, since it is bringing us nothing. It would be preferable to let private interests take it over, if possible. Perhaps the government of either of the provinces I have mentioned might induce some private individuals to take it at a nominal rental. That would be better than to let the plant go to rack and ruin. Remember over $900,000 of Canada's money has been spent there, and it would be very useful if fertilizer could be produced at that plant as it is produced elsewhere. I am told that in many parts of Manitoba and also in the southern parts of Saskatchewan, after raising wheat for many years without putting anything back into the ground, the farmers find that the yield has fallen off and is not nearly as much as it was in the beginning. Not being a farmer, I do not pretend to know about these matters; but in passing through I have seen manure on the fields which must have been put there for the purpose of getting better crops. These chemicals are better than the ordinary animal or vegetable fertilizers. I hope the Government will take kindly to what I have said, because it has been with the very best of intentions as far as I am concerned. Plans and specifications could be forwarded to our Agent General in Paris, the Hon. Philippe Roy, who used to be a member of this House; and surely it would not be too much to ask him to find this gentleman, George Claude—he is well known and could easily be found—to show him what we have here, and to ask him to tell us, even if we had to pay him a fee, whether or not we could make fertilizer with this plant at Bienfait which has been such a dismal failure. In this way the plant might be made of some use to Canada, and we might be able to save some of our money. I hope the Government will communicate with Mr. Roy in Paris and send him the particulars. From what I know about the matter I believe we have all the necessary elements to make chemical fertilizer on a paying basis, more especially as there would be no overhead; and this fertilizer would be a boon to the farmers of the Northwest and would enable them to raise more wheat per acre.

Hon. Mr. DANDURAND: My honourable friend closes his inquiry by asking whether the Government intends to have an examination made of these accounts. I may inform him that the Orders in Council which were passed permitting the expenditure appointed the Auditor General to examine into the accounts, and that those accounts have been duly verified by the Auditor General. I will make inquiries, and will endeavour to produce the accounts.

Hon. Sir JAMES LOUGHEED: Is the plant yet in operation?

Hon. Mr. CASGRAIN: No. Everything is stopped absolutely and it is an absolute loss.

Hon. Sir JAMES LOUGHEED: I doubt the statement that it is not still in operation.

Hon. J. G. TURRIFF: I think the honourable gentleman who has just spoken (Hon. Mr. Casgrain) has made one statement which is not correct, namely, that the C. P. R. Company, without any expenditure of money on our part, could have given us the information required, as they had already made steps in the carbonizing of coal. But that is not the case. The C. P. R. never made any tests.

Hon. Mr. CASGRAIN: After the sitting or at some other time I will privately give the honourable gentleman my authority for that statement.

Hon. Mr. TURRIFF: There is no public record of any experimentation on the part of the C.P.R. in the carbonizing of coal. They may have experimented with briquetting; but the first experiment that was made

in the carbonizing of coal was made by the Government of Saskatchewan, who erected a small plant in Estevan. My honourable friend the member from Regina (Hon. Mr. Calder) probably could tell about that, as I think he was a minister in the Government at the time. I understand that either $20,000.00 or $40,000.00 was expended.

The object of erecting this plant at Bienfait was to ascertain whether the soft lignite that we have in very large quantities in that part of the country could possibly be made into a more suitable fuel. If that could be done it would be a great advantage to that portion of the country, because that deposit, which amounts to many millions of tons, is only some 275 miles from the city of Winnipeg, something like 125 miles from Moose Jaw, and a somewhat shorter distance from Regina. I am quite prepared to admit that in my opinion the money expended was expended extravagantly. The work was done by a body known as the Scientific Research Council, of which Mr. Ross, of Montreal, a noted engineer, was the Chairman in charge of the work. The first estimate of the cost was, I think, $500,000 or $600,000. That was exceeded. The Governments of Manitoba and Saskatchewan each paid their portion of the expenditure, as my honourable friend has stated. About a year ago, when I was in Winnipeg, if I remember correctly, some of the members of the staff working at Bienfait interviewed the Government of Manitoba about the position they were in, stating that they had not been able to complete their investigations, and that a certain further amount of money would be required. The Government of Manitoba agreed to put up its share in order to complete the investigation. Having put in $900,000, it is just a question whether it is worth while for the three Governments—the Dominion Government putting up half and the two Provincial Governments each putting up a quarter—to go on and spend another $120,000, which I think is the amount required to complete the investigation. I know, honourable gentlemen, that the Committee in charge of the work met with many difficulties. They had to experiment with all the machinery which they had made for carrying on this work. First of all, the coal had to be carbonized.

Hon. Mr. CASGRAIN: Crushed first.

Hon. Mr. TURRIFF: Then briquetted. The trouble arose, I understand, in the carbonizing of the coal. If this undertaking could be carried to a successful conclusion, it would mean the saving of a great deal of money to the people of Canada, more particularly to those of the West, to have fuel which would be practically equal in heating value to anthracite, which is what the Committee hope to accomplish.

Hon. Mr. CASGRAIN: With the tar in it?

Hon. Mr. TURRIFF: They have to use a little tar or a little flour or something of that kind for binding the briquettes.

While I have in the past criticized the expenditure of money in that connection, I still think something might be done. The Commission to my mind were extravagant in putting so much money into houses for the officers and the men. There are half-a-dozen coal companies in that vicinity working the year round and employing a lot of men which did not, I suppose, spend one-tenth for housing what this Commission did.

Hon. Mr. CASGRAIN: How much did they spend on housing?

Hon. Mr. TURRIFF: I got a return last year showing the figure, but I do not remember it. However, that is the position to-day. I would not like to say now that the work should be stopped if the men who are in charge of it believe that there is a small likelihood of its becoming a success through the expenditure of a further moderate amount of money.

Hon. Mr. CASGRAIN: I do not mention any names; but I may say that some of the briquettes were brought to a very high official of the C.P.R., who said: "Bring me a bucket of water." When the water was brought to him he put the briquettes into it and left them over night and the next morning there was nothing in the bucket but straw and dirty water.

I.C.R.—EARNINGS OF EASTERN DIVISION

INQUIRY

Hon. Mr. McCORMICK inquired of the Government:

What were the earnings of the Eastern Division of the Intercolonial Railway, between New Glasgow and Sydney or between Truro and Sydney for the years 1918, 1919, 1920, 1921 and 1922; giving amounts received in each of those years from freight and passenger traffic?

Hon. Mr. DANDURAND: Railway accounting methods do not provide this information by divisions. Information, therefore, is not available.

CANADIAN NATIONAL RAILWAYS HOTEL SYSTEM

SPECIAL COMMITTEE

On the notice of motion:

By the Honourable Mr. McDonald:

That he will move for the appointment of a Special Committee to inquire into and report upon the extension of the hotel system of the Canadian National Railways throughout Canada, and especially in the Provinces of New Brunswick, Nova Scotia and Prince Edward Island.

Hon. J. A. McDONALD: Honourable gentlemen, the other day I put an inquiry on the Order Paper asking for information in regard to the development of the hotel system of the Canadian National Railways. To-day I met Sir Henry Thornton, who said: "I have been very much interested in the proposition and intend to examine every avenue and investigate the possible development of the national hotel system and its extension to the Maritime Provinces." I will mention one or two places in the Maritime Provinces where I think trade can be stimulated by giving an intelligent application of the same principle that made the tourist traffic so popular in the West. We hear a great deal about the development of the West, and quite properly so. Several authors have written volumes on the making of the West. Did you ever hear of one on the making of the East? There would be more material for such a volume in Eastern Canada if the same energetic stimulation of passenger traffic were undertaken in the East that has been undertaken in the West. The Intercolonial never did anything more than provide the trains; the C.P.R. went a little further and developed passenger traffic by more modern methods. Much has been done but much more might be done. There would be more hunting, salmon fishing, wild fowl, etc, if articles concerning the attractions of New Brunswick appeared in magazines which would interest the traveller.

What has made the great pleasure resorts of the United States such as Atlantic City? The climate and the hotels. The cities and towns of the maritime provinces are admirably situated to become ideal tourist resorts. They are in close connection with the great cities of the New England states, and every year tourists from as far west as Pittsburg find their way to the maritime provinces for rest, recreation and pleasure. I might mention the winter port of Canada, St. John. St. John would certainly be an ideal spot for an all-the-year round hotel. I might also mention the Acadian town of Shediac. I do not think there is a better place on the Atlantic seacoast for a summer hotel or an all-the-year-round hotel than Shediac. Any afternoon in summer you may go there, and see thousands and thousands of bathers taking advantage of the wonderful water and beautiful beach. If we could only attract to that town the attention that has been given to the West, I think it would be justified by the results. But, as I said before, in this place where there are thousands of people in the surf every afternoon, and enjoying the wonderful climate and the splendid white beach which extends for miles, there is absolutely no accommodation.

I am not going to press my motion at this particular time, because I have been assured by the President of the Canadian National Railways that attention is going to be given immediately to this problem.

There is one thing, however, to which I would like to call attention, and that is the hotels scattered throughout Canada. We are very much interested in the traffic situation and the economical operation of the railways. The railways must have traffic, they must have tourists, they must have trade, or they cannot reduce their rates. I am interested in numerous business concerns, many of which are going to be forced to take their travellers off the road because there is no reasonable hotel accommodation for them. The average traveller to-day is paying $300 to $500 per month for his sample room, hotel and travelling expenses. If an aggressive firm is going to put on an active selling campaign, and sends out eight or ten travellers, it must undertake an expenditure of $5,000 a month; and few businesses can stand that.

The people are beginning to look to this Chamber for constructive ideas. The hotel accommodation of Canada is, I believe, a very important thing. We must have places where people can stay at reasonable rates, and hotels to which business houses can send travellers who are selling their goods, as we are going to do unless we are stopped by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton).

Hon. J. D. REID: I would not have made any remarks on this subject had it not been for the reference of the honourable gentleman to the statement made by Sir Henry Thornton. So far as I am concerned, I am absolutely opposed to and would protest against anything being done to further increase deficits in connection with the Canadian National Railways. The honourable gentleman who has just taken his seat has no doubt read the answer given a few days ago to an inquiry—an answer which showed

how prosperous the hotels now operated by the Canadian National Railways are. After reading those figures the honourable gentleman would see that though the hotels are now being operated in the best centres of Canada, they showed a deficit of some $700,000 or $800,000. I am very sorry that from his remarks the impression will go forth to the people of Canada, especially to those of the Eastern Provinces, that Sir Henry Thornton has stated that there is a possibility of the Canadian National Railways going into the hotel business still further. I am absolutely opposed to such a step. I believe that the general hotel system throughout the country is not too bad; but if in Shediac or any other place in the lower provinces there is money to be made in the hotel business, surely there are people in those localities enterprising enough to build hotels, instead of asking the people of Canada to saddle themselves with any more debt in connection with the railway system. Though I come from Ontario I am just as anxious as the honourable gentleman to do anything that will make the Maritime Provinces prosperous.

With the recent change in the railway situation conditions will be different from what they were before the Intercolonial Railway became part of the National Railway System. The Intercolonial was built for the purpose of connecting the provinces, not with a view to making money. It has been carried on since Confederation without profit, the deficits being paid from the taxes collected from the people of this country, as no bonds were issued or capital liabilities incurred in connection with it, and there are none at present. The great traffic which goes to the West must go from our Eastern cities and ports. On a carload of freight to the West, whether from the Far East and crossing the continent, or merely for Alberta or Saskatchewan or Ontario, the rates are all the same, be the starting point Montreal, Portland, Halifax, or St. John. The Railway Commission fixes the rates. The rates on the Intercolonial Railway the Railway Commission will raise unless the system is carried on as it was under the agreement since Confederation. Unless this is done, it will be absolutely impossible to carry the traffic from the West to St. John and Halifax. To explain the situation better, let us suppose that a train-load of fifty cars leaves Montreal for ocean terminals after the close of navigation. The management will figure out on that they can take that train to Portland, say 500 miles, for a certain rate. That is the rate that is fixed by the Board of Railway Commissioners, and that Board will fix the same or a larger rate, depending on the mileage, to St. John and Halifax; yet the same train-load will be hauled to St. John, 500 miles, and then the train will double back, making 1,000 miles, as against 500 miles to Portland. To Halifax the distance is 800 miles, or 1,600 doubling back, and the management will have to haul those cars back, for the sake of taking them over a part of their system in Canada, although it could have been hauled only 500 miles to Portland.

What the Maritime provinces should do, instead of trying to build hotels, would be to endeavour to carry out the understanding made with those who formed Confederation; and possibly they could get such a rate that the traffic with other parts of Canada would go to and from Halifax and St. John. Industries in the lower provinces would thus have a fair and just rate compared with what they had been accustomed to since Confederation, and by bringing traffic to and from Canadian ports we would give Canadian citizens employment.

I think the policy of the Government, in relation to those provinces in the extreme east and west, and those great spaces in between that now lack population, should be to do everything in their power to bring them together by the lowest possible freight rates. This would produce greater harmony and make people who live in those provinces better satisfied with our country.

In my judgment this country would be much better off if from this House and from the management of the Railway System there would go out the word: "No more hotels; we are going to run the railway economically in every way, in order to give passengers the best service for the least money, and carry freight traffic at the cheapest possible rate out from and into our Canadian ports, and at the same time reduce the enormous losses on the railway system every year. I think this policy would be much better in the interests of the country than that of building hotels at an enormous cost.

Hon. Mr. DANDURAND: I draw the attention of His Honour the Speaker to the fact that there is nothing before the Chair. The motion of the honourable gentleman has not been presented.

Hon. Mr. TANNER: I do not think that the House has yet consented to the motion being withdrawn.

Hon. Mr. DANDURAND: It was not moved.

The Hon. the SPEAKER: I understand that the honourable gentleman moved his motion.

Hon. Mr. DANDURAND: The Hon. Mr. McDonald said he did not intend to press his motion.

The Hon. the SPEAKER: The motion is withdrawn. Orders of the Day.

Hon. Mr. TANNER: I have one or two words to say; I do not intend to detain the House very long.

The Hon. the SPEAKER: Orders of the Day.

Hon. Mr. TANNER: I intend to ask the permission of the House. It is an unusual thing—

The Hon. the SPEAKER: Do I understand the honourable gentleman is speaking to a motion?

Hon. Mr. TANNER: I am speaking to the motion of the honourable member from Shediac, asking leave to withdraw his motion.

The Hon. the SPEAKER: The motion was never put to the House.

Hon. Mr. TANNER: If it is not put I can surely speak to it.

DIVORCE BILLS

FIRST READINGS

Bill R2, an Act for the relief of Ethel Olmstead.—Hon. Mr. McCoig.

Bill S2, an Act for the relief of Edward Louis Britton.—Hon. Mr. Blain.

Bil T2, an Act for the relief of Ruby Minnie Stallworthy.—Hon. Mr. Blain.

Bill U2, an Act for the relief of Christopher Campkin.—Hon. Mr. Pope.

Bill V2, an Act for the relief of Andrew George Suffel.—Hon. John Webster.

Bill W2, an Act for the relief of Joseph Ross Wallace.—Hon. Mr. Bradbury.

THIRD READINGS

Bill F2, an Act for the relief of Frederick Wesley Graham.—Hon. Mr. Barnard.

Bill G2, an Act for the relief of Catherine Gunyo Chatterson Odell.—Hon. Mr. Pope.

Bill H2, an Act for the relief of Marietta Isabel Wilson.—Hon. Sir Edward Kemp.

Bill J2, an Act for the relief of Marian Eugenie MacCordick.—Hon. Mr. Ross (Moose Jaw).

Bill K2, an Act for the relief of Elizabeth Frankland.—Hon. Mr. Taylor.

Bill L2, an Act for the relief of Arnold Carrington Burke.—Hon. Mr. Taylor.

EUROPE AND THE LEAGUE OF NATIONS

DEBATE CONTINUED

The Senate resumed from March 15 the adjourned debate on the inquiry of the Right Hon. Sir George E. Foster:

That he will call the attention of the Senate to conditions in Europe and the work of the League of Nations and will ask the Government if it will lay on the Table the Report of the Canadian delegate to the third Assembly of the League of Nations.

Hon. W. A. GRIESBACH: Honourable gentlemen, by the consent of the honourable member from Montarville (Hon. Mr. Beaubien) and with the consent of the House, with the right of the honourable gentleman to speak later, I will take the liberty of speaking now.

Last Thursday the House was privileged to listen to an address by the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster), and to that address the House listened with great interest and attention. I take it that honourable members of this House will always listen with pleasure and close attention to any speech which the right honourable member from Ottawa may make on any subject upon which he may choose to speak. In learning and eloquence, and in authority to speak he outranks us all. For many years he has sat in the Parliament of Canada, and he has played no minor part. During the time of his service Canada has grown from small beginnings to be great and powerful. In those years of service successive generations of public men have come upon the scene played their parts, and passed on; but the honourable gentleman still carries on. Mellowed by the years, growing in wisdom, his natural force is unabated. Kindly, generous and tolerant, he occupies a place in the public life of this country unequalled by few and surpassed by none. Of him it may be truthfully said that

> Age cannot wither, nor custom stale,
> His infinite variety.

Consequently I feel that it may be thought a bit presumptuous on my part to undertake to answer the observations which he offered to the House the other day, called upon, as I am, to differ with him in some of his premises and in most of his conclusions.

His contention, in brief, is that there is in this discussion an Anglo-Saxon opinion, and that that Anglo-Saxon opinion is that those reparations are too high. I would like to draw attention to the idea which is in my mind, at all events, that, while there is an Anglo-Saxon opinion, it is on the one hand official, and

on the other hand unofficial. I shall, in the course of my remarks, endeavour to make known just exactly what that distinction is.

The right honourable gentleman harrowed our feelings somewhat by describing at length the unfortunate position which people living in continental Europe occupied in respect to their depreciated currency, particularly in the case of Austria. I should like to take the liberty of harrowing the feelings of the House still further, particularly the feelings of the right honourable gentleman from Ottawa, by giving him this incident. He told us of men who had large investments, and found that those investments had deteriorated almost out of existence. This is a case of an Austrian who died in 1913, and left to each of his two sons 500 crowns. One son was prudent, a careful fellow, and he put his money into state bonds at 3½ per cent. The other was not a prudent man, and he proceeded to drink up his little fortune, and as he finished his bottles he dropped them into the cellar of the ancestral home. Both of those men went to the war, and both came back unhurt. The prudent man found that his investment of 500 crowns was worth about 23 cents. The imprudent fellow went down to the cellar, collected the bottles and sold them for 235,000 crowns. I suggested to my right honourable friend (Right Hon. Sir George E. Foster) that there were compensations to some people in this depreciation of currency. I suggest that herein lies at least an indication of how some people might profit by the depreciation of currency.

In all human relationships, whether between individuals or between nations, there are three immutable factors: fear, greed, and ambition. These factors are rooted deeply in human nature, and there is no very great evidence of change. Whenever wars take place between nations, except in the case of wars which are brought about by autocratic sovereigns, it will be found that somewhere in the root cause there is fear, or greed, or ambition. If one examines the causes of the late war and of the situation which now results, he will find, as has always been found in the past, that fear, greed and ambition are immutable factors.

With regard to the United States, which forms a part of this Anglo-Saxon opinion to which my right honourable friend has referred, this may be said, that before the war the United States had no fears, and now that the war is over the United States has no fears; and so they look upon the condition of the world from their point of view and make their contribution in that sense to Anglo-Saxon opinion.

Before the war Great Britain had four considerable fears. Her first fear was the German navy; not so much any actual contact with the German navy, but largely because every time the Germans laid down a capital ship the British taxpayer had to pay for two capital ships. In the second place, Great Britain feared the German mercantile marine. She feared also the march of Germany through Austria to the Balkans, into Asia Minor, and on to Egypt and the Suez Canal and India. Fourthly, she feared the systematic scientific intensive development of the German colonies.

Before the Versailles Conference had met at all the fears of Great Britain had been quieted. The German navy was at the bottom of the sea; the German mercantile marine was divided amongst the allies; the march of Germany in Asia Minor had been postponed for fifty years at least; and the German colonies all belonged to Great Britain.

Again I say, fear is a dominant and immutable factor. Anglo-Saxon opinion is not based upon fear. Anglo-Saxon opinion, in this discussion, takes its inspiration and its slant from a basis devoid of fear. If there had been greed or ambition so far as Great Britain was concerned, greed and ambition have been satisfied. I deny that there has been any greed or ambition, but I say if there were, it has been satisfied by the results of the war.

Just at this point I would like to say that as to the division of Anglo-Saxon opinion, official on the one hand and unofficial on the other, I have never met a reputable fighting soldier whose sympathy has not been wholly and entirely with France. It may be that there are some whose sympathy is not with France, but I have never met them. My own opinion is that everywhere in this Empire the men who fought with France during the war are with France now in her struggles to enforce her rights.

So you see that Anglo-Saxon opinion is based on considerations entirely different from the opinion of the French, which I will discuss in a moment. Alliances are brought about by common perils, by common exertions and the desire to attain common objects. When those perils are averted and those objects gained, then it is the rule of history that the alliance falls apart, and shortly afterwards diverse interests appear which force the former alliance still farther apart. It is sad, but it is so. It is the lesson of history. Yet, of all

the nations of the world there is perhaps no nation with which this Empire would do better to be closely allied than our former allies, the French.

Now let me turn to French opinion; and with French opinion I link Belgian opinion, because French and Belgian fears are the same. France's fear has been the fear of the Germans; and France has always feared the Germans. In the past thousand years of her history France has feared Germany. Once in every fifty years in these past thousand years that part of Europe which is now called France has been invaded by people from that part of Europe now called Germany. In France at any time there is a generation alive which recalls the previous invasion. I came across a very singular thing the other day. When King William of Prussia was riding into Paris in 1870 at the head of a triumphant German army, he turned to Bismarck and said that this was the third occasion upon which he had entered Paris at the head of triumphant German troops. I have taken the trouble to verify absolutely that statement. Notwithstanding all the progress and development of humanity, and all the progress in the humanities this singular thing stands out that in all German invasions of France right down to the last war the incidents of invasion have remained the same. German ferocity has never changed in all these years, notwithstanding the march of civilization.

Some time before the recent war a book was written by a British officer who analyzed the German war books, analyzed German military philosophy, analyzed German history. This British officer wrote his book to tell how Germany would wage the next war, and in it he prophesied requisitions, fines, the taking of hostages, summary executions, and the liability of inhabitants for damage. It is interesting to see how truly he prognosticated the future.

Then came the outbreak of the war—the assassination of the Austrian Prince in the Danubian provinces, followed by a period of tenseness, followed by the actual outbreak of the war.

Just at this point I should like to mention a fact which is not very well known. In order to avoid any possibilty of a clash, in order to avoid the accusation of being the first to move in the war, the French authorities withdrew all their troops from the German frontiers for a distance of 10 kilometers inland. France was unready and unprepared. It was alleged a few days ago in another place that France was equally responsible with Germany for the outbreak of the war, and that France was equally prepared. France was not equally prepared, and the facts are known to every man who served in France. The French Army had only the boots they stood up in; they had no heavy artillery; they were armed with an antiquated rifle; and the uniforms which they wore were their peace-time uniforms. I happen to know how the horizon blue uniform was selected. The time came when the French army was almost naked, and the horizon blue uniform was selected because a contractor was found who was able to supply a sufficient quantity of this quality of clothing to enable the French army to carry on.

Then came the Germans, and from the first day of their arrival on the frontier they began to carry out the prophesies contained in the book to which I have referred. They began with fines and requisitions. They determined to live upon the country. Contrary to international law and international conventions, they forced the inhabitants to labour for them in military work and in the manufacture of munitions. They deported inhabitants of France to Germany and sent them to industrial slavery. They dismantled the factories and destroyed them. I saw an interesting incident in connection with their destruction of factories. Every man who has ever seen a factory knows that the engines rest upon large concrete beds, and that from out of these beds arise bolts by which the engines are secured. Wherever the engine had been removed, by German thoroughness the bolts had been cut off with hacksaws so as to render the engine bed useless. Their destructions and devastations in France were not accidental, nor were they unofficial. They were in fact premeditated: they were official. They were the acts of the German people operating through the German Government, and the intention was to destroy the land of France and destroy the French people. From that conclusion there can be no escape by any unprejudiced person who reads authoritative documents. They carried out executions of men and women on the flimsiest pretexts or upon no pretext at all. There is in the Library of Parliament, and there has been for some time, a report prepared by Viscount Bryce on alleged German outrages. Lord Bryce is the author of "The American Commonwealth," perhaps the best book on that subject. He has written also a great work on democracy. He was entrusted with the leadership of this inquiry, and the statements contained in the commission's report appear with his imprimatur. In this report you will find innumerable instances of the things which I have described, disclosing absolutely

the intention of the Germans to leave such a mark upon France as she should never recover from.

In the first days of the occupation of Brussels, that city was fined 40,000,000 francs, and thereby the people of Brussels were made to contribute to the cost of waging war against themselves. I could give a vast number of instances of this sort, which were partly official and partly carried out by private individuals, that is to say, by officers and soldiers who might not be acting officially. However, I would like to corroborate some of the incidents mentioned in this report, which subsequently came under my own observation.

I am now speaking to the question of French opinion. My right honourable friend (Right Hon. Sir George E. Foster) has described Anglo-Saxon opinion. Now I want to put before the House the basis upon which French opinion rests.

In the month of June, 1918, there came into our lines two British prisoners who had escaped from the Germans. These men were brought before me. They were clothed in rags and covered with lice. They looked like scarecrows, and they were famished. They said they had been brought to a village called Noyelle, not far from Douai, 400 of them, to work in the German defence zone. They had no blankets nor overcoats, only the clothing in which they stood up. They were in rags. The building in which they lived was a shack, with a leaky roof and broken walls. There was no floor in it. They were fed upon a meal of vegetable soup twice a day, and they laboured from daylight till dark. They were killed or wounded by our own shell fire, and they suffered from our own aerial bombing. They suffered from all manner of diseases. When the men came home at night after their work they buried those who died by day, and some of them got up earlier in the morning and buried those who died during the night.

In October, 1918, we fought our way to the village of Noyelle, and there we found the shed in which the 400 British prisoners of the Germans had lived, and we saw about that shed mounds which marked the graves where those men were buried, and some of them were buried in graves not more than 15 inches deep.

At Jemmapes in November, 1916, I called at the house of a gentleman named Dufresne, a man who had been very well off and who lived in a large house. He had two daughters. He told me—and the incident will be found recorded, not in this report, but in another publication—that one day a body of British soldiers, prisoners to the Germans, were going down the road under German guards, and the daughter of the gardener threw a crust of bread out onto the road, and one of those British prisoners stooped to pick it up and one of the German guards blew his head off. The British soldier lay on the road all that day unburied, and Germans who passed on the road during the day turned the body over with their boots to have a look at it, and not a few of them kicked it. The daughter of this man smuggled food to prisoners who were working there. She was found out and charged with the offence at Mons, was fined 800 marks, and was told that if she did not pay it she would be sent to Berlin and confined in a prison where only prostitutes were kept. She showed us the receipt for her 800 marks, which she paid, containing a brief specification of the offence. The man himself had a large wine cellar, as all the people of those districts had. He decided to conceal a portion of his cellar, and he had 580 bottles of his best wine hidden away. Two years later a servant betrayed him and he was found out. He was taken to Mons, tried for the offence and fined 300 marks, and an additional 5 marks for each bottle. He received a receipt, signed, sealed and executed by the German authorities; and the officer who handed it to him took occasion to point out how methodical and business-like the Germans were, and how thankful he ought to be to get a receipt, because if he were dealing with the French or the Belgians he would not have had a receipt at all.

I could give you innumerable instances to show the attitude and frame of mind of the invaders. It would not be worth doing, because I am sure that every honourable gentleman can visualize what an invasion of a rich country like France means when the invaders are people of the type of the Germans.

Then came victory, the armistice, and the establishment of the bridge-heads. Then, but not until then, France had time to examine her condition. She found that during the four and a quarter years of war she had ten departments of her country devastated. Let me draw attention to the fact that these departments that have been devastated are the most productive areas of France. She had 94 per cent of her wool production destroyed; 90 per cent of her steel output; 70 per cent of her sugar output; 55 per cent of her electrical energy; 33 per cent of her coal production; 400 kilometers of railways; 4,000 villages; 20,000 factories, and 500,000 houses. She found that the Germans had carried off or destroyed 21,000,000,000 francs worth of personal property.

I remember Valenciennes before we drove the enemy out. Valenciennes is a town where

the people go in for lace-making as a cottage industry. Every little cottage had its one or two or three lace-making machines. Before we drove them out of that place, the Germans, by order, by authority, officially visited as many of those cottages as they could and smashed those simple little machines with sledge-hammers. Beside barbed wire and trenches, there remains to be removed 42 million cubic feet of rubbish, and the damage is estimated at 102 billion francs. In addition to this, France suffered in killed, which includes some women and children, 1,385,000 persons; and in wounded 2,500,000 persons. Think, then, of the incalculable injuries suffered by the inhabitants of the occupied areas bullied, browbeaten and terrorized; starved in mind and in body; and deported to slavery in Germany. Think also of the brutal or worse than brutal German soldiers, billeted in French houses on defenceless women and children, with all that that implies.

Then, after four and a quarter years of war came victory and the Conference. Perhaps honourable gentlemen will be able to understand the frame of mind in which France came to the Conference, and the difference between her frame of mind and the frame of mind of those who had no fear. The presence or absence of fear, both in war and in conference, must be a dominating factor; it cannot be otherwise; and when President Wilson and Mr. Lloyd George came there they came to represent nations without fear, and had, as has been demonstrated, one eye upon the European situation and the other on elections to come in their own countries. They entertained themselves and the world by their mental gymnastics; but old Clemenceau, representing France, was able to sleep at the head of the table, as he did during a great part of the discussions, because he had only two points to raise: the first being security for France against this fear, and the second being reparation for the damage which had been done. About that there can scarcely be any discussion. The damage was visible to the naked eye.

Now, there could be only two forms of security against this fear. The first form of security would be an actual physical frontier. That frontier happens to exist on the Rhine. The Rhine rises in the Swiss mountains and flows to the North Sea, and is navigable almost from its source, and is fordable nowhere. True, on the left bank of the Rhine there is a territory occupied by the Germans, that one time belonged to France. Could the boundary have been forced up to the Rhine everywhere, it would have constituted an actual frontier, a military obstacle which would have given to France the security which she desired and deserved. But there were difficulties in connection with the annexation of territory, based upon the objection of all Powers at that time influenced by President Wilson. So the French were obliged to recede from a perfectly reasonable demand and to enter into a discussion as to the nature of the security that might be given her by a second means, namely, an alliance of the Great Powers pledging themselves to come to the aid and assistance of France should she again be invaded by Germany.

After interminable discussion the Treaty of Versailles was executed, involving the proposal of the League of Nations, and with special reference to Article X thereof, which provides that should one of the powers signatory to the Treaty be threatened, the remainder will come to her assistance. The French people observed that the United States, unlike the other Powers, was not merely represented by delegates or plenipotentiaries, but was represented by the President, the ruler of that country. The people of France attached tremendous importance to that fact, and when the delegation from the United States, led by President Wilson, put their signatures to the Treaty of Versailles and the League of Nations, which it contained, they believed that in that Treaty they had a security against Germany which removed their fears, and which ensured Peace. What has happened? The President of the United States returned to his own country, and both he and the Treaty were repudiated; and then, of course, the League of Nations, so far as it had teeth, fell to the ground, and France was left without security. Three years or more have passed. The discussion with regard to reparations has gone on, and it now becomes apparent that the payment of these very reparations are in doubt. So France, who helped to win the war, to put it very mildly—who was one of the winners of the war, and the aggrieved party from the beginning—finds herself to-day with this recollection of human loss, with this visible destruction of property, with her ancient fears revived, and reparations unpaid, in such a position that if she would help herself now she must rely upon her own strong right arm. These two things, reparations and security, are vital to France. They are matters of life and death to France. As to their paramount importance there can be no argument. Who will dare to argue with France upon these points?

I should like for one moment to discuss German opinion. We have seen how Germany makes war; we shall now see how she

keeps the peace. Someone has said that you should not indict a whole nation, and perhaps one should not; but I have no hesitation in indicting official Germany—the German Government. Officially Germany is dishonest. One can quite understand that after conversation with German officers. We cannot understand the mentality of these Germans. The other day I saw a cartoon in Punch, I think it was, which showed a gathering of Germans around a table drinking beer. One of them was complaining against the action of the French in the Ruhr. He said: "These French behave as though this was Belgium." That gives you an idea of the mentality of the German people. I say Germany is dishonest, and I say Germany will evade the terms of the Treaty if she possibly can. Only the other day someone told me that of all the insurance companies involved in the San Francisco earthquake, the only ones that did not meet or attempt to meet their liabilities were the German companies who in all cases closed their doors and faded away. Germany understands only one argument, and that argument is force. If anyone doubts that, let him read the German philosophers, let him read Treitschke, Von der Goltz, Clausewitz and Von Bernhardi.

According to the Treaty, Germany was to demobilize her army and reduce it to one hundred thousand men. Well, she has done so, but she has done it with system. A regiment now takes the place of an army corps, and the regiments are located in army corps districts. Those regiments are commanded in many cases by the same men who commanded army corps in the war—this information can be had from our own General Staff Branch—and the companies and battalions are now commanded by officers who had higher formations in the war. The capacity to expand, based upon six million trained men, is there. In addition, the German Government has organized what is known as the security police, a force consisting of 150,000 men, nominally organized to support the Republican Government. In addition to that, in the various states of Germany there grew up in 1919, and still exists, a volunteer organization, which is better armed, organized, disciplined, and supplied with munitions than our own Canadian militia. Why is this? It is because, amongst other things, the German army was never demobilized. The men marched home with their equipment intact and have it with them to-day. So Germany has not honestly disarmed herself. The Inter-Allied Commission are constantly finding throughout Germany secret stores of concealed arms, artillery, ammunition, and so forth. Some of the English papers are simply tired of telling the story. I am not sure which paper it is which runs two columns on the subject, and has been doing so for the last three years.

Historically, Germany will desire, under camouflage, to maintain an army. Germany has precedent for that. It was, I think, in 1807, following the battle of Jena, in which the French, under Napoleon, were victorious over the Germans. Napoleon gave them a peace in which he required that they should not have an army of more than 35,000 men. Then it was that Clausewitz and others evolved the system of conscription, national training, and they passed recruits through the army in three months training periods and turned out 140,000 partially trained men each year, so that in the end they came back at Napoleon with a great army which had been trained under his nose. So I say: historically Germany, under camouflage, can and will build up and maintain a great army. The British General Staff know that quite well. From time to time they have issued confidential circulars telling of the growth and development of that army—and the French know it very much better.

According to the treaty, Germany was to punish her war criminals, and some three hundred were named. What has happened? Only a few have been brought to trial; some have been found not guilty, and others have been given some such light punishment as six weeks in a fortress. What were these criminals charged with? They were charged with sinking hospital ships, sinking merchant ships, firing upon unfortunate people in the lifeboats, and one man that I remember in particular, to get some added pleasure, used to bring his submarine up amongst the struggling people and allow them to clamber on top of his boat until he had a nice little party, and then he would submerge the submarine and watch them drown. That man got off on the plea that he was only carrying out the orders of his superiors; and when it was suggested that his superiors be indicted, the answer was that they were not named as war criminals. There were amongst them men who were known to have ill-treated and murdered prisoners. There was one man in particular, who was in charge of a coal mine. One young man, from Edmonton, in my own battalion, was captured. He worked two years in this coal mine, was fed two meals a day, and spent nearly all the time underground. The man in charge of the mine used to go down into the bowels of the earth and give this man a beating every week, and finally he knocked his eye out. That young man is now back

in Canada, a man who will never recover. That particular German was indicted, but has never been brought to trial.

Germany has busied herself with intrigues with the Bolshevists and the Turks; she has fished in troubled waters wherever she could to annoy and embarrass the Allies. She has depreciated her currency, and done it unofficially, and with a purpose. It is perhaps a difficult thing to prove, but let me put before you the theory which has been advanced, not once but a dozen times, in a dozen different parts of the world. That theory is that Germany, being dishonest and clever, and confronted as she was with paper currency which she could not redeem or did not care to redeem, adopted this plan. She decided that on a certain day when marks were at a certain price, say two cents, she would sell a vast quantity of these marks in the markets of the world and put the proceeds, in the form of foreign securities, foreign currency and gold, into a fund. Then she continued to depreciate her currency by the issue of paper money, and it will finally reach a point where it has no longer any value. Then she will redeem her currency by means of the funds which she has accumulated in the manner I have described. Someone has said that $16,000,000 would today redeem the whole of the German currency at its present value.

Let me give some of the other suggestions that in my judgment may prove that point. First of all, there is the unparalleled issue of paper money, which indicates a purpose. There was no great need for this money, but the issue of it indicates a purpose. Secondly, there is the confidence with which Stinnes and Thyssen and Krupp-Bohlen and other magnates of Germany—who, by the same token, control the present Government—have carried out great enterprises, greater than we have ever known of in the world before; the confidence with which they have proceeded in commercial undertakings in Germany; a confidence which they never could have had in the future if they did not know beforehand that in some way the question of depreciated currency would be taken care of. Then, thirdly, there is the fact that in 1919 there was a tremendous sale of German marks. The circulars went all over Canada and all over the world advertising German marks and they were bought in millions all over this country, and it is an open secret that in New York, in London, in Amsterdam, in all the great stock exchanges of the world, they are loaded up with marks which they purchased about three years ago, the proceeds of which will never be accounted for. The proceeds exist in foreign bonds, securities in foreign currency, and gold, and it is suggested that the whole scheme was evolved for the purpose of redeeming the currency some day.

Just this very day I received through the mail a report of a speech by Otto H. Kahn, an American banker, vice-president of the American branch of the English-speaking Union, delivered at the monthly luncheon of the British Empire Chamber of Commerce of the United States at the Bankers Club, New York, on Wednesday, January 17, 1923, in which he said:

> Germany has in the coffers of her Reichsbank still approximately $250,000,000 in gold. That is enough to retire the total existing German paper currency about four times over, at the present rate of exchange. The primary though of course not the sole reason why that currency is selling at a valuation of one-fourth of the gold in the hands of the Reichsbank is the world's utter lack of confidence, and, particularly the fact that the German people themselves have no confidence in the token which bears the stamp of their government.

I say that Germany has deliberately depreciated her currency. That currency, on the other hand, has served a useful purpose; it has enabled Germany to carry out important improvements and great works. She has renewed in the past three years almost all of her railways; she has dug new canals and widened and deepened the old ones; her industrial expansion in these past three years exceeds anything that has been in the industrial history of that country; and she has done all that with her depreciated money, which she has depreciated intentionally. She has killed two birds with one stone.

Now, with regard to her industrial expansion, let me read to the House an article appearing in the Montreal Gazette a few days ago, which deals with her expansion in shipbuilding. The Gazette of the 23rd February says:

> Germany as a Sea Power
>
> Germany has beaten her pre-war shipbuilding record, according to figures which have been published, her output in 1922 being 575,000 tons, as compared with 509,000 tons in 1921, 440,000 tons in 1914 and 465,000 tons in 1913.

In other words, her output in shipbuilding in the past two years exceeds her shipbuilding programme in the two years preceding the war.

> The assumption that Germany would not count as a sea power for a generation or more is therefore disproved by events; and before long she will apparently rank once more among the leading maritime nations of the world, even if she does not, in the course of the next few years, take the honor of being second in mercantile marine strength—a newly-won title held by the United States. A point worth emphasization at this time is the fact that the German shipbuilding industry does not seem to have suffered at all from the general depression reported in some parts of Ger-

many, and owing to the low cost of construction she has become a formidable competitor to this industry in Great Britain.

Then, further on:

Germany is represented as on the outer rim of the outside edge of bankruptcy, with the mark continuing its headlong downward career in consonance with the asseverations of poverty.

Look at that picture—and the other which suggests Germany's prosperity—or its hoped-for future prosperity. German industries are turning out goods in record quantities; her railways and aerial communications have been improved beyond all recognition; the whole Fatherland—bar the Ruhr—is a hive of activity; she had fewer unemployed up till recently than to be found under any other flag; and, most important of all, she is steadily—and quickly—recovering her position on the seas.

Germany has always been dishonest in her dealings with other nations, and she is perpetually whining and bully-ragging, and she has reached the point now in her industrial achievements when the materialization of her plans would appear to be in sight. She plays for time primarily, and secondarily she plays for the growing diversity of interests between the former allies. Her main object is never lost to view, which is, that the terms of this treaty must be voided if they can be.

Another condition of the Treaty was that the taxation of Germany should be equal to the taxation of the Allies. Mr. Holt Schooling, a statistician of repute in England, has prepared this statement. He says that in 1922 British average taxation was 22 pounds per head; the average French taxation was 8 pounds per head; German taxation, 3 pounds per head. In other words, French taxation is almost three times that of Germany. The British debt per head is 197 pounds; French debt per head, 149 pounds; German debt per head, 24 pounds. Both in taxation and in debt the German people are the least of the three.

I have said that the damages in France occasioned by the Germans was 102 billions of francs, and in the past three years France has raised from her own people, from her own resources, and spent in repairing damage done by Germans in France, $7,500,000,000. The war did not cost Germany one inch of soil, one factory damaged, one coal mine destroyed, one sugar beet pulled up, one electric plant broken; and in those three years Germany has paid to France one and a quarter billions of dollars, and that nearly always in kind, and most of it is involuntarily given up, that is, shipping, etc.

France has decided that, in view of the conduct of Germany, in view of the progress and development going on in Germany, and in view of all the situation, she will take some measures herself to secure the carrying out of the treaty. I am not going to discuss the differences of opinion; I am only saying she has decided to do that for herself.

It would be interesting to the House to know exactly what the Ruhr is: Approximate area, 1,234 square miles; approximate population, 4,000,000; labouring population, 1,500,000; coal miners, 500,000; coal production in 1913, 113,000,000 tons; visible black coal reserve, 54,000,000,000 tons; visible brown coal reserve (lignite), 4,000,000,000 tons; estimated unmined coal, 220,000,000,000 tons; pig iron production, 5,000,000 tons; steel production in 1918, 10,000,000 tons; stock companies operating, 887; invested capital, $900,000,000. Other industries: textile mills, iron and steel implements, machinery factories, linen mills, salt works, and coke ovens.

In coal and iron it is one of the richest districts in the world. In the production of salt and textiles it has few rivals in Germany. Before the war its coal fields worked to 40 per cent of their capacity and produced 90,000,000 tons in a year. It is only second in the world to the Pennsylvania field. In corresponding ratio, 5,000,000 tons of pig iron were produced, which was 20 per cent, and Germany's entire output was 10 per cent of the world's supply.

My right honourable friend referred the other day to Anglo-Saxon opinion, and I have drawn your attention to the fact that Anglo-Saxon opinion itself is divided. But there is an official opinion. Let me give you some unofficial opinions in the States as to the propriety of France's action. Dr. Van Dyke is a publicist, an economist, and a writer, and he says this:

France is trying an emergency measure made necessary in part by America's failure to enter the League of Nations. Germany says she cannot pay for the ruin she has wrought; but meantime her profiteers and munition-makers are rolling up their billions. France says, collect from these men. Germany says she can not do it. France says, I will help you. That is what the occupation of the Ruhr Basin means. It is not an invasion of Germany. It is the serving of a writ on Stinnes, Thyssen and Krupp-Bohlen. It is dangerous, but every emergency measure involves danger. America prays for a peaceful result. But what narrow-minded devil has prevented us from working for it?

Mr. Daniels, ex-Secretary of the Navy, gives this contribution to that unofficial American opinion:

Right or wrong, France has had every provocation, and I doubt under the circumstances if any nation would have waited any longer. France has to act now or acquiesce in letting Germany escape payment. France has waited four years, taxing its people four times as much as Germany taxed its people. Germany's default is believed by France to have been deliberate and studied. In this belief France acted.

Now let me read some unofficial Anglo-Saxon opinion from England.

The Saturday Review says:

Great Britain cannot plead that she is not responsible for the present state of Europe. We must share the responsibility, however unpleasant. From the treaties of 1919 we obtained all for which we stipulated, namely, the German colonies, the German fleet and mercantile marine, Irag and Palestine. Some of these may be of doubtful value, and perhaps the fruit of Lloyd George admiring himself in the mirror of Bismark, but they are what we asked for.

The French, on the other hand, have had nothing but disappointments. Legitimate reparations were placed under a vast indemnity to fulfil Lloyd George's election pledges. In Europe the only country that has been restored is East Prussia, and the only country that has obtained security is Great Britain.

If the French were not convinced that Germany was trifling with them they would not have undertaken their difficult enterprise. It is probable the French understand the Teuton better than we do. At all events they have set out in quest of reparations. If they do not find them perhaps they will find security. They are entitled to both.

Now let me read to you a Canadian unofficial opinion from Mr. Wallace Nesbitt, of Toronto, a man whom every one in Canada has heard about. In a letter published in the Mail and Empire of February 21, 1923, he says:

A Bankrupt Government does not Mean a Bankrupt Country

Sir,—I see that various speakers are apparently seeking to create an impression of unanimity in the public mind that the entry by France into the Ruhr is a colossal mistake and may lead to war, and certainly cannot advance the obtaining of reparations justly due from Germany.

I am quite certain that these gentlemen probably are not as well informed as the French authorities, and are taking their cue from Lloyd George. The statements of that gentleman both before the Peace Conference, at the Peace Conference, and since, are not such as to warrant any great confidence in his judgment. I think most people agree that Germany has deliberately made herself bankrupt, so that she can with the gold in her possession discharge all her national obligations apart from reparations and leave her people practically free from the necessity of taxation.

The mistake, I think, that the speakers I refer to make, is in thinking that a bankrupt government means a bankrupt country. No doubt the Government in Germany is bankrupt, but everything points to the conclusion that German factories have not closed; many of them have extended their plants; there is practically no unemployment in Germany; their trade has gone up by leaps and bounds; their steamship companies, manufacturing concerns, etc., have paid off their bonded indebtedness, etc., and the French have apparently come to the conclusion that the country is perfecty able to pay if they realize that they are going to be compelled to pay; and I think I echo the sentiment of most people when I say that I hope that France, who must be thoroughly alive to the pros and cons of the situation, may turn out to be correct, and make the Germans come to the conclusion that they have to settle. I deprecate entirely the continual assertion and suggestion that France is in the wrong. It may be, and again it may not. People out here who know nothing about it should suspend judgment.

Yours, etc.,

(Sgd) Wallace Nesbitt.

Hon. Mr. GRIESBACH.

With regard to this amount of 32 billions which Germany by treaty is required to pay, and which my right honourable friend the other day said she could not pay, let me suggest two thoughts to the House. First of all, you must get used to big amounts in a discussion of this sort. Who would have thought in 1913 that Canada would raise 590,000 men, and expend in the war $2,000,000,000, and export from Canada $1,000,000,000 worth of war materials? Who would have thought that? Who would have thought that Great Britain herself would spend $25,000,000 a day for four years in the prosecution of the war? Again I say we must get used to big amounts.

People say that Germany cannot pay, and that the amount is too large. What they mean to say is this, that Germany cannot pay by means of the ordinary methods of taxation and finance. But this is an extraordinary case; this is not an ordinary case at all. Germany can pay, and Germany must be made to pay, and Germany must pay if her people sweat blood for the next fifty years in order to pay. That should be the attitude on approaching this question. The fact is that if she does not pay, then our friend and Ally France must sweat blood for the next fifty years. That is the alternative before them.

My honourable friend the other day professed to think—and there is a large school of thought officially of that opinion—that there are grave doubts as to whether Great Britain could pay the United States the $4,600,000,000 which she owes, the payment of which has been spread over a period of sixty-two years, or, as my right honourable friend pointed out, two generations. He expressed great doubt as to whether Great Britain can pay that, and he argues from this that Germany will find it impossible to pay $32,000,000,000. Well, let me say to my right honourable friend and to those who think as he does: Be of good cheer; lift up your hearts. If you seek for encouragement, for hope, or for inspiration in this matter, turn to France. Poor, broken, devastated, bleeding France—who, not in 62 years, not in two generations, but in three years, has from her own people and her own resources secured and paid, to make good the devastations wrought by Germany in France, not $4,600,000,000, but $7,500,000,000 France fights for her life in this matter, for her right to live and to survive. Unless those reparations are paid, the burden of this war will rest on France, who helped to win the war, and who was the aggrieved party from the beginning.

Fear that the Germans will come again must be removed if there is to be peace in Europe. You cannot have peace with nations

in fear. Fear makes war. Remove fear, and you ensure peace. The French are our friends and allies. They are linked to us by ties of honour and of interest ,and they are linked by ties of kinship to half the people of this country. They stand and they have stood between civilization and Bolshevism. By their unparalleled sacrifices and extraordinary exertions in the late war they have won our sympathy and our respect, and they are entitled to our loyalty. France to-day is still the France of Verdun and the Marne. Our dead and theirs sleep side by side. Seven hundred thousand white crosses mutely declare to all the world our unselfish devotion to their cause, which was ours. Ours is the friendship of a thousand undying memories of the tragedies and glories of the past.

France to-day fights for her life. Confident in the righteousness and justice of her cause, she moves steadily forward. She has counted the cost; she has made her plans; she will succeed—she cannot help but succeed.

In August of 1918 I had the somewhat unique privilege, as a Canadian officer, to command French troops. A secret relief was taking place, and as my battalions went out French battalions came in, and finally I found myself in command of six French battalions, with artillery and auxiliary services. My subordinate French commanders were aggressive, on the offensive, and the battle continuously raged. It no sooner died out at one place than it broke out in another. Frequently at night I would be awakened by the roar of the French artillery and the rattle of their machine guns, and the night sky would be illuminated by the flashes of the guns and the flares and signal rockets, and I would apprehensively, and nervously, perhaps, call out in soldier French to the French sentry who stood at the door of my shelter. "Planton!" "Mon Général." "Est-ce tranquille sur la ligne?" And my sentry would go up on the parapet, look over the top, survey the situation and make his report: "Très tranquille, mon Général." His answer was always the same, no matter how the battle raged. To him it was always "quiet on the line." I can recall him now as he stood at the door of my shelter in his horizon blue, and steel helmet, with his long rifle and bayonet—very alert, very erect and very serene—typical of the courage, the energy, the determination and the efficiency of his race. And I am wondering how it is with France. A great war is on again, and a great moral battle rages and great political guns are booming, with one eye on Europe and the other on the situation affecting their own political lives in the countries in which they live. An ill-informed press, quibbling lawyers, so-called experts in finance and economics, pacifists, defeatists, socialists, and communists have all joined their simian chatter to the general chorus. I am wondering how it is with France in this time of doubt and perplexity. Are her people torn by party strife? Are her public men divided? Has her incomparable army lost its old-time power? Is her morale endangered? And somehow there comes to me across the leagues that lie between, the answer of this gallant and sorely tried people, and the answer is in the tone and in the language of my French sentry on the plains of Amiens, serenely and proudly confident: "Très tranquille, mon Général."

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

PRIVATE BILLS

SECOND READINGS

Bill 26, an Act to amend the Act incorporating "La Société des Artisans Canadiens Francais" (English and French versions).—Hon. Mr. Boyer.

Bill 27, an Act respecting a patent of Hans M. Olsen and Esther Maud Butcher.—Hon. Mr. Macdonnell.

DOMINION LANDS (COAL) BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill E2, an Act to amend the Dominion Lands Act respecting the sale or other disposal of coal lands and coal mining rights.—Hon. Mr. Dandurand.

Hon. Mr. Bennett in the Chair.

On section 1—certain coal mining rights and coal lands in Alberta not to be disposed of without special statutory authority:

Hon. Mr. DANDURAND: Honourable gentlemen, I stated yesterday that when this Bill was referred to Committee I would move:

That a sub-committee be appointed composed of Sir James Lougheed, Senators Béique, Ross (Middleton), Lynch-Staunton, Pardee, Bradbury, Pope and the mover, for the purpose of examining into the legal effect of the present Bill upon the title to the said coal areas, the petition of right now pending before the Exchequer Court, and the opportunity of amending the said Bill after consultation with the Department of Justice.

I desire to make that motion, seconded by Hon. Mr. Watson.

Hon. Mr. BOSTOCK: I think I should rise to a point of order. If my honourable friend wanted to make that motion it should have been done, I think, when the motion was made

for the Senate to go into Committee of the Whole. I did not understand my honourable friend was going to make this motion for a special committe now. The usual procedure, according to May, I understand, is that when a motion for going into Committee of the Whole is read, it can be amended either by a motion to postpone the reference or by a motion for a special committee. This is not the time to do it.

Hon. Sir JAMES LOUGHEED: My impression is that His Honour the Speaker perhaps misapprehends the object of the committee. This committee I understand to be a sub-committee of the Committee of the Whole. The Bill has been referred to Committee of the Whole, which can now deal with it in whatsoever way it may choose. The committee elects to appoint a sub-committee for the purpose of inquiring into a particular branch of the subject. That sub-committee will report to the Committee of the Whole. So in my judgment the procedure is regular. His Honour the Speaker, I fear, is under the impression that the intention is to supersede the committing of the Bill to the Committee of the Whole.

Hon. Mr. DANDURAND: I have not examined the point raised by His Honour the Speaker. What seemed to be more logical was that the sub-committee should be appointed by Committee of the Whole, so that the sub-committee might report to Committee of the Whole. However, it is a question of procedure. I am sure we can always reach the end we have in view, even if we run foul of some rule or precedent.

Hon. Mr. BEIQUE: The objection would be well taken if the motion were to refer the Bill to an independent committee, a special committee of the House.

Hon. Mr. DANDURAND: Or a standing committee.

Hon. Mr. BEIQUE: Yes. But, as has been pointed out by the honourable gentleman on the other side (Hon. Sir James Lougheed), it is a sub-committee of the present Committee of the Whole; so the Committee of the Whole is still possessed, and will continue to be possessed, of the question, through its sub-commettee.

Hon. Mr. BOSTOCK: Perhaps the House will allow me to read what May says on the matter, at page 363 of the Twelfth Edition:

> On the Order of the Day being read for the Committee, it is moved in the Lords, "That the House do now resolve itself into a Committee upon the Bill," to which an amendment may be moved, that the House be put into Committee on a future day, beyond the probable duration of the Session, or that the Bill be submitted to a selected committee.

Hon. Sir JAMES LOUGHEED: This is not by way of an amendment.

Hon. Mr. DANDURAND: No.

Hon. Mr. BOSTOCK: But there is no procedure, that I have been able to find, whereby the Committee of the Whole appoints a sub-committee.

Hon. Sir JAMES LOUGHEED: This is not an amendment to the motion. The motion was to refer the Bill to the Committee of the Whole. That has been done. We are now sitting in Committee of the Whole. The Committee of the Whole elects to appoint some of its members to consider a certain phase of the Bill and report to it. When the report is ready the House will be again resolved into Committee of the Whole, the sub-committee will report, and the Committee of the Whole will consider the report.

Hon. Mr. BOSTOCK: I would like to look into the matter to see where the honourable gentleman gets his authority for such procedure.

Hon. Sir JAMES LOUGHEED: I would say it is a power inherent in the Committee itself. If an amendment were moved such as His Honour has just referred to, that would be of course an entirely different matter; but my honourable friend who has charge of the Bill (Hon. Mr. Dandurand), instead of moving the adoption of the first clause, has moved that the Committee of the Whole appoint a sub-committee to consider certain phases of the first clause.

Hon. Mr. BEIQUE: It is still under the Committee of the Whole.

Hon. Sir JAMES LOUGHEED: It is all committee work.

Hon. Mr. DANDURAND: We might proceed on my motion, and if His Honour the Speaker finds that we have erred, while his finding need not have effect upon our procedure of to-day, he may declare what is, in his opinion, the right procedure to be followed in future.

Hon. Sir JAMES LOUGHEED: I think it is very desirable that the matter be not deferred, because of the approaching adjournment, which will take place, I presume, on Friday. If we carried the motion for the appointment of a sub-committee to-day, it would permit of its being summoned to-morrow and possibly reporting to-morrow afternoon or on Friday.

Hon. Mr. DANIEL: Mr. Chairman, I take it that as this is a sitting of the Committee of the Whole, the matter must be decided by the Chairman and not by His Honour the Speaker. The Speaker will decide anything that is referred to him when the Senate is in Session.

Hon. Mr. BOSTOCK: I would explain to the honourable member that I have brought up this point of order in my position as a member of the Senate, not as the Speaker of the Senate.

Hon. Mr. BRADBURY: Honourable gentlemen, before this sub-committee is appointed I would like to appeal again to the honourable leader of the Government to see if he will not agree to broaden the scope of the committee. Some opportunity should be given in that sub-committee for us to find out who are the assignees of the Isenberg people, what their interests are, and how they acquired these interests. It is surely in the interest of justice and in the interest of the country that people should know whose these assignees are. According to the reference, if I understand it aright, we shall have no opportunity of making inquiries on these questions.

Hon. Mr. DANDURAND: But I would draw the attention of my honourable friend to the fact that those inquiries, if pursued, would lead us nowhere in our examination of the proposed legislation. I do not think that they would even have any bearing upon the suit which is now proceeding in court. So I cannot see how we are to couple these two matters.

Hon. Sir JAMES LOUGHEED: I would point out to the honourable gentleman (Hon. Mr. Bradbury) that every opportunity will be given hereafter to examine into any phase of this question. Immediately this sub-committee reports to the Committee of the Whole upon the particular question referred, the House will be at liberty to apppoint another Committee to deal with the matter in any other way. I think it would be unfortunate to confuse the functions of this sub-committee with powers which are not sought to be exercised by it. The object of the sub-committee would be to inquire into the facts touching the legislation which has been passed, the fiat which has been issued, and the relation of that fiat to the legislation upon the Statute Book, and to apprise the Committee of the Whole as to the legal situation of the entire question. In my own judgment I would not confuse that with the more extended inquiry which might possibly take place hereafter, and with which we have the right to deal.

Hon. Mr. DANDURAND: Question.

Hon. Mr. BEIQUE: An easy way out of the difficulty, I think, would be for the Committee to rise and report progress and ask leave to sit again, and make the present motion as an amendment to the motion to go into Committee of the Whole.

Hon. W. B. ROSS: I have been trying to understand this question about the lease, and I must say that up to the present time I am a little at sea. There is the question of the legislation before us, the legislation of last year, and the petition of right; and then, of course, there is the substantive question, the subject matter of which is the lease. I am somewhat of the opinion that in the long run perhaps the best thing to do would be to blot out the Act of last year, this Bill, and all the proceedings, and to re-vest that land in the Crown, and then deal directly with the legal rights of the lessees and do them substantial justice by returning the money put up by way of rentals, or improvements. But to clear the way for that I think it is important—and in this I rather sympathize with the honourable gentleman behind me (Hon. Mr. Bradbury)—to find out with whom we are dealing in the Petition of Right. Are we dealing with the representatives of Isenberg, or are they merely nominal petitioners in this Petition of Right? That is something which would affect the position which I would take in regard to the legislation in this House. I would be sorry to see Isenberg treated unjustly or even ungenerously; but I would have no sympathy whatever with speculators who were buying up what is practically a contingency for the purpose of speculation.

Hon. Mr. DANDURAND: Is not the suggestion of the honourable gentleman somewhat premature? Suppose a tribunal declared that the Isenberg leases had been justly cancelled, would not that end the whole matter?

Hon. W. B. ROSS: Not necessarily, because I think you still owe it to Isenberg to give him some compensation. I would try to arrive at that situation without any more ado and without further trouble. If you go to the Exchequer Court you have a long and costly trial, and in the end you only get to the point that I suggest getting to direct, namely, of re-vesting this land in the Crown and giving compensation to Isenberg. If you are going to send this to the sub-committee, I would like to see the words, "and the persons substantially interested therein", added. I

would like to know whether the persons substantially interested are Isenberg or John Smith. I am not speaking of the persons technically interested, but those who have a substantial interest. If it is necessary, I will move to that effect.

Hon. Mr. DANDURAND: This inquiry will have no effect upon the legislation which is proposed, and it seems to me that we are complicating matters. All these questions may well arise when we are facing an adverse judgment, which I hope will not be the case, on the petition of right. We shall have plenty of time. First, suppose there is a judgment against the Crown.

Hon. Sir JAMES LOUGHEED: When my honourable friend speaks of an "inquiry" what does he mean?

Hon. Mr. DANDURAND: The proposed amendment of my honourable friend will open the door to an inquiry.

Hon. Sir JAMES LOUGHEED: Not necessarily. I fancy the Petition of Right will disclose the information.

Hon. Mr. DANDURAND: We have that.

Hon. Sir JAMES LOUGHEED: I fancy the officials of the Department of Justice will be able to advise us of that fact.

Hon. Mr. DANDURAND: I cannot see it.

Hon. Sir JAMES LOUGHEED: It seems to me that the inquiry before the sub-committee which we have in contemplation now should have for its object the procuring of sufficient information to enable us, by means of intelligent legislation, to meet the situation that may arise.

Hon. Mr. BEIQUE: It may open a very large field which will demand a great deal of time. Are we not going back very much to the first inquiry that was made to the Committee of the Senate?

Hon. Sir JAMES LOUGHEED: No. That would be the subject of another inquiry.

Hon. Mr. BEIQUE: It is very much the same thing. I am merely suggesting, as the honourable gentleman did a moment ago, that time is of importance in dealing with this matter.

Hon. Sir JAMES LOUGHEED: Would it not resolve itself into the one inquiry as to whether the representatives of the Isenberg estate are to be the beneficiaries of this particular action which is now pending in the Exchequer Court, or whether they have assigned to other parties this alleged interest in the property? I do not go so far as to commit myself to the proposition made by the honourable gentleman from Middleton (Hon. W. B. Ross) that we should recognize the principle of giving compensation to Isenberg or anybody else, because the action of the Government in cancelling the claims may have been perfectly regular and justified. I think that is a matter which should remain in abeyance.

Hon. W. B. ROSS: The information I want ought to be obtainable from the representatives of Isenberg in less than five minutes It is going to govern me to a great extent.

Hon. Mr. DANDURAND: I draw attention to this situation. There are two matters occupying our minds. I am speaking as the representative of the Government responsible for these lands. Here is this legislation which seeks to limit the power of the Government in dealing with these lands in the future—which obliges it to obtain the sanction of Parliament before any lease is given or any disposal is made of these lands. Suppose the statement made by my honourable friend from Manitoba (Hon. Mr. Bradbury) were substantiated, that a syndicate had bought or had an option on the interests of Isenberg in case title to these lands were established, how could it affect the present Bill?

The other question that interests us is the judgment that may follow the examination of the claims of the petitioners. How would such information, even if it were disclosed, reach the court? It could not. The court is seized of the demand of the Hawaiian Trust Company, and whatever disposal the Hawaiian Trust Company may have made of its rights in the future the decision of the court would not be affected by any evidence given before or information obtained in the Committee. I do not see how this inquiry would effect either of those two branches of the case. The present legislation is for the purpose of putting these lands under the guardianship of Parliament.

Hon. Mr. GILLIS: I am inclined to think that this motion is entirely out of order. This Bill was referred to the Committee of the Whole House on the motion that the Speaker do leave the Chair. Under what authority has this Committee power to appoint a sub-committee to deal with the matter? If a sub-committee is necessary at all, why not appoint a special committee in the usual way? I am strongly of the opinion that we are proceeding irregularly.

The Hon. the CHAIRMAN: The honourable member from Kamloops (Hon. Mr. Bos-

tock) takes exception to the motion of the hon. member for DeLorimier (Hon. Mr. Dandurand) that a sub-committee be appointed by the Committee of the Whole. In support of his contention the honourable member for Kamloops quotes from page 408 of May's Parliamentary Procedure:

A Committee can only consider those matters which have been committed to them by the House.

I cannot see in this Bill anything that refers to the appointment of a sub-committee; so, unless it is the wish of the Committee to proceed in violation of that rule, I will have to rule that the motion is not in order.

Hon. Mr. DANDURAND: If that is the decision of the Chair, I will move that the Committee rise, report progress, and ask leave to sit again.

Progress was reported.

The Hon. the SPEAKER: Honourable gentlemen, the Chairman of the Committee of the Whole, to whom was referred Bill E2, an Act to Amend the Dominion Lands Act respecting the sale or other disposal of coal lands and coal mining rights, report that they have made some progress, and ask leave to sit again. When shall they have leave to sit again?

Some Hon. SENATORS: To-day.

Hon. Mr. DANDURAND: I think the better form will be for me to move that the Bill be again referred to the Committee of the Whole, and my honourable friend from De Salaberry (Hon. Mr. Béique) will move in amendment that it be referred to a special committee. I move that the Bill be referred again to the Committee of the Whole.

Hon. Mr. BEIQUE: I move in amendment:

That all the words after the first "the" in the amendment be struck out and the following words be substituted therefor: "said Bill be referred to a Special Committee for the purpose of examining into the legal effect of the said Bill upon the title to the said coal areas, the Petition of Right now pending before the Exchequer Court, and the opportunity of amending the said Bill after consultation with the Department of Justice; such Committee to be composed of Hon. Messrs. Bradbury, Dandurand, Sir James Lougheed, Lynch-Staunton, Pardee, Pope, Ross (Middleton), and the mover."

Hon. W. B. ROSS: I move in amendment to the amendment, that after the word, "Court," the following words be inserted: "and the persons substantially interested therein".

Hon. Mr. DANDURAND: I have stated that I did not see where this amendment would lead us. Personally I have no objection to enlarging the inquiry, but I cannot see where it will lead us, or what effect it will have upon this Bill or upon the court action; but if my honourable friend insists upon finding who are the substantial owners of the claim of Isenberg, I have no special objection to it.

Hon. Sir JAMES LOUGHEED: It may not take five minutes.

The amendment to the amendment was agreed to, and the amendment, as amended, was agreed to.

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

THE SENATE

Thursday, March 22, 1923.

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

Prayers and routine proceedings.

HURDS POINT PIER

INQUIRY

Hon. Mr. MURPHY inquired of the Government:

1. What amount of money was voted by Parliament in 1922 for repairs and extensions to Hurds Point Pier, P.E. Island, and what was the the amount expended?
2. Who was foreman of repairs and how much was his daily wages. How many days did he work and what was the total received by him for his services?
3. Are the repairs and extensions on this pier completed.

Hon. Mr. DANDURAND:

1. (a) $4,500, (b) $3,830.42.
2. (a) John Davison, (b) $3.50 a day for 13 days and $4.50 for 56½ days, (c) 69½ days for which he received $299.75.
3. No.

RAILWAYS AND CANADIAN PORTS

DISCUSSION AND INQUIRY

Hon. CHARLES E. TANNER rose in accordance with the following notice:

That he will call attention to the reports current in the newspaper press to the effect that the Government of Canada is preparing to embark on railroad building in the United States, by constructing projected Southern New England Railroad (an undertaking of the Central Vermont Railway which is a part of the G.T.R. System) and the creation of Providence, R.I., as a terminal port of the Canadian National Railways and will inquire:—

1. If it is the present intention of the Government to proceed with the construction of projected railroad.
2. Whether such projected railroad would mean the establishment in the United States of another terminus of the Canadian National Railways which might become a competitor for Canadian business with Canadian ports.

3. How far the projected railroad would compete, if at all, with St. John, N.B., and Halifax, N.S., for Canadian trade inwards, or outwards. Or in any way divert continental trade from Canadian ports.

4. Whether the projected railroad would only handle trade originating within the United States territory, or to be delivered only in United States territory.

5. What the present policy of the Government is in regard to such projected railroad.

He said: Honourable gentlemen, I believe my honourable friend the leader of the House is not prepared wth answers to these questions to-day, but I have a few remarks to make about them, and it may be of assistance to my honourable friends if I make my remarks to-day. The answers or the return could be brought down at a later date.

My attention was drawn to the subject-matter of these inquiries by an article which I read in the Boston Transcript of the 15th of March, the present month, which I am going to take the liberty of reading to the House:

Our Canadian Railroad Builders

Introduction of a bill in the Rhode Island Legislature extending for two years the time allowed for the construction of the Southern New England Railroad is accompanied by the promise that if the bill is passed the road will be constructed as authorized. Mr. John S. Murdock, vice president of the Southern New England, makes the statement that "it has been definitely and finally decided by the management of the Central Vermont and Grand Trunk Railways to proceed at once with the construction of the Southern New England Railroad, and to push the work to completion." If Mr. Murdock is correctly informed, the Canadian Government will, if it is given the authority, embark in railroad building in New England. The projected Southern New England Railroad is an undertaking of the Central Vermont, which is owned by the Grand Trunk, and the Grand Trunk, as part of the Canadian National Railways, has passed into the control of the Dominion. It is, in effect, therefore, the Canadian Government that asks for more time in which to construct this railway in Massachusetts and Rhode Island.

Such a venture runs counter to a policy of separation that has been openly advocated in parts of Canada. It is only about three months since Lieutenant Governor William R. Pugsley of New Brunswick urged that the Grand Trunk be made an exclusively Canadian railroad, even if, in order to do so, it must be shorn of its terminals at Portland and Chicago. He deprecated a condition in which roads entirely in Canada were compelled to operate in competition with roads with terminals in the United States. "The only way to solve that problem to the satisfaction of the people of this country," he declared, "is to get rid of that part of our railway which has Chicago as its western terminus and Portland as its eastern terminus."

It is hardly necessary to add that Mr. Pugsley did not ignore the fact that the lopping off of Portland from the Grand Trunk system would result in sending more export and import traffic to St. John and Halifax. But now, instead of a programme of abandonment of tracks in the United States, the Grand Trunk is represented as planning an extension of its New England lines. It would retain its ocean terminal at Portland, and through its ownership of the Central Vermont, establish another at Providence, in addition to the Central Vermont terminus on Long Island Sound at New London. The news is hardly likely to be received with enthusiasm in the Maritime Provinces.

But promises of railroad extensions are, of course, to be received with reservations, even if made in all sincerity. In this case there may be development of hostile sentiment in Canada that would bring the scheme to an end, were there no other obstacles in the way. But whether the Canadian Government builds a road to Providence or not, the request for legislation in Rhode Island may be taken as confirming the common-sense view that the Grand Trunk has no intention of interfering with its own prosperity by listening to the appeal of Lieutenant Governor Pugsley and abandoning its New England holdings, including its ocean terminal at Portland.

Honourable gentlemen, I am not making these inquiries in any spirit of criticism of the Government, but am prompted by a desire to get information. For all I know of the subject, this enterprise spoken of in the Transcript may be a perfectly legitimate enterprise and one to which the people of Canada might properly be committed. I am not saying one thing or the other on that aspect of the matter. I am simply seeking knowledge, and I am seeking it because I have observed that this matter has received very wide consideration in the Maritime Provinces. There has been a good deal of discussion of it in the newspaper press, and it has also been discussed in the Legislature of New Brunswick. There is a desire on the part of everyone to know precisely what the proposition is—how far it will or will not affect the interests of Maritime Province ports particularly, and Canadian ports in general, and how far it will affect, if at all, Canadian trade passing through Canadian channels. It is therefore, as I say, in that spirit that I am submitting the questions, and I have thought it would be desirable that I should make this statement before my honourable friend is supplied with the answers, in order that the Government may know exactly the attitude I am taking in regard to the matter.

I want to say, however, that there is good ground, so far as the Maritime Provinces are concerned, for being on the alert and for being suspicious in regard to movements which may affect the transportation of freight into and out of Canadian ports. It is a matter of common knowledge that at the present time a large part of the winter freight, grain particularly, goes to Portland instead of to St. John or Halifax. In fact, Halifax receives practically none of that freight. St. John receives a small part, but Portland appears to be the outlet for a very large proportion of Canadian trade.

It occurs to me just here that when, a month or two ago, that remark was made by Hon. Mr. Pugsley, who at that time was Lieutenant-Governor of New Brunswick, comments on his address were made in several New England papers, and the attitude they assumed was

certainly not very consoling to Maritime Province people. I distinctly remember that one of those newspapers went on to say that the statement of Hon. Mr. Pugsley was nothing more than political "bunk"; that it was the kind of political "bunk" which had been fed out to the people of Canada for 20 or 25 years in respect to railway extension and the Canadian trade through Canadian ports. It went on to say that, no doubt, after the Lieutenant-Governor's speech had been read and considered for a few weeks, and after there had been perhaps some talk in the Canadian Parliament on the subject, it would be relegated as usual to the dump-heap, and Canadian trade as usual would pass out at United States ports. I say that that attitude was rather provoking to people in the Maritime Provinces.

While dealing with this matter I wish to say that Maritime Province people, in my judgment, have some reason to complain in regard to railway transportation and the export of Canadian produce outward and the receipt of goods for Canada inwards. I desire for a few moments to recall to this House some of the assurances which were given to the Maritime Provinces during that period of time when the Grand Trunk Pacific and National Transcontinental Railway projects were under consideration in this Chamber, as well as in the other. I am going to quote a few extracts from the Senates Debates of 1903. I think it is well that honourable members who are now in this Chamber should be familiar with the inducements that were held out to the Maritime Provinces to support the construction of those lines and the expenditure of enormous sums of money.

Hon. Mr Scott, who was then the leader of the then Government in this Chamber is quoted at page 1363 of the Senate Debates of 1903 as saying:

> Therefore it is to our interest if we are going to develop our maritime ports, if we are going to have that grain go east through Halifax and ports along the St. Lawrence to do something in order to induce it to go there.

A little farther on he said:

> If we are going to sit idly by and see that most important trade, a trade for which we have been straining the financial energies of this country for so many years go from us simply because we are timid about opening up this new country, then we shall have ourselves to blame for it.

A little farther on, the honourable member for De Lanaudière (Hon. Mr. Casgrain), who is still a member of this honourable House, joined in the declaration by saying:

> I believe on the contrary that if there ever was a time, as the honourable Secretary of State has said, when such a road should be built, it is at the present moment, as I will proceed in a few moments to prove.

—which he proved, I need hardly say, at very great length.

Then, I observe, the honourable member from Queens (Hon. Mr. King) vigorously supported the measure on the ground that it was going to carry the trade to Halifax and St. John. The late Hon. Mr. McSweeney, who represented a New Brunswick division, was also of the same mind; and the late Hon. J. D. McGregor, who came from Pictou county, described the road as a necessity. Then, another eminent member, who has passed to his reward, Hon. Mr. Edwards (Rideau), interrupted a speaker to interject the remark, a very potent remark for Maritime people:

> It will be the means of bringing American grain through Canadian channels.

And my honourable friend, the present leader of the House (Hon. Mr. Dandurand), is recorded in Hansard at page 1547 as expressing general principles to which, I am sure, we will all accede:

> I have heard the argument outside of this House and in this House that we are assuming a formidable burden. It is true that we will advance the money and make the outlay, but I contend it represents no burden upon the people outside of the first years during which we will have to pay interest, because we will receive in interest as much as we will pay for the amounts borrowed, and when the fifty years are over we will stand not with a property which will have depreciated, but which will, on the contrary, have doubled in value.

I do not know that my honourable friend would speak in just those terms to-day.

Hon. Mr. CASGRAIN: Certainly.

Hon. Mr. TANNER: He was very firm, at any rate, in promoting the passage of the Bill in respect to the undertaking to which I have referred.

Hon. Mr. DANDURAND: I have still 30 years to go.

Hon. Mr. TANNER: A few moments later the same honourable gentleman made this remark:

> It is the duty of the Government to provide for the future, and the party in power to-day is willing to be judged by the future as to the wisdom of this important undertaking.

I do not know that my honourable friend (Hon. Mr. Dandurand) would like to step on the scales to-day if the Transcontinental project were put on the other side of the scale.

The honourable member from De la Durantaye (Hon Mr. Tessier) made a statement in which he emphasized the Maritime point of view in a few words. He said:

> It seeks to render equal justice to the Maritime Provinces who have had a right to complain in the

past, and it assures the construction of a line from the tide waters of the St. Lawrence at Quebec to the Prairies of the Northwest.

The honourable member for De Salaberry (Hon. Mr. Béique) took a very important part in the discussion on that occasion.

Hon. Sir JAMES LOUGHEED: All guilty.

Hon. Mr. TANNER: And he proved, to his own satisfaction at least, that those would be splendid undertakings for Canada and that the cost would be a mere trifle. He went on to say (page 1650):

I shall have occasion to show that, irrespective of the interests or requirements of the Grand Trunk Railway, the country cannot afford to wait, that it is most urgent to enlist the co-operaion of the Grand Trunk Railway as soon as possible to develop the northern part of Ontario and Quebec, of Manitoba, the Northwest Territories and British Columbia, and of the Martime Provinces.

And a few moments later he said:

Therefore, I say that the Maritime Provinces have in this Bill the best guarantee that all proper efforts will be made to carry western traffic to their ports.

I am not quoting in full, but honourable members who look at page 1656 will observe that the honourable member for De Salaberry went into an illuminating review of the clauses of the contract to prove that the guarantees of the Grand Trunk would not favour American ports against Canadian ports.

Last of all, I come to the distinguished member from Portage la Prairie (Hon. Mr. Watson), who on that occasion had a vision.

Hon. Sir JAMES LOUGHEED: "Without vision the people perish."

Hon. Mr. TANNER: He said:

I trust that in the near future we will see the completion of this road, and we will have, as stated by the honourable gentleman from Lincoln, a Government road from the Atlantic to the Pacific entirely in Canadian territory. It will be the means of opening up and developing large territory to the north. It will double the size of Canada; it will reduce railway rates and give the relief demanded by the people of Canada, and give it at little or no cost to the resources of the Dominion.

Hon. Sir JAMES LOUGHEED: No wonder the Bill went through.

Hon. Mr. TANNER: I thought it might be of interest to give this brief review of those historical remarks. I may add to this evidence on behalf of the Maritime Provinces this further fact, that one of the last acts of the Laurier Administration in 1911 was to constitute the Canadian Northern Railway an ocean-to-ocean system. That work was completed by the enactment of Chapter 6 of the Statutes of 1911, whereby provision was made for a grant to cover the territory between Montreal and Port Arthur, 1,050 miles, the subsidy given being $35,000 per mile.

Hon. Mr. CASGRAIN: No, no. It was a guarantee, not a subsidy.

Hon. Mr. TANNER: Well, a guarantee; that is the same thing.

Hon. Mr. CASGRAIN: Oh, no.

Hon. Mr. TANNER: We had to pay it. But the point I am calling attention to is that this grant of a guarantee was made for the purpose of developing commerce through Canadian ports.

Now, to sum up briefly. The Maritime provinces have for 20 years waited, and are still waiting, for the fulfilment, even in part, of any of those bright promises which were made in 1903. We have the Transcontinental railway to Moncton, and the Grand Trunk extending westerly, and we have the Intercolonial as well, but we see no sign whatever of the Canadian trade coming from the West and passing through the Maritime province ports, as we were given to understand it would. We have to sit by and watch a large part of it going out by Portland, and naturally we are very anxious to know whether in connection with this new project in respect to which I am inquiring there is any intention of establishing a railway which will take still more Canadian business into United States territory and through United States ports.

Not only are we in the Maritime provinces waiting for the fulfilment of some of these assurances, but we are in a worse condition because we find ourselves practically tied up in a knot by the prohibitive railway rates on the Intercolonial railway system. My honourable friend from Portage la Prairie (Hon. Mr. Watson) assured us in 1903 that we would see the country's population doubled and a reduction in railway rates. The Western provinces may be getting that; but I want to point out to the Government that business and industry in the Maritime provinces are stagnated to a large extent simply because the principal purposes and ideas which were behind the construction of the Intercolonial railway have been entirely lost sight of, and that, instead of having reasonable or differential rates which previously existed in respect to that line, we have to-day practically prohibitive rates.

I am not unmindful of some of the remarks that were made on another occasion, when Maritime province people were advised to get busy. I want to say that the Maritime province people have been interesting them-

selves in this matter, and have been endeavoring to urge upon the Government of the day the great necessity of dealing with this question of transportation, not only with regard to freight rates but with regard to Maritime ports.

I am not unmindful of the fact that the present head of the directors of the Canadian National Railways has expressed very great sympathy with Maritime interests, and we are looking hopefully for sympathetic consideration on his part. We are quite willing to accept him at his word, that he will look carefully into Maritime province conditions, and that whatever is humanly possible he will do in order to afford relief from the present onerous conditions.

But, with regard to the question of freight rates, I apprehend that Sir Henry Thornton or his Board of Directors have really very little to do. I apprehend that this question is right up to the Government of the day. If I am not mistaken, the Railway Board has no jurisdiction over the rates on the Intercolonial railway. In any event, as I see that matter to-day, the question of railway rates from one end of this country to the other is up to the Government and up to this Parliament, for this reason, that last year this Parliament, at the instance of the Government, simply ripped up the statute which created the Board of Railway Commissioners and took out of the hands of that Board the matter of fixing rates, when it enacted the legislation with regard to rates in the Western provinces. If I may use the word, it usurped the jurisdiction of the Railway Board; took back the jurisdiction it gave to that Board in 1902 or thereabouts; and invested itself again with the authority and power to regulate railway rates. So I say that the Maritime province people are looking to the Government of the day, because that Government has assumed jurisdiction in this regard, for relief from the prohibitive railway rates which are practically paralysing trade in the Maritime provinces at the present time. The Government cannot undertake to invade the territory of the Railway Board in the interests of one province, and refuse to stay within that territory, after having invaded it, in the interests of every province. They must treat all alike. If it is right to give the prairie provinces legislation in respect to railway rates, it is only—

Hon. Mr. WATSON: The honourable gentleman has referred to the Crowsnest rates. The Railway Commission never had any power in regard to those rates.

Hon. Mr. TANNER: That makes no difference to me.

Hon. Mr. WATSON: The Railway Board never had any power to regulate the Crowsnest rates. They were only suspended for three years.

Hon. Mr. TANNER: But the Crowsnest rates could have been referred by the Government to the Railway Board, and the Railway Board would have dealt with the whole situation. Then the Eastern provinces would have recived relief as well as the Western provinces. Instead of that, my honurable friends, having legislated for the West, cannot refuse to legislate for the East.

There has been some talk about the interest displayed by Sir Henry Thornton, and I repeat that we are expressing every confidence in him. We are expressing that confidence even in regard to the disputed question of the construction or enlargement of the hotel system of the country. Notwithstanding the remarks of my honourable friend who spoke on another occasion with reference to the hotels (Hon. Mr. Reid), I believe we have some reason to think that Sir Henry Thornton will take a businesslike and fair and equitable view of the situation, and will decide either that the hotels managed by the National Railways are good or are not good. If they are good business ventures, he will continue them, and enlarge them; if they are not, he will close them all up—because I presume he will not expect the country to pay deficits for hotels in one province and deny to another province the privilege of a hotel, and refuse to pay the deficit for that. All we ask for the Maritime provinces is a square deal with regard to hotels, railway freight rates, ports, and Canadian freight going through Canadian ports.

Hon. Mr. CASGRAIN: Will the honourable gentleman tell this House why his own friends, when they were in power for ten years and more, did not do for the Maritime provinces what he is still waiting for?

Hon. Mr. TANNER: I could ask my honourable friend many questions like that. I could get up a long list of questions asking why his friends did nothing for the Maritime provinces between 1896 and 1911. Both parties have neglected the Maritime provinces, but the time has now come for looking after those provinces, and I hope I shall have the assistance of my honourable friend in doing so.

Hon. Mr. DANDURAND: My honourable friend has travelled pretty far away from the questions which he put on the Order

Paper—so far away as to reach the Pacific, and to take us back to the time when the Transcontinental was under discussion in this Chamber. I have only this to say for myself, that I believe I made no promise to the Maritime provinces at that time. My interest was to bring the Transcontinental to a deep-water port, and that was Quebec. I knew that the Maritime provinces would take care of themselves, and try to have the line carried further, which they did as far as Moncton.

My declaration was that within 50 years we would show that our policy was based on sound principle. Let my honourable friend rest assured that, so far as the Transcontinental is concerned, Quebec province will do its part, filling with its own children the whole of the Transcontinental belt from Quebec as far as Ontario, and past it.

Coming back to the questions of my honourable friend, I draw his attention to the fact that the Southern New England Railroad belongs to the Grand Trunk Railway System, which expended considerable money upon construction of this line towards Providence, Rhode Island. Steps must be taken to conserve the interests of Canada, since through the acquisition of the Grand Trunk System we have assumed the enterprise. I know that this matter has seriously engaged the attention of the new Railway Board and of the Government. I am not now in a position to tell my honourable friend the conclusions that have been reached; but let him rest assured that this matter is being looked into with a single eye to the interest and welfare of the finances of Canada.

Hon. Mr. ROBERTSON: While the honourable leader of the Government is making inquiry into that question, may I call his attention to this fact. A number of years ago, when Mr. Charles M. Hays was president of the Grand Trunk Railway, the construction of this road was undertaken, and subsequently abandoned upon the direction of the Board of Directors in England, who came to the conclusion that it was a losing venture, and that they might better throw away the money they had already spent than to carry it to completion. I dare say there is some desire on the part of the State of Rhode Island to make Providence the terminal instead of New London, Connecticut, as is the case at present; but I respectfully suggest to the Government that it is a question that will bear very careful investigation before coming to the conclusion to spend any more money on that property.

Hon. Mr. DANDURAND

DIVORCE BILL

FIRST READING

Bill X 2, An Act for the relief of Violet Gardiner. Hon. Mr. McCall.

EUROPE AND THE LEAGUE OF NATIONS

THE DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of the Right Hon. Sir George E. Foster:

That he will call the attention of the Senate to conditions in Europe and the work of the League of Nations and will ask the Government if it will lay on the Table the Report of the Canadian delegates to the third Assembly of the League of Nations.

Hon. C. P. BEAUBIEN: Honourable gentlemen, the discussion on this matter has already brought to this House two very valuable contributions. We had yesterday a clear, incisive, moving speech, which to my mind could be delivered by no one better than the honourable member for Alberta (Hon. Mr. Griesbach), who went overseas in fulfilment of his duty toward his country, and has returned with as many decorations as any soldier ever won on the field of battle during the last war.

The mover of this resolution, with his masterful speech, has of course surprised nobody. He has taken us with a stroke of the wing of his marvellous oratorical power to very great heights, and from there has bidden us look down on Europe, broken, shattered, bleeding from the war, and making difficult efforts to regain its feet and continue on its journey.

I have no claim such as the orators who have preceded me. Still it seemed to me, honourable gentlemen, that the picture portrayed to us from the heights to which the member for Ottawa (Right Hon. Sir George E. Foster) attained needed perhaps to be completed by another picture, this time a very different picture—a close-up picture—of certain facts and certain figures which I trust will not be found useless in drawing the proper conclusion from this discussion. In that connection I pray that the House will allow me to cast a close retrospective glance on that broken Europe of which the honourable gentleman from Ottawa has spoken so eloquently. But before we descend from the heights to which he has lifted us by his magic power and while we still look down on broken, shattered, bleeding, desperate Europe, I want to put this simple question: Who is responsible for it?

This question having been put, allow me briefly to tell you, from the economic point

of view—because that is what we are specially discussing to-day—what the result of the war has been for France. I will not repeat the loss of men—a million and a half; more than three million wounded. No; but I want to call yeur attention to what that means from the point of view of economics, from the point of view of labour. It means that half the men at the height of their virility have gone—that one of every two men between the ages of 21 and 42 is dead in France. Gentlemen, if that was the case for Canada, how do you think our industries could be carried on? How do you think our fields could be tilled?

What was the position of France from the industrial point of view at the end of the war? Let me put it briefly. Eighty-five per cent of the industrial equipment of France was gone—had been systematically destroyed by the German scientific boards of destruction—when spared by shells or mines. For France as for Belgium, the Germans had boards of destruction who went behind the lines and made sure that France would be made truly the land of the abomination of desolation.

France at the end of the war wanted to protect such blood as was left in her veins. She wanted the left bank of the Rhine; nobody contests that. Did she get it? No. Why did she not get it? Because England and the United States said to her: "Do not exact that." Anglo-Saxon opinion weighed heavily with her because on the one side France saw security for her children, perhaps the only way left to protect the survival of her race, and on the other side were two kindly but strongly restraining powers saying: "Don't; we will come in if necessity ever arises again, and throw in the balance the weight of our swords." But what has come of that? You know: I need not say.

That is not all. France said to the Allies: "Look at my eleven departments, with not a stone left on stone. Look at the three millions of my children—not a roof left over their heads. I do not demand the cost of the war, which you, my friend across the Channel, or you, my friend across the Atlantic, are asking me to pay. I am willing to refund to you the cost of the war, which I do not exact from Germany, but at least I must have reparations. Who is going to rebuild? Who is going to start the machinery of life again? I cannot afford to do it."

And what happens? The reparations, which were fixed at 266 billions of gold marks, were reduced to 132 billions of gold marks. Here may I ask, was Anglo-Saxon opinion treated lightly? Did France say no, or did France say: "Yes, I am willing." And did she stand by what she said?

But let us proceed. France has waited a long time for reparation. What did she get? I will come to the exact figures in a moment; but for the time being let me tell you that France did not get one farthing which was applicable to reparations: all that she has got is the cost of the maintenance of her army on the Rhine, not of her army in the Ruhr. More than that, France has not received one penny of the advances made by her to Germany on coal. But let that go also. France had to rebuild or partially rebuild the devastated regions. Everybody knows that she has spent to date for that purpose roughly 100 billion francs. France has taxed her people roughly 400 per cent more than the Germans have taxed themselves.

Let that go also. But may I ask you to fix your attention on one fact. Do you know that even if Germany pays all that she owes France for reparations, the Frenchman's burden of national debt will still equal that of his German aggressor. And when can France expect the Germans to pay?

In the punishment of criminals has France received satisfaction? In delivery of materials and labour has she received her due? In the matter of disarmament has she received at least a promise of security?

More than four years have gone by. Side by side with this picture let me place another. What do we see in a close-up picture of Germany? We see that when the Germans are taxed one pound the English people are taxed twenty pounds; we see that Germany with such light burden has not one chimney damaged, not one manufactory stopped, while France, with 85 per cent of her industrial life gone, bears four times as heavy a load.

What else do we see? We see that gold from Germany has been given wings to fly across the frontier, and that it has found shelter in the Bank of England, and in the banks of Switzerland, of the United States, of practically the whole world. We find that the iron barons and the coal princes of Germany have depreciated the mark in order to accumulate for themselves vast amounts of money outside of Germany, so that every day as the mark goes down that money thus salted away and protected in the vaults of foreign countries acquires a greater and greater purchasing power in Germany.

What have we seen besides? We have seen that Germany, after sending out of the country all the gold that could be exported, has

found another means of putting her assets beyond the reach of the French people. What has she done? She has given the following subsidies: during 1921, to the marine, 11 billion marks; during the same year, to the railways, 16 billion marks; to the construction of canals, 42 billion marks. Honourable gentlemen, can you conceive of a country which lifts her hands up to Heaven and pleads for help and claims that she is a pauper, reduced to bankruptcy—(unfortunately her appeals sometimes find an echo in hearts that may be too soft)—can you conceive of a country in such a plight building a canal 400 miles in length for the purpose of uniting the Rhine with the Danube, and the Danube with Lake Constance, for the purpose of taking boats of no less than 1,500 tons?

No other country in the world has since the war built so many and such costly public works as Germany. Nobody can contest that. And pray remember that every mark that went into those public works, as it became incorporated in them, was freed from French seizure. What can France do with a canal —destroy it? What would its destruction give to French creditors? Nothing.

But that is not all. Some of the German people in humble circumstances saw enormous fortunes being accumulated by Mr. Stinnes and Mr. Thyssen and the like and they complained to the Government. What happened? The Government opened widely the doors of civic employment. How many civil employees did Germany have in 1913? She had 189,918. In 1922, she had 2,300,000.

That is not all. Money easily made is easily spent. The Volksblatt of Wurtemberg published quite recently an article stating that in 1921 the German people had spent no less than fifty billion marks for drink and tobacco alone. Fifty billion marks, honourable gentlemen—enough to build 250,000 houses for the poor people who are now homeless in the devastated regions of France.

Now let me turn to some other things which to my mind are still more indicative, not of Germany's poverty, but of her prosperity. In a report made in 1922 by the Commercial Secretary of the British Embassy at Berlin Mr. Thelwall gives the number of corporations constituted as follows: in 1920 there were 1,500; in 1921, 1,800.

Then take the amount of capital invested in them. In 1920 it was eight billions; in 1921 it was 25 billions. But, you will say, this is due to the fact that the mark has fallen in value. Just wait. Take the building of ships, for instance. In 1913, not including war ships—there are no war ships built in Germany now—Germany built 440,000 tons of shipping; in 1921 she built 550,000 tons. She constructed in 1913, both for war purposes and for the ordinary mercantile marine, only 523,000, while in 1922, according to the honourable gentleman from Alberta (Hon. Mr. Griesbach), she constructed no less than 575,000 tons. But let that go.

Now, shipping is a pretty fair indication of the prosperity of a country. What about Germany's shipping? At the ports of Rotterdam and Hamburg, according to a booklet published by our own Department of Trade and Commerce, and to which I refer honourable gentlemen, shipping has returned to the level of the period of prosperity prior to the war, and in some months of last year even surpassed the figures established during those earlier years. But that is not all. Last year the increase was forty per cent. If that increase continues, what will be the result by the end of this year?

Let me go further. Bankruptcies are a pretty good indication of the poverty of a country. In bad times many weak enterprises, even some that are strong, totter and fall. In 1914 there were 7,739 bankruptcies. In 1921 there were 1,324, and in 1922, 2,975. It may be worth while pondering over these figures.

The objection has been made, honourable gentlemen, and it has some appearance of truth, that although a nation may be composed, at least in part, of prosperous individuals and of private firms which are doing an excellent business, the Government may be in bankruptcy. The condition of the mark is given as an evidence of that. I have taken some little trouble to ascertain to what extent that is true, and would like to direct your attention to what happened on the 8th of February last—which is not very far back—and postdates the occupation of the Ruhr. It so happened that certain industries of medium financial strength were handicapped in their exportations. Of course, I do not refer to the Ruhr barons. These gentlemen had provided for themselves by selling to us and the rest of the world a paper money that they knew would very soon be without value. That was their way of milking the entire world for their own benefit. But the small manufacturer had made no provision outside of Germany, and he had to pay in marks at the prevailing rates. So pressure was brought to bear on the Reich, and the question was asked the German Government: "Are you not going to make some sort of an effort to stabilize the mark?" Then two very important commissions of the Reich,

one on economics and the other on finance, suggested, first, that it would be very helpful indeed if speculation on the mark could be repressed; secondly, that income and sale taxes should be diligently collected by the Government; and finally that the Government should redeeem with gold at least a portion of its paper money The Government took the matter up, and what was the result? On the 31st of January last, one dollar was equivalent to 48,077 marks. On the 16th day of February, eight days after the German Government made the first move, the mark had risen to such an extent that $1 was worth only 15,000 marks, and on the 17th, even with the expected reaction, it did not go beyond 19,000 marks. What is the rate to-day? Twenty-five thousand marks instead of 48,000. Is not that an indication of Germany's ability to pay? I submit that it is.

But perhaps you think that Germany made a supreme effort in order to obtain that result. Let me tell you what effect it had on the Reichsbank. Firstly, the gold deposit of the Reichsbank was not diminished by one mark. Secondly, the deposit in gold in the Bank of England remained untouched. Thirdly, the credits of the Reichsbank on the 31st of January, 1923, were 698 billion marks, and on the 17th of February following 901 billion marks. The advances on goods on the 31st of January, 1923, were 95 billion marks, and on the 17th of February, 1923, they were 122 billion marks.

The honourable member from Edmonton (Hon. Mr. Griesbach) mentioned yesterday the statement which Mr. Otto Kahn made in New York only a few days ago, to the effect that one-quarter of the gold reserve held in Germany at present could redeem every mark issued by that country. That authority is, it seems to me, worthy of serious consideration.

The point I desire to make is that Germany is not poor, Firstly because her working classes are not suffering from unemployment. Everybody in Germany is working. Nobody disputes that statement. Secondly, that she exports enormously. Thirdly, that she is spending more on public works than any other country in the world. Fourthly, that if the German Government itself appears to be financially weak, it is extraordinary—it is miraculous—to see how, with a little determination, the Germans can bring back the value of their mark.

Before leaving this phase may I ask you, honourable gentlemen, to consider on the one hand the condition of France? Utterly despoiled, staggering under the load of a tremendous debt, France is faced with bankruptcy, which would mean the repudiation of her debts to the people, from without as well as within her territory, who had trusted her. To those who stretched out a helping hand to France and said, "We trust you and we will lend you our money,—even to her own children, who in many cases gave to her all they had—she would, if bankrupt, be compelled to say: "I am sorry, but I have to repudiate the debt.' That is the position on one side. On the other you have a country rich and prosperous, a country that has been spending freely, a country that can, when it so desires, re-establish its finances on a sound basis. France knows that much better than we do. France has had experience of that for four years. What was France to do? She had to do something. She could not go into bankruptcy. What other alternative was open to France?

In order to corroborate what I have told you of German prosperity, would you allow me to cite to you a statement which Sir William Joynson-Hicks, Secretary for Overseas Trade, made as recently as March 1:

> Sir William hinted that a threat to British shipping was coming from Germany, whose mercantile marine, which had been reduced under the Peace Treaty to 400,000 tons, would total two and a half billion by the end of this year. Many people failed to realize that Germany was not a poor country.

Now, honourable gentlemen, will you allow me to give you briefly the history of the reparations? It can be done in a very few minutes.

At the first meeting of the Allies at which the reparations question was discussed, the opinion prevailed that Germany could pay 15 billion dollars. The proportions in which this amount was to be meted out to the nations who had suffered devastation were as follows: France, 75 per cent., or 11 billion dollars; Great Britain, 8 per cent., or 1 billion dollars; Italy, Belgium and the rest of the nations, 17 per cent., or approximately 3 billion dollars.

Unfortunately this first suggestion was not carried out. Gen. Smuts, at the request of Mr. Lloyd George, introduced a new element, that of pensions and separation allowances. The reparations required of Germany consequently grew from 15 billion dollars to practically 33 billion dollars; but, observe, France's proportion fell from 75 to 52 per cent., while Great Britain's was increased from 8 to 22 per cent., and the proportion of the other countries rose from 17 to 26 per cent., the proportions being 17 billion dollars to France; 7¼ billion to England, and 8¾ billion to the other nations.

Then came the Paris Conference of 1922. What happened at that Conference? Two things happened. First, the suggestion by Mr. Bonar Law that the amount of German reparations be reduced. The amount proposed was 10 to 12 billion dollars, but not one word was said of any variation in the proportions allotted to the different countries. What would be the result for France? Whereas France at first was to have 75 per cent of a certain amount, then 52 per cent of a larger amount, her proportion would still be 52 per cent, but of a much smaller sum. The result was that France would finally get 6¼ billion dollars, faced as she was with a debt to England and the United States of no less than 7 billion dollars, not to mention at all the amount spent or to be spent for reparations. That is one of the reasons why France could not agree. That payment could not save France from bankruptcy and permit of her continuing the restoration of her devastated regions.

There was another proposition discussed, and this concerned the control of German finances. I understand from certain articles and speeches that England said to France: "Why do you not listen to us? We have been friends. We have been through the greatest of calamities together. We are going to give you the best possible advice. Be patient. Go slow. Wait. We shall get reparations sooner by our process than you could ever hope to get them by force. And one of the reasons why we shall succeed is that we are to control German finance."

The French people took up the ultimatum served upon Germany on the 5th of May, 1921, and they said to Mr. Bonar Law: "But you have already created a system of control. What about that Committee of Guarantees, composed of one member from each of the Great Powers and three members selected by the other nations, to which the United States, if they so desired could add their nominee?

What does that document say? It says that the Committee of Guarantees is vested with all the powers necessary to see to it that every source in Germany indicated to be tapped for the payment of reparations is closely controlled by that Committee. But why did it not work? Because the Allies were face to face with a nation of sixty million people all conspiring with their Government, to be dishonest—to get out from under their obligation to pay.

I have here the clauses of the Treaty which gives this Guarantee Committee power to Act. One of the clauses from which they derive their power is, I think, so wide that it relieves me of the necessity of quoting the other. The Committee have to see to it that Article 241 of the Treaty of Versailles is executed:

> Germany undertakes to pass, issue and maintain in force any legislation, orders and decrees that may be necessary to give complete effect to these provisions.

The Treaty of Peace, as everybody knows, stipulated that Germany would be held to the payment of reparations. All laws and decrees of Germany in this respect were placed within the jurisdiction of this committee composed of representatives of practically all the Allies. If that Committee should not function, do you think that the French people, who have had to bleed themselves almost to death, and have waited four long years, beholding always misery on their side, but happiness and prosperity on the other, could derive much comfort from the vague promise that another Committee of Control should be created? If the new committee worked no better than that which already existed, what then? Where could it seek more power? All the nations were represented on the Committee of Guarantees. What would be the source of additional power for this new committee? There would be none. Do you think that the French people had any alternative? Were they not forced to protect what was left of their country's vitality, her wealth and her powers of recuperation? It was with extreme regret that France differed with Great Britain, as was apparent from the last conversation between those two earnest men—one side Poincare, who in his position of trust sought to protect the interests of his country, and on the other side Bonar Law, a man born in this land, who has brought to the Old Country the clear-cut, forceful frankness of speech which, thank goodness, characterizes our people. Those two representatives agreed to disagree. When Mr. Bonar Law shook hands with Mr. Poincare, he did not say to him: "I regret that you do not follow my advice because you do not attach to it the importance you should." No. He said: "I regret my friend, that we cannot see eye to eye, but in the course which your conscience dictates I wish you God speed."

The right honourable gentleman who brought up this subject stated, and rightly, that if France so desired the League of Nations might intervene and lend their good offices. The right honourable gentleman said, and he was right, that what an enemy of a nation could not do might be accomplished by the dispassionate action of an independent party. I agree with the right honourable gentleman in the case which he cited. I regret

that I cannot agree with him so far as Germany is concerned. The right honourable gentleman cited the case of Austria. I have been to Austria very lately, at the same time as my right honourable friend, and I witnessed there the conditions which he has so vividly portrayed. They are exact. But when we come to ascertain whether or not Austria is in the same position as Germany, as regards applying the same remedy, it seems to me that it would be easy to show that no parallel could be drawn between the two cases.

Allow me to put before you the situation of Austria, prior to and since the war. In 1900 Austria had a population of 45,000,000 in round figures, and after the treaty in 1920 but a shade over 6,000,000 people. The area of the dual monarchy which before the war exceeded 263,000 square miles, was reduced to 30,000 square miles. Before the war Austria-Hungary produced 52,000,000 tons of coal; now she produces but 6 per cent of her own needs. Before the war she produced all the food that she required; now, by working hard, she can produce only enough food for every other day. She has lost the following territories: Hungary, Galicia, Bohemia, Croatia, Bosnia. What is left of her shipping power? She has lost her seaports, Fiume and Trieste, and must ship by the Danube, the Black Sea and the Bosphorus. Gentlemen, look at that unhappy country now, with only six million population, two and a half million of whom live in Vienna. It is a country with a head shorn of all its members. How can a country in that state be otherwise but helpless? And even those people are described as being sweet-tempered and kindly.

Do I need to make any comparison with Germany, shorn only of Lorraine with its two million people? Not a factory destroyed; not even able to contract debts in foreign countries during the war because she was hemmed in from all sides, with all her reserve power with all her accumulated wealth, with all her pride, with all her spirit of vengeance. Do you think that any committee of the Allies, could replace the Government of Germany? Do you think that the Allies could to-day obtain from Germany that she would step down from her sovereignty, and do as Austria did? In one day Austria passed through both of its legislative Houses a law by which both were deprived of power, which, for two years was transferred to one dictator, Mr. Zimmerman. How long would the poor Frenchman have to wait in order to witness the soul of Germany change to that extent?

Now, gentlemen, I want to submit to you this fact—that the invasion of the Ruhr in itself did not seem objectionable to England. It is the advisability of carrying it out at present which is doubted. It is very important, it seems to me, not to forget that. The process is recognized as perfectly legitimate, but the opportunity of applying the process is disputed. In other words, you have a criminal who fully deserves punishment; but it may perhaps be thought advisable to apply it at a later date. Will you allow me on this point to cite an authority which I trust everybody will accept without challenge? On the 5th of May, 1921, Mr. Lloyd George had to speak to the German nation pretty sharply. In the name of the Allies, and particularly the great powers, he submitted an ultimatum to Germany. Now, this is what Mr. Lloyd George said on that date to the House of Commons in explanation of the action of the Supreme Council in this respect—I quote from the Hansard of the House of Commons 1921, volume 141, page 1280:

> The Prime Minister: This morning at the request of the Supreme Council, I handed to the German Ambassador the demands made on behalf of the Allied Powers. We had considered three questions—first of all, the amount which it was fair to extract from Germany—the capital amount and the annual payment. We considered that carefully and conscientiously, and with a sincere desire not to impose anything which was harsh, brutal or unfair even upon an enemy. I believe we have been fair. I believe we have been just. I believe, on the whole, taking all conditions into account, we have been considerate, because the burden is still a burden for France: it is still a burden for us. The wounds of France are still bleeding the devastated regions are still there, they have still to be rebuilt. The burden of pensions is one which is bearing heavily year by year on us. Therefore, it is not unfair to ask Germany to pay. We are not asking her to pay past debts, we are asking her to pay debts which we have to face year by year in each country. The first question was the capital amount. The second was the method of payment. The third was the guarantee for payment, and the last was the acceptance by Germany of these terms. . . .
>
> I am very anxious to deal fairly with Germany and with her leaders. Their task is not an easy one. . . .
>
> Therefore, when we talk about "compelling Germany to pay" and about using coercive measures, it is really compelling the German people to face disagreeable facts, and they will not do that unless the alternative is more disagreeable. You cannot expect them to do it. There are newspapers in Germany. There are newspapers even in Germany which only give one side of the facts. Therefore, you have to bring them face to face with a more disagreeable alternative, and that is why we discussed that question. We realized the difficulties of German statesmen, anxious to deal with these questions, anxious to make proposals. I have no right to say that they were convinced that these proposals ought to be made. I do not think I am far wrong in saying so; but, knowing their position, they could not do so until the Allies said to them, "Unless you do it, this is what will hapen." It is a good thing for the German people themselves to be brought up sharp, and to be told firmly and distinctly that unless they accept this, the Allies must and will take action. I am not talking the language of menace, but only of practical common sense, which is not always the same thing. This is the document—and I think I may read it to the Committee—which I handed this morning on behalf of the Supreme Council to Mr. Sthamer:

"The Allied Powers, taking note of the fact that, in spite of the successive concessions made by the Allies since the signature of the Treaty of Versailles, and in spite of the warnings and sanctions agreed upon at Spa and at Paris, as well as of the sanctions announced in London and since applied, the German Government is still in default in the fulfilment of the obligations incumbent upon it under the terms of the Treaty of Versailles as regards (1) disarmament; (2) the payment due on May 1st, 1921, under Article 235 of the Treaty which the Reparation Commission had already called upon it to make at this date; (3) the trial of the War criminals as further provided for by the Allied Notes of 13th February and 7th May, 1920; and (4) certain other important respects; notably those which arise under Articles 264 to 267, 269, 273, 321, 322 and 327 of the Treaty, decide:

"(a) To proceed forthwith with such preliminary measures as may be required for the occupation of the Ruhr Valley by the Allied Forces on the Rhine in the contingency provided for in paragraph (d) of this Note:

"(d) Failing the fulfilment by the German Government of the above conditions by the 12th May, to proceed to the occupation of the Valley of the Ruhr and to take all other military and naval measures that may be required. Such occupation will continue so long as Germany fails to comply with the conditions summarised in paragraph (c)."

This is the document, signed by the representatives of all the Allied Powers, which I handed this morning to the German Ambassador.

That shows the attitude of the British Government which preceded that of Mr. Bonar Law. It seems to me very clearly shown that all the allied powers, without exception, speaking through the mouth of the representative of Great Britain together pronounced that punishment, and their decision was a just one, and it would be visited on Germany if within eight days she did not comply.

Allow me, honourable gentlemen to pause here just one moment. When Lloyd George so spoke—his voice carried the weight of the decision of all the Allies. But when he said to the German people, "You need to be brought up sharp, and we will act"—do you think his words were empty words? Or were they calling for sincere action from the German Government? Would Mr. Lloyd George have said in the same breath to the German Government: "I hand you this; give us your answer without fail within eight days, but, of course, if you don't carry out your undertaking, we shall not interfere; what we want is your signature; what we want is your promise; if you betray your signature, or if you are false to your promise, we shall not remonstrate." Is that reasonable, or conceivable? No. All the nations there insisted that Germany should be made to bow to the decision of the Allied powers, and not merely act as she so frequently did during the war in the trenches—throw up her hands and say ,'Kamerad!" just for the purpose of obtaining some respite, and then, when opportunity offered pick up her gun and shoot to kill.

Hon Mr. BEAUBIEN.

Therefore, when Germany said she would comply, all the Allies thought, and honestly thought, that she would. But did she? That was on the 5th of May, 1921. Did the French Government for two years take it upon itself to act alone? No. Why? Was not the restraining effect of Great Britain felt with all the weight that it deserved? Could France do more, after seeing those terms violated day after day, month after month, year after year? Still waiting, could she do more? I leave it to you to say.

But has the British Government changed its mind on the subject? Allow me to cite another authority, which I think nobody will contest.

Quite recently, in an address at Canterbury, Mr. Ronald McNeill, Under-Secretary of State for Foreign Affairs, makes it quite clear that the British Government does not expect to get anything from the Germans that the Germans can get out of giving. It is not a case of misplaced confidence, and the British plan leaves little if anything to that unknown quantity, the good faith of the German Government. That plan, if adopted, would establish Allied supervision of the whole financial administration of Germany—

That is Mr. Bonar Law's plan—

—and would continue such supervision until the restoration of the German credit. That time having arrived, if the Germans still attempted to dodge their obligations, Britain would join with France in such measures as France is now employing. Of the present situation, Mr. McNeill says that "if by any extraordinary chance" the French should succeed, "no one would be more pleased than ourselves"

I think I can rely on those authorities to say that there is nothing illegal, nothing objectionable, in the move which France has taken. On the contrary, that move had been dictated in advance by all the Powers in one document from which they cannot withdraw their signature.

Let me pass to another point. Is it a practical move? I have heard a great deal about the impossibility of France thereby accomplishing anything whatsoever, and time and again we have been served with the good old story of the goose with the golden eggs—"Don't kill the goose that lays the golden eggs". Honourable gentlemen, might I not retort that France has been very considerate of that German goose? France waited for four years for one egg, and did not get it. Is it not time now that France should pen in that goose a bit, or tie a string to its leg? Can it do that? This is what I want to submit to you.

Strange to say, Providence has very deep plans, and sometimes they appear in all their lucidity, to the astonishment of individuals and nations. The Germans did many heinous things in France, but the worst of all was when they went down to the coal mines of

France and systematically destroyed them, blew them up, flooded them, so that their power to produce would be stemmed for years and years to come. What can you do without coal? What can you do without motive power? Nothing; so the Germans went along and said: "Not one shovel of coal will you get out of those mines for 10 years." But gentlemen, what do we see now? We see the coal fields of the Ruhr, the richest in the world, except those of Pennsylvania, in the hands of France. What a happy chance, that this little strip of land 15 miles wide by 30 long, bounded by two rivers, abutting upon territory already held by France, should contain coal by the millions and billions of tons, and should be so easily held against aggression. Is not that a fitting compensation by Providence for the utter destruction of the French mines?

Let us see what the Ruhr is. The Ruhr has a population of 4,000,000 people. It has 11 cities of over 100,000 people. Of a total of 191 million tons of coal for all of Germany, in 1913 the Ruhr produced sixty per cent, or 114 million tons. The Ruhr has the greatest gun manufactory in the world. The Ruhr district is the greatest producer of by-products for explosives. It produces potash to the extent of 3,918,000 tons as against a total of 604,000 tons in Alsace-Lorraine, which is considered the richest country in potash. In 1914, the Ruhr turned out 6,610,000 tons of pig iron, and in 1913, 9,000,000 tons. Of steel, it produced in 1914, 8,420,000 tons; and in 1913, 10,000,000 tons. It supplied in 1913, 200,000 tons of ammonia, 500,000 tons of tar and 50,000 tons of benzol. Forty per cent of all the iron and steel used in and exported from Germany comes from the Ruhr. There are no better salt mines in Germany than there are in the Ruhr and there are no better textile industries than can be found in that district. The Ruhr has 887 stock companies all absorbed by 13 trusts, all financed by one consortium, at the head of which are Krupp, Stinnes, Thyssen and the like.

Now, before considering my statements in regard to this marvellously rich country, so exceptionally equipped for industrial or war purposes, and which is, first, the power-house, secondly, the arsenal, and, thirdly, the chief place of business for Germany—before weighing my conclusion that while France has her hand on the Ruhr the Germans have to come to her or face the disagreeable alternative of honestly paying their debts, listen to what Mr. Lloyd George said in the House of Commons in England on the 5th of May, 1921:

> The Committee will allow me to point out exactly what the occupation of the Ruhr means. Before the war, the output of coal in the Ruhr valley was the largest production obtained in any single coal field in the world. It was considerably over one hundred billion tons. It contains every quality of coal for every conceivable purpose for which coal can be used. Two-thirds of the whole of the German iron and steel production is in the Ruhr valley. The importance of the region may be gauged by the fact that, even last year, 25,000 railway trucks, each of fifteen tons, loaded every day in the Ruhr—double the number of goods trucks handled daily by the whole of the Nord railway in the great industrial area of France. During the war the Ruhr valley was Germany's greatest arsenal for guns, for shells, for gas; and the industrial development of south Germany depends almost entirely upon the coal of the Ruhr. With the Ruhr gone, industrial Germany withers; it cannot exist. The Committee, therefore, will realize the alternative which is presented to Germany.

Let me also give you some further evidence which can be accepted at par. Mr. Briand, like his predecessors, had listened very considerately to the advice given by the Allies. One day the whole of France stood on the brink of disaster, and one man said: "We have gone far enough: we cannot go any further." That man was Poincare. Mr. Francois Marsal, who was M. Briand's Minister of Finance and fell from power with the latter when the policy of France was changed, states:

> The entire German industry is dependent on the Ruhr valley for its raw material and equipment in the same manner as German agriculture for its potash and azote fertilizers. Without the Ruhr, the vitality of industrial and agricultural Germany must ebb out. The proprietors of this domain are the masters of Germany. They are now holding the liquid assets of the German republic, which amount to hundreds of billions, and are stored away in gilt-edge securities in London, Amsterdam, New York, Chicago, Copenhagen, etc.

In order to bring my remarks to a practical conclusion, I desire to discuss with you another phase of this question. Even though France is right, even though she has a solid grip on Germany, can Germany possibly pay the amount of reparation claimed from her? In this regard I am afraid I will have to differ with the honourable gentleman who brought this matter before the House, and I do so with all possible respect. It will be for you to say whether I am right or wrong.

What is the reparation debt which Germany has to pay? On the 5th of May, 1921, it was fixed at 132 billion gold marks. But how was it so fixed? There were three series of bonds, the first two amounting to 50 billion gold marks. The third bond, for 82 billion gold marks, is held in reserve. There they are put aside in case Germany in later years should be able to pay. It was right, honourable gentlemen, that Germany should not be judged by her present capacity to pay. The Allies rightly and wisely said to her: "We know how your industry has been developed, we know how your commerce has been spread throughout the world, and we will

wait; but when the time comes, we, the victims, will judge you again; and, as you will never be able to pay everything you owe, we will again assess your capacity to pay." For that purpose bonds for 82 million gold marks were placed in escrow.

But what is Germany obliged to pay now—because it is now that she shows her willingness or unwillingness to pay? Germany has to pay six per cent interest on 50 billion gold marks. In 1921, besides that, she was called upon to pay another billion of gold marks; which I believe she did pay. But for this year, and for years to come, what is she obliged to pay? She is obliged to pay, not, $1,920,000,000, but $720,000,000. And how is she to pay? She was told: "You will pay in cash or specie 2 billion marks, and besides that 26 per cent on your exports. But the ultimatum contains a clause—the document was published in the Times of London of May 26th, 1921, and anyone who wishes may see it—in which it is clearly stated that Germany's obligation is limited to the payment of interest and sinking fund on the 50 billion gold marks of outstanding bonds, which does not exceed $720,000,000. I do not want to create any misapprehension in the mind of the Senate by changing from dollars to marks, so I will endeavour to convert the figures into dollars. Germany had therefore a reparation debt of 50 million gold marks, which, roughly speaking, is equivalent to twelve billion dollars; and, in order that her financing should not suffer too much, she was told: "You can pay that two billion gold marks, or $500,000,000 in cash, and the balance at the rate of 26 per cent on your exports. When you have done that, until we ascertain that your power to pay justifies our intervention, we shall ask no more."

As I said a moment ago, I regret that I have to differ with my honourable friend from Ottawa (Right Hon. Sir George E. Foster) on such an important point, the interpretation of the document itself. But what can I do? I may be in error. If I am, the document is there and the Senate can judge me. Now, what does that document mean? To my mind it is very important that we should know what it means. With his wonderful talent for making things live and move before our eyes, the honourable gentlemen said: "Just look at England: she has to pay from $161,000,000 to $175,000,000 a year to the United States, and that is all she can carry." It seemed to me that the honourable gentleman's magic had imparted a tremendous importance to the sum in question. Then I reflected, and said to myself: "What is the budget of England?" I found that for this year it will total between four and four and a half billion dollars. Then I further reflected—that 160 million dollars equals four per cent of that amount, or even less. Of course, such amounts have only a relative value, and I am trying to make a close-up comparison for you and for myself.

Let us take the case of Canada. We too have been at war. We increased our debt enormously during the war, and a very respectable authority indeed, Mr. Coats, claims that we spent in that respect no less than five billion dollars. It is sufficient for us to know that we have increased our debt to the extent of two billions of dollars. But what is our population compared to that of Germany? Germany has more than seven times the population of Canada; Germany is a country in which there is accumulated wealth and wonderful machinery of all sorts to coin money. At the same time, she has got as large a territory as we have to administer and develop. It costs a tremendous amount of money to govern this country, extending as it does for three thousand miles from one ocean to another. Per capita this additional expense is tremendous. Let me put this one question to you. We, unfortunately, have a terrible deficit on the railways. It reaches $100,000,000 and perhaps more. I am not sure that my honourable friends opposite have given us the worst picture of it. Do we Canadians throw up our hands and weep and tear our hair because we have to pay $100,000,000 a year? Or do we not simply face the situation which we cannot help and try to discharge our obligations? What are 700 million dollars for Germany? Not as much as 100 million to us, honourable gentlemen. That is the real truth; and the Germans squeal and proclaim they are incapable of such an effort.

Since the month of March last year the Reparations Commissions have said to Germany that they will not insist upon collecting the 26 per cent due on their exports. What are the obligations which face the Germans now? Only $500,000,000 a year. Let me tell you what they have paid since the month of March last. Then perhaps you can make up your mind whether they deserve sympathy or not. I quote from the Star of February 24, 1923:

> The French official figures place the total amount paid by Germany at 1,889,000 gold marks in cash and 3,954,000 gold marks for deliveries in kind. The value of the Saar Valley mines, placed at 300,000,000 gold marks, is not included in these figures.
>
> Of the above amounts, says the statement, France received 1,779,000,000 gold marks in cash and kind, or, with the Saar mines, a total of 2,079,000,000 gold marks.

That means in all four billion gold marks for deliveries in specie, in coal, in lumber, in labour, etc. Germany has found the means of paying practically the same as we do on our railway—a little over 100 million a year.

Permit me now, honourable gentlemen, to quote from one of our most reliable newspapers to show how France has acted. Often the action of France has been described very unfairly. It may not be done intentionally. It is said that France has gone into Germany for the purpose of conquest, and that she has been brutal. No, honourable gentlemen, France has gone in there and established a cordon of customs officers purely and simply for the purpose of collecting the tax that I have mentioned. Part of that tax should have been paid to the German Government, but it was not paid, and the coal barons of the Ruhr were allowed to escape it. Where did the difficulty come in? Will anybody deny that the difficulty was entirely due to the German Government subsidizing the men to throw down their tools or to go slow—to ca' canny. Is it not a fact that the President of the Republic of Germany passed a decree whereby every man helping the French was considered a spy and subject to imprisonment for life? Notwithstanding it all, how did the French people behave? I quote from the Gazette of March 16th, 1923:

> Despite the coercive measures needful and applied by the French occupying forces during the early stages of the operations, no intimidatory acts of violence were committed such as would have characterized the German methods under similar conditions. The Germans know full well why the French have occupied their territory. France wants to be paid, and as the Ruhr district, in which the army of occupation has now a good foothold at Dusseldorf and elsewhere, is the headquarters of ten or twelve industrialists who rule, directly or indirectly, but absolutely, the economic destinies of Germany—that is why France values the occupancy of the Ruhr. Most of the wealth of Germany is held by a small group of men not very heavily taxed who have, till recently, been able to dodge their own government, but now, unluckily for themselves, have fallen into the hands of the French, who are sufficiently wicked to demand reparations from those who can pay them. The French are not hurrying matters in the battle of the Ruhr, matching German stubbornness with French tenacity, and by their patience, moderation and determination, worrying the German mentality.

By way of contrast let me tell you in just a few words what happened in 1870. What were the orders of Bismarck when he invaded half the departments of France and held them under his iron heel until France should pay—in gold, mind you; not in coal, not in lumber, not in labour, but in gold. Why did Bismarck demand payment in gold? Because Bismarck had been told that France could not pay in gold. What were the orders of Bismarck? Here they are:

> In the occupied territories, we will send flying columns towards the localities that do not show themselves submissive, and we will shoot down, hang and burn. A few good gallows would also produce much effect, so would some shelling and the burning of a certain number of houses.

Compare the present treatment of Germany by France with the treatment meted out by Germany to France in 1870. Let me revert to the penalty that Germany imposed upon France at that time. I will not take long. I would ask those who are anxious about Germany's ability to pay, to remember that France, with one-half the population of Germany, paid the indemnity of 1870 with money which was worth at least five times what money is worth to-day. France for three years paid at the rate of 333 million dollars a year; that is to say, she paid a billion dollars in three years. Ignore that. Forget the difference in population and the difference in the value of money, and listen to this. In 1873, when M. Thiers appealed to his countrymen to subscribe 3 billion francs, the amount required to chase the Germans from French soil, how much do you think the French people subscribed? Forty-three billion gold francs, equivalent to 8½ billion gold dollars, an amount which would now suffice to pay everything that Germany is required to pay for some 15 years to come. Is not that an answer to those who say: "Poor Germany! Do not bleed Germany to death. Be careful of the goose that lays the golden egg."

Are there any signs to encourage those who desire France to be successful? As recently as the 16th of this month, according to the Star, Germany applied to England to intervene—for what? For a settlement? Yes, for a settlement. Germany was told to go direct to France. What does that signify? Is the Ruhr remedy working or is it not?

On the 17th of the present month, that is, only last Saturday, what did I see in the Montreal Standard? This telegram from Washington:

> Germany has officially laid her case in the Ruhr crisis before the United States Government, it was learned authoritatively to-day.
>
> A communication from Berlin, outlining in a general way, how far Germany is willing to go to bring an end to the Ruhr occupation, was placed before Secretary Hughes by the German embassy here to-day.

What does that mean? Is Fritz coming to a better frame of mind or not? Is the occupation of the Ruhr producing results, or is it not? I leave the question to you, honourable gentlemen?

Just one more thought, The opinion has somehow been spread that France has been generally condemned in England and in the States for her action in the Ruhr. Well, hon-

ourable gentlemen, will you allow me to quote a few opinions in this respect? I will give you, not my own impression, for, although I may frankly say I have followed this question very carefully, my opinion would not be better than that of any other member of this honourable House. I think it would be difficult to obtain a better or sounder opinion than that which is found in the Star of March 3rd. It is this:

The important statement by Mr. George Mure Ritchie, the great ironmaster and director of collieries and mines—

It is such men who are shipping coal to Germany now and benefiting by the occupation of the Ruhr.

—on the subject of France and the Ruhr and its bearing on British industry, was discussed far and wide in business and industrial circles.

As Mr. Mure Ritchie stated, there is a very general agreement on the main question. Leaders of industry believe that France is taking the only possible step to secure payment by Germany and prevent a worse war, that she is winning, and that it is a misfortune that Britain is not acting with her.

I read Mr. Mure Ritchie's statement with great interest, said Sir Robert Hadfield, the great Sheffield steel manufacturer and inventor. I agree with him that the German magnates are feathering their nest and France had to act. I think it is very unfortunate that we are not acting with her. That would, I believe, have ended the struggle. Germany would have given way.

I think there are few people in England who are better informed than Lord Rothermere. He is a power in the newspaper world of the United Kingdom, a man of undoubted integrity, a man respected by all. What does he say? I quote from an interview given in the Sunday Pictorial and reproduced in the Standard, of Montreal:

In some quarters we are told that France is thrusting a torch into a powder magazine and that the consequence of her action will be an explosion which will convulse all Europe. My view is, that on the contrary, the stern measures now adopted by the French will hasten the conclusion of a stable and lasting European peace.

We should try to put ourselves in the place of France, and to understand the French point of view, never forgetting that the French are pursuing our interests as well as their own.

The British plan, submitted at the recent Conference in London and Paris, was to give Germany almost complete relief from any sort of payment for the next four years, after which the Allies were to trust to German honor to begin paying up.

In effect this plan allowed Germany another four years in which to contrive and plot further schemes for evading any and all payments.

My object is to explain to my countrymen the motives which inspire France at this critical juncture. While our Parliamentarians have paltered with the German problem, and have sought to excuse Germany's most wilful default, France has taken the only logical course to make Germany pay. She has acted with intrepid courage and great circumspection. She has studiously avoided giving needless provocation in the Ruhr. She is furthering our own true cause, and therefore, I may say in all sincerity: "Hats off to France!"

I cannot think that French action will have the alarming results predicted, and prefer to hold, as a business man, that it will expedite the general pacification of Europe, which would never have been hastened if we had all sat down and awaited Germany's mocking pleasure for another four years.

May I quote just one American authority—I think it is worth mentioning. The Outlook, of New York, of January 31, 1923, contains the following in an editorial:

France has much stronger support in American public opinion for her action in seizing the Ruhr Valley in Germany than we supposed she had. When we stated in The Outlook for January 17 that France was both legally and morally justified in taking the action she has taken, practically the only expression of opinion that indicated the general sentiment of the country was the resolution of the Senate urging the withdrawal of the American troops from the Rhine, and that resolution indicated, so far as it indicated anything, that Americans generally did not approve of the French action and perhaps did not understand it. Since then we have telegraphed to every State of the Union seeking from trustworthy sources expressions of opinion upon the seizure of the Ruhr. The replies from our inquiry indicate a very widespread understanding of the situation and a predominant sympathy with the cause for which the chief advocate to-day is France.

May I ask you to accept, as the last authority, one from Germany? This is an opinion given by no small politician; it comes from Mr. Loebe, whom I had the pleasure of meeting in Vienna. He is the Speaker of the Reichstag, a man respected in public life, a man holding a very high position now. This is taken from the Washington Post of February 6th, 1923:

Sees Opposition Hopeless.

The new twist of the thumbscrews adds to the force of President Loebe's recommendations. Loebe, himself, in a speech at Breslau has confirmed publicly his statements on Thursday. He prophesied that practically every German would be convinced before the end of February of the situation's hopelessness with no help obtainable from America, England or neutrals.

Hopes based on Russia, he said, were sure to involve Germany in unsuccessful wars in the east and west. The Cuno cabinet, which adopted the policy of resistance, he said, would have to undertake negotiations to end the conflict which undoubtedly would lead to a capitalistic fusion of the Lorraine iron and the Ruhr coal interests. The socialists' duty was to see that the bill was paid and that pledges for enforcement were supplied by the Westphalian industrial magnates and not by the workmen.

Urges Negotiations.

The Prussian minister of the interior, Herr Severing, who is a socialist, also advocated negotiations. He declared the time was ripe but at the first possible opening negotiations must be seized upon.

Is the remedy of the Ruhr an effective one? I leave it to you, honourable gentlemen. Last autumn I went to Hungary, and also to Austria, and for a whole day I travelled through the southern part of Germany, and I cannot tell you the impression produced on me. It was the most beautiful country, the richest country, that I hope ever to set eyes upon—an immense sweeping

valley cultivated as I had never dreamed land could be cultivated; the fields with all the hues of gold falling from the hills all covered with forests. Never have I seen forests like those of Bavaria-Wurtemberg—immense trees all kept in perfect order, untouched for generations; while we, because of our heavy indebtedness, cut our trees at a terrible rate, and nobody dare stop the destructive activity, because we must pay the interest on our debt; because business must go on; because we cannot stop the life of the country. I saw towns by the score, enormous towns, every few miles, with chimneys belching forth clouds of the black smoke—of activity and prosperity. There was construction in every line, everywhere.

Then I journeyed to France, and it so happened that I went to Soissons, to Rheims, and to Verdun, as I do every time I go to France. One afternoon I stood on Fort Douanmond and looked down at Fleury, where 400,000 Frenchmen had died—a town without even the trace of a stone to indicate a foundation. Everything had gone. But that was not what seized me most and impressed me most: it was a humble chapel near by called the ossuary. You know what an ossuary is. When the French pick up scattered bones, and cannot identify them, but only know they are those of French soldiers, they deposit them piously in this ossuary. Those who have lost their sons at Verdun but know not their resting place, go in reverend pilgrimage to the ossuary to pray. I saw old men and old women plodding sadly to the ossuary, heavy with grief and anxiety. As I looked at them I could not help seeing far beyond France's dark horizon the land of the murderer with its golden rays of sunshine, its land rich, its fields beautiful, its forests such as we perhaps never have known in Canada; I saw towns happy and busy; I saw the only people in Europe who seem free from care, prosperous, and happy. Then I truly understood France's point of view.

I trust, honourable gentlemen, that the facts and figures I have given you may to a certain extent at least enable you to understand how it is that the poor old Frenchmen, painfully climbing that hill in a pious pilgrimage, truly represents the entire French nation. He has suffered everything. He has gone through the valley of death and desperation; and, after four years of patient waiting, at last he can no longer endure, and he has started, with little Belgium, to climb the arduous pass leading to the summit where he hopes to find at last a little sunshine of happiness, peace and prosperity for his land.

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

DIVORCE BILLS

SECOND READINGS

Bill N2, an Act for the relief of Emily Margery Chrimes.—Hon. Mr. Green.

Bill O2, an Act for the relief of Lyle Johnson.—Hon. Mr. McCall.

Bill P2, an Act for the relief of Annie Belle Wilson.—Hon. Mr. Willoughby.

Bill Q2, an Act for the relief of Henry John Burden.—Hon. Mr. Hardy.

PRIVATE BILLS

SECOND READINGS

Bill 3, an Act respecting The Royal Guardians.—Hon. Mr. Casgrain.

Bill 13, an Act respecting the Nipissing Central Railway Company.—Hon. Mr. Gordon.

Bill 32, an Act to incorporate The Alert Guarantee Company of Canada.—Hon. Mr. Crowe.

Bill 36, an Act respecting The Quebec Central Railway Company.—Hon. Mr. L'Espérance.

Bill 38, an Act respecting The Essex Terminal Railway Company.—Hon. Mr. Pardee.

PUBLICATION OF DIVORCE PROCEEDINGS

REPORT ADOPTED

Hon. Sir JAMES LOUGHEED moved the adoption of the 24th Report of the Standing Committee on Divorce, in the matter of the recommendation that Rule 135 of the Senate relating to Divorce be amended.

He said: This report recommends that the rules of the Standing Committee on Divorce be amended to permit of power being given to the Senate to deal with the publication of evidence taken before the Divorce Committee in the case of such being published.

Since Confederation the sittings of the Divorce Committee have been held in camera, and, while the evidence has been published in full for the information of the members, it has always been presumed that this evidence would not be seen by the public, so that it could not appear in the press. Very recently, however, one paper has begun to publish the evidence in extenso. Now, it would be a contradiction to say that the Committee should hold its sittings in camera, and yet that the press should publish the evidence in full; consequently it will be necessary to do one of two things—either to throw the proceedings of the Committee open to the public, or in some way to prevent the pub-

lication of the evidence, by the press or otherwise. It has been found, however, that the proposal to amend the rules would not be effective to carry out the purpose we have in view. The Criminal Code, through a rather ample provision, has permitted all the proceedings in either branch of Parliament, or before any Committee, to be published at length. Therefore, it will be necessary, in my judgment, and in the judgment of the Divorce Committee, to amend the Code, rather than the rules of the Committee. A recommendation has been made to the Government that the Code should be amended so as to prevent the publication of evidence taken before the Divorce Committee. That, of course, would not prevent the press from publishing the proceedings of this Chamber with regard to what the Committee may recommend, or what the Senate or the House of Commons may do with reference to any particular Bill. The only object in view is to prevent the publication of the evidence at length. I understand that my honourable friend the leader of the Government has taken the matter into consideration, and that the Government is prepared to make a recommendation to this Chamber.

Hon. Mr. DANDURAND: The difficulty with which the Committee has met is to be found in section 322 of the Criminal Code, which reads as follows:

No one commits an offence by publishing in good faith, for the information of the public, a fair report of the proceedings of the Senate or House of Commons, or any committee thereof, or of any Council or Assembly aforesaid, or any committee thereof, or of the public proceedings preliminary or final heard before any court exercising judicial authority, nor by publishing, in good faith, any fair comment upon any such proceedings.

It will readily be seen that in provinces where the courts deal with divorce cases, the newspapers, under this clause, can report the evidence. But I think there is a safeguard in the hands of those tribunals, inasmuch as they can, if they so decide, try these cases, or some of them, or parts of them, in camera. As my honourable friend has said, the Senate Committee on Divorce can maintain, and has maintained, the principle of the closed door. But the evidence taken before that committee, unlike the proceedings before the other tribunals, is printed and distributed to the members of this Chamber as well as to the members of the Commons, and it is that printed evidence that has lately found its way into some yellow journal, which, being protected by the clause I have read, has been disseminating it and pandering to the worst side of human nature.

Sir JAMES LOUGHEED.

For this reason I will introduce a Bill which will add the following clause to the one I have just read:

Section 322 of the Criminal Code, Chapter 146 of the Revised Statutes, 1906, is hereby amended by adding thereto as subsection 2, the following:

(2) Nothing in this section shall make it lawful to publish a report of any evidence taken or offered in any proceeding heard before the Senate or the House of Commons, or any Committee of the Senate or House of Commons, upon any petition or bill relating to any matter of marriage or divorce, if the report is published without authority from or leave of the House in which the proceeding was heard, or contrary to any rule, order or practice of that House.

Hon. Mr. DANIEL: What about a penalty if that provision is not observed?

Hon. Mr. DANDURAND: I would rather not answer my honourable friend until the second reading of the Bill. On the second reading of the Bill I will give him the opinion of the Law Clerk on this point.

The motion was agreed to.

CRIMINAL CODE (MARRIAGE AND DIVORCE) BILL

FIRST READING

Bill Y2, an Act to amend the Criminal Code respecting the publication of Evidence in Marriage or Divorce Proceedings.—Hon. Mr. Dandurand.

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

THE SENATE

Friday, March 23, 1923.

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

Prayers and routine proceedings.

TAXATION OF CIVIL SERVANTS

INQUIRY

Hon. Mr. TANNER inquired of the Government:

Referring to the Income War Tax Act, 1917, as amended in 1919, which provides for the "exemption of any remuneration of a taxpayer retained by his employer, in connection with an employee's superannuation or pension fund or plan."

1. Why, in the face of this provision, are deductions made from the salaries of Civil Servants under the provisions of the Public Service Retirement Act and retained by the Government, taxed as income?

2. Should not the deductions covered by the plan, etc., outlined in the Public Service Retirement Act be exempt from income tax? If not, why not?

3. Upon what grounds or for what reason is the annual interest upon the retirement fund retained by the Government until the retirement of the Official, also taxed as income?

Hon. Mr. DANDURAND:

1. "Income," as defined by section 3, subsection 1; "Annual...gain...as being wages, salary or other fixed amount...directly or indirectly received by a person from any office or employment." See Smyth vs. Stretton (1904) 20 L.T., 756.

2 and 3. Answered by No. 1.

ADJOURNMENT OF THE SENATE

MOTION

Hon. Mr. DANDURAND moved:

That when the Senate adjourns to-day, it do stand adjourned until Wednesday, the 11th April next, at 8 o'clock in the evening.

The motion was agreed to.

BIENFAIT COAL EXPERIMENT

MOTION FOR RETURN

Hon. Mr. CASGRAIN moved:

That an Order of the Senate do issue for a return giving:

A detailed account of all the expenditure of public moneys at Bienfait, Saskatchewan, in connection with coal, and giving the names of the parties to whom money was paid; also copies of the correspondence and other documents in connection with the same between the Federal Government and the Governments of Manitoba and Saskatchewan.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Bill Z2, an Act respecting Montreal, Joliette and Transcontinental Junction Railway Company.—Hon. Mr. Pope.

DIVORCE BILLS

THIRD READINGS

Bill N2, an Act for the relief of Emily Margery Chrimes.—Hon. Mr. Green.

Bill O2, an Act for the relief of Lyle Johnson.—Hon. Mr. McCall.

Bill P2, an Act for the relief of Annie Belle Wilson.—Hon. Mr. Willoughby.

Bill Q2, an Act for the relief of Henry John Burden.—Hon. Mr. Hardy.

SECOND AND THIRD READINGS

Bill R2, an Act for the relief of Ethel Olmsted.—Hon. Mr. McCoig.

Bill S2, an Act for the relief of Edward Lewis Britton.—Hon. Mr. Blain.

Bill T2, an Act for the relief of Ruby Minnie Stallworthy.—Hon. Mr. Blain.

Bill U2, an Act for the relief of Chistopher Campkin.—Hon. Mr. Pope.

Bill V2, an Act for the relief of Andrew George Suffel.—Hon. Mr. Webster.

Bill W2, an Act for the relief of Joseph Ross Wallace.—Hon. Mr. Planta.

The Senate adjourned until Wednesday, April 11, at 8 p.m.

THE SENATE

Wednesday, April 11, 1923.

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

Prayers and routine proceedings.

PETITIONS OF RIGHT

INQUIRY

Hon. Mr. CASGRAIN called the attention of the Senate to the practice pursued by the Government when dealing with a Petition of Right, and inquired:

1. How many petitions of right have been presented to the Government during the last twelve years?
2. How many "Fiat justitia" (let justice be done) have been granted during the same time?
3. How many have been refused also during the same time, if any and why?

Hon. Mr. DANDURAND:

1. 698.
2. 318.
3. 24. Fiats were refused in six cases because proceedings were being taken by the Crown by information or reference for determination by the Exchequer Court of the same questions as those raised in the petitions of right, and in eighteen cases because there appeared to be no reasonable ground upon which the fiat could be granted.

Hon. Sir JAMES LOUGHEED: It seems to me, if I may point it out to my honourable friend, that the answer is deficient in furnishing information. What became of the other three hundred and some odd applications? The Department, apparently, absolutely ignores them. Surely some attitude or position must have been taken by the Department in reference to those applications. In fact, the essence of the inquiry lies entirely in the question what has been done with those.

Hon. Mr. DANDURAND: As I read the answer, I myself noticed the discrepancy between the number of petitions presented and the number allowed. If I may, I will leave the question on the Order Paper until to-morrow and ask for further information.

The inquiry stands.

PEAT FUEL

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. How much money has been paid out for peat fuel at Alfred, in the County of Prescott, by the Federal Government to the 31st December, 1922?
2. How many tons of the said peat fuel have been manufactured?
3. At what price per ton has this peat fuel been sold, if any?
4. How many B.T.U. does one ton of this fuel contain?
5. How many B.T.U. does a ton of ordinary anthracite contain?
6. Is it the intention of the Government to continue to spend money at Alfred?
7. What returns in money has the country received from this investment?

Hon. Mr. DANDURAND: Stand.

Hon. Mr. CASGRAIN: I must protest, honourable gentlemen. This question was asked a long while ago—in fact, weeks before the adjournment—and it is a very simple one. To the first inquiry surely the Government ought to be able to give an answer. The money was all paid over three months ago. May I, with the leave of the House, refer to the answer I got with regard to Bienfait, Saskatchewan, where $900,000 has been expended with absolutely no results whatsoever. Everyone travelling between Montreal and Ottawa passes Alfred and sees work going on there. Money is being spent there year in and year out, but without result. We know nothing about it. Surely the Government is not asleep. Surely somebody can answer the simple question as to how many tons of peat fuel have been manufactured. I think that when an honourable member takes the trouble to ask a question, and a very pertinent one, in this House, we are entitled to an answer—not perhaps within a day or two, but certainly within a month. I claim there has been gross negligence.

Hon. Sir JAMES LOUGHEED: I would suggest to my honourable friend that he should cross the floor of the House.

Hon. Mr. McMEANS: May I ask the honourable gentleman (Hon. Mr. Casgrain) if, in stating that $900,000 has been spent without any results he is referring to the briquetting of coal done at Bienfait? If so, I think the honourable gentleman has probably made the statement without being in possession of the latest information. A short time ago I listened to a lecture given by one of the engineers who had the matter in charge, who claimed that they are going to manufacture briquettes successfully at $11 per ton. I would draw the honourable gentleman's attention to that, so that when he makes a statement he may be a little more careful.

Hon. Mr. CASGRAIN: With the leave of the House I will answer the honourable gentleman. I took the trouble to ask how much money had been spent, and I received an official answer from the Government that the amount was some $923,000. How many tons of briquettes have been made? Seventy-five tons. How many tons sold? None. What was the result to the country? Nothing.

Hon. Mr. DANDURAND: My honourable friend has not disclosed by his questions the agency which is spending that money in Alfred. I will try to ascertain from what Department I should obtain the information, but I may have to knock at many doors before I can find the right one.

Hon. Sir JAMES LOUGHEED: I may tell my honourable friend (Hon. Mr. Dandurand), if he is the seeker after information and after truth, that the Department of Mines could fully inform him as to the experiments which are being made in the manufacture of peat at Alfred. I may tell him further that the Provincial Government of Ontario is a contributor to the extent of 50 per cent. Furthermore, the operations have been carried on, as I understand, upon the recommendation of the Council of Scientific Research. At least, my recollection is that they recommended that this experiment be entered upon. It is anything but satisfactory, in my judgment, and I fancy that when my honourable friend comes to make inquiry into the financial results, he will find that they somewhat justify the position taken by the honourable gentleman who has asked the question.

The inquiry stands.

GOVERNMENT OFFICES IN OTTAWA

INQUIRY

Hon. Mr. HARMER inquired of the Government:

1. What was the total amount of rentals paid by the government for office space in the city of Ottawa during the calendar year 1922?
2. What was the total amount paid by the Government for maintenance or upkeep of such office space, including heating, lighting, cleaning, janitor service, etc., for the calendar year 1922?
3. Are any taxes paid by the Government on any buildings or property under lease and if so, what was the amount of such taxes for the calandar year 1922?
4. What is the amount of floor space covered under such leases or rentals?
5. In how many different buildings are leased or rented Government offices located, in the City of Ottawa?

6. What is the location (Lot, Block and Street where possible otherwise the usual description or designation) of each parcel of land owned by the Government within the City of Ottawa, exclusive of that parcel usually described or designated as Parliament Hill.

Hon. Mr. DANDURAND:

1. $614,059.32 (Details attached.)
2. $240,314.02. (Details attached.)
3. $23.676.32. (Details attached.)
4. 995,799 square feet. (Details attached.)
5. 51. (Details attached.)
6.

(a) That parcel of land situate on the north side of Wellington Street, bounded on the south by Wellington Street, on the north by the Ottawa River, on the east by Bank Street, and on the west by the westerly limit of property formerly known as the "Perley Home," having a frontage of 2,084 feet 5 inches on Wellington Street commencing at the westerly side of Bank Street.

(b) That parcel of land situate on the west side of Sussex, bounded on the south by Rideau Street, on the north by Cathcart Street, on the west by the Ottawa River and canal, and on the east by Sussex Street, save and except that parcel upon which the Chateau Laurier is erected.

(c) That parcel of land known as the "Hunter Building," site bounded on the north by Queen Street, on the south by Albert Street, on the east by O'Connor, Street, and on the west by lot No. 10, subdivision No. 3922, having a frontage on Albert and Queen Streets of 199 feet 6 inches.

(d) That parcel of land situate on the northwest corner of Queen Street and O'Connor, being of irregular shape and having a frontage of 31 feet on O'Connor and 132 feet on Queen Street, subject to a right of way and being composed of lots 12 and 13 of subdivision 3922 (Workshops).

(e) That parcel of land situate on the south side of Wellington Street and known as the Langevin Block, bounded on the north by Wellington Street, on the east by Elgin Street, on the west by Metcalfe Street, and on the south side by parts of lots Nos 22, 23, 24, 25, 26 and 27 of subdivision 3922.

(f) That piece of property known as the Plaza (Connaught Place).

(g) The post office site bounded on the north by Wellington Street, on the south by Sparks Street, on the east by the Plaza, and on the west by driveway and property known as the Egan Block.

(h) All and singular those certain parcels or tracts of land and premises situate, lying and being in the City of Ottawa, and composed of lots letters A, B and C of subdivision of a portion of city lot No. 30 on the north side of Sparks Street and south side of Wellington Street, and known as the Egan property.

(i) All and singular that certain parcel or tract of land and premises situate, lying and being in the City of Ottawa, being part of lot No. 39 in the First Concession Ottawa Front, Township of Nepean, as shown and laid down on the registered plan of the subdivision of lot No. 39, drawn from actual survey of John A. Snow, P.L.S., dated 17th June, 1857, and known as the fuel-testing plant.

(j) Victoria Memorial Museum site, bounded on the north by McLeod Street, on the south by Argyle Avenue, on the East by Elgin Street, and on the west by O'Connor Street.

(k) That parcel of land known as the Royal Canadian Mounted Police site bounded on the north by Mann Avenue (formerly Gladstone Avenue) on the south and west by the Canadian Northern Railway, and on the east by the City Driveway and the Rideau River, containing by admeasurement 26.3 acres more or less.

(l) Rideau Hall (Government House) bounded on the north by Louise Avenue, on the south by McKay Street, on the east by Dufferin Road, and on the west by Princess Street, containing by admeasurement 90 acres more or less.

(m) That parcel of land known as the Old Mines Building site situate on the northeast corner of George and Sussex Streets, consisting of lots 1, 2, 3 and 4, 63 by 156 feet.

(n) That parcel of land known as Victoria Island, situate in the Ottawa River at the Chaudiere and consisting of lots Q, R, S, T, U, V, W, X, Y and Z.

(o) The approaches to the Chaudiere Bridge.

DETAILS OF RENTALS PAID ON BUILDINGS IN OTTAWA, DURING THE CALENDAR YEAR 1922

Buildings or portion of buildings rented	Rental paid in year 1922	Maintenance including heating, lighting, cleaning, etc.	Taxes paid by the Crown	Floor area in square feet
	$	$	$	
130 Wellington Street	1,080 00			950
Bate Building, Slater St	5,333 33	2,937 41		27,260
Birks Building, Sparks St	8,097 39	2,901 11		10,822
Plaza Building, Rideau St	18,023 53	3,747 52		18,485
Motor Building, Sparks St	15,174 00	9,423 63		23,624
Union Bank Bldg., Sparks St	67,666 20	11,880 28		67,798
Booth Building, Sparks St	21,040 00	5,698 66		20,079
Trafalgar Building, Bank St	16,880 60	3,642 07		17,854
Bryson Building, 178 Queen St	9,240 00	4,626 75		12,380
Carling Building, Bank St	15,000 00	2,828 29		16,436
113 Rideau St	7,225 00	3,143 12		14,450
Lyon and Alberts Sts	3,500 00	1,911 50		14,055
Elgin Building	23,000 00		5,603 88	45,422
Elgin Annex	6,993 92	25,166 93	1,209 39	14,324
Elgin Cottage	1,835 70		340 37	3,764
Sussex and Water Sts	1,680 00	869 09		2,800
Regal Building, O'Connor St	16,500 00	7,185 75		23,112
Canadian and Woods Buildings, and 64-68 Queen St	88,898 03	49,179 26	12,097 87	140,442
326-328 Queen St	1,569 00	437 00		4,000
"Journal" Building	13,740 70	4,424 48		17,923

DETAILS OF RENTALS PAID ON BUILDINGS IN OTTAWA, DURING THE CALENDAR YEAR 1922—*Concluded*

Buildings or portion of buildings rented	Rental paid in year 1922	Maintenance including heating, lighting, cleaning, etc.	Taxes paid by the Crown	Floor area in square feet
	$	$	$	
Dalhousie and York Sts	14,500 00	4,620 69	115 68	20,206
Dalhousie and George Sts	25,700 00	10,790 20	.....	39,900
Garage Building, York St	2,448 00	378 00	.....	7,466
317-321 Queen St	2,660 00	5,454 16	795 29	16,000
47 Slater St	2,750 00	3,521 03	.....	7,220
175 Nepean St	6,000 00	1,334 99	.....	14,107
105 Murray St	2,390 00	186 53	.....	5,975
529-531 Sussex St	7,233 45	2,073 68	.....	11,140
174-178 Wellington St	5,500 00	1,343 00	.....	15,020
Capital Building and Annex, Emmett St	5,488 00	1,648 40	.....	20,321
Norlite Building, Wellington St	30,000 00	10,765 25	.....	42,516
Slater and Metcalfe Sts	5,858 40	3,765 00	.....	9,764
Nagle Building, Wellington St	2,560 00	4,418 30	697 85	5,506
Queen and Metcalfe Sts	1,000 00	.....	1,166 60	7,129
Union Station Building	21,000 00	6,363 75	.....	25,961
Old "Free Press" Building, Sparks St	7,585 96	5,582 61	.....	12,667
Robinson Building, Queen St	15,200 00	12,023 20	.....	38,272
Royal Bank Building	15,432 75	4,077 66	.....	17,283
Wright-Slater and Currier Building, Wellington St	11,000 00	2,851 97	.....	15,339
172 Wellington St	1,140 00	510 56	805 82	5,752
Stephen Building, Queen St	7,660 07	2,259 57	.....	9,995
304 Wellington St	600 00	8 38	.....	1,000
Vimy Building and Annex, 362-374 Sparks St	5,093 15	2,039 54	.....	26,500
Transportation Building	15,600 00	8,318 75	.....	44,698
Imperial Garage, Kent and Sparks Sts	5,340 00	1,880 82	.....	15,600
O.A.A.C. Building, Elgin and Laurier Ave	8,227 33	324 18	.....	25,540
35-37 George St	8,383 00	2,540 05	.....	24,714
Standard Bank Building (Vacated 15-6-22)	2,514 23	3 00	.....	6,300
Emmett and Lisgar Sts. (Vacated 1-5-22)	206 40	126 00	66 72	unknown
Hope Building, Sparks St. (Vacated 29-1-22)	194 39	0 50	.....	2,544
102-104 Wellington St. (Vacated 1-10-22)	1,725 79	1,071 10	776 85	3,599
Rideau Club Building, Wellington St. (Vacated 30-4-22)	600 00	30 00	.....	1,785
	614,059 32	240,314 02	23,676 32	995,799

BONDED WAREHOUSE LICENSES IN BRITISH COLUMBIA

INQUIRY

Hon. Mr. BARNARD inquired of the Government:

1. How many excise bonded warehouse licenses for the keeping of intoxicating liquors in the Province of British Columbia have been issued since the commencement of the year 1920?

2. Who are the licensees and what are the dates of issue of such licenses including any renewals thereof?

3. In what cities or towns respectively were the warehouses situated in respect of which such licenses were issued?

4. Is it the policy of the government in dealing with applications for such licenses to require the approval of the Attorney General, or the provincial government, or a member thereof before issuing such licenses?

5. Are such licenses renewable annually and if so is the similar approval of the Attorney General or other provincial authority required for such renewal?

6. Was such approval given in the cases of the granting or renewal of such licenses? If so, by whom?

Hon. Mr. DANDURAND:

1. Four.

Hon. Mr. DANDURAND.

2 and 3. (a) Liquor Control Board of British Columbia, Vancouver. Date of issue, September, 19, 1921; renewed, April 1, 1922.

(b) Canadian Pacific Ocean Service Ltd., Vancouver. Dates of issue, February 27, 1919; April 1, 1920; April 1, 1921; April 1, 1922.

(c) Calgary Export Co., Vancouver. Date of issue: January 22, 1921; renewed, April 1, 1922.

(d) Liquor Control Board of British Columbia, Victoria. Date of issue: July 8, 1921; renewed, April 1, 1922.

4. Yes.

5. Yes.

6. Yes. Attorney General of the Province and Chairman of British Columbia Liquor Board.

APPROPRIATION BILL No. 1

FIRST READING

Bill 103, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1924.—Hon. Mr. Dandurand.

PRIVATE BILLS

FIRST READINGS

Bill 4, an Act respecting certain patents of Leonard Clayton Ridge.—Hon. Mr. Bennett.

Bill 33, an Act respecting the Canadian Niagara Bridge Company.—Hon. Mr. Lynch-Staunton.

Bill 34, an Act respecting the Huron and Erie Mortgage Corporation. Hon. Mr. McLennan.

Bill 35, an Act respecting the Ottawa Northern and Western Railway Company.—Hon. Mr. McHugh.

Bill 39, an Act respecting the Rutland and Noyan Railway Company.—Hon. Mr. Beique.

Bill 40, an Act respecting a certain patent of Henry Matthew Wells and James Edward Southcombe.—Hon. Mr. McMeans.

Bill 47, an Act respecting a certain patent of Clarence P. Landreth.—Hon. Mr. McMeans.

Bill 48, an Act respecting The Manitoba and North Western Railway Company of Canada.—Hon. Mr. Willoughby.

Bill 49, an Act respecting a patent of Robert A. Campbell.—Hon. Mr. Reid.

Bill 50, an Act to incorporate The Protestant Federation of Patriotic Women of Canada.—Right Hon. Sir George E. Foster.

Bill 51, an Act respecting a certain patent of James M. Richardson.—Hon. Mr. McMeans.

Bill 53, an Act respecting Canadian Press Limited.—Hon. Mr. White (Inkerman).

SECOND READING

Bill Z2, an Act respecting Montreal, Joliette and Transcontinental Junction Railway Company.—Hon. Mr. Pope.

DIVORCE BILLS

FIRST READINGS

Bill A3, an Act for the Relief of Frederick Fong Young.—Hon. Mr. Ratz.

Bill B3, an Act for the relief of Thomas Percy Eversfield.—Hon. Mr. Willoughby.

SECOND READING

Bill X2, an Act for the relief of Violet Gardiner.—Hon. Mr. McCall.

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

THE SENATE

Thursday, April 12, 1923.

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

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill 32, an Act to incorporate the Alert Guarantee Company of Canada.—Hon. Mr. Crowe.

Bill I2, an Act to incorporate Montreal Finance Trust Company.—Hon. Mr. Casgrain.

FIRST READING

Bill 46, an Act respecting the Community, General Hospital, Almshouse and Seminary of Learning of the Sisters of Charity, Ottawa. —Hon. Mr. McCoig.

DIVORCE BILLS

THIRD READING

Bill X2, an Act for the relief of Violet Gardiner.—Hon. Mr. McCall.

FIRST READINGS

Bill C3, an Act for the relief of Jane Elizabeth Burgess.—Hon. Mr. Bennett.

Bill D3, an Act for the relief of Thomas Wesley Scott.—Hon. Mr. Bennett.

PEAT FUEL

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. How much money has been paid out for peat fuel at Alfred, in the County of Prescott, by the Federal Government, to the 31st December, 1922?
2. How many tons of the said peat fuel have been manufactured?
3. At what price per ton has this peat fuel been sold, if any?
4. How many B.T.U. does one ton of this fuel contain?
5. How many B.T.U. does a ton of ordinary anthracite contain?
6. Is it the intention of the Government to continue to spend money at Alfred?
7. What returns in money has the country received from this investment?

Hon. Mr. DANDURAND: Honourable gentlemen, I want to absolve the Department of Mines from any accusation of negligence in answering this question. I am informed that the answer was sent to me from the Department of Mines, but as it did not reach me, a copy has just been handed to me to the following effect.

1. The sum of $225,141.27 has been spent by the Department of Mines in connection with peat investigations at Alfred, Ontario.

2. 20,500 tons approximately.

3. 1910-11, at $3.50 per ton, delivered in Ottawa for purpose of introducing the fuel. 1919-22, at $5.00 per ton, on cars at Alfred.

4. 18,400,000 B.T.U., dry peat per ton 2,000 lbs.; 12,880,000 B.T.U., dry peat per ton 2,000 as sold, with 30 per cent moisture.

5. 25,000,000 B.T.U., gross per ton 2,000 lbs., average grade of anthracite.

6. At present it is not the intention of Government to provide for any funds subsequent to those available in the fiscal year 1922-23.

7. The Federal Department of Mines received $23,864.14. The Government of Ontario received $20,342.23. These receipts were from sales of peat.

CANADIAN GOVERNMENT RAILWAY AND MARINE INSURANCE

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. Were the Canadian National Railways and the Canadian Government Merchant Marine insured last year.
2. If so, for what amount.
3. What was the premium paid for such insurance, if any.
4. If insured, in what companies.
5. Were these insurances made directly with the insurance companies or in the usual way through agents or agent.
6. If made through agents or companies, what were the names of such agents or companies.
7. Who are the directors of such companies or company.
8. Is it the intention of the Government that the Canadian National Railways and the Canadian Government Merchant Marine, the property of the people, be properly protected by insurance.

Hon. Mr. DANDURAND:

1. Yes; excepting former Government lines.
2. $327,046,561.
3. $2,637,800.
4. Fire Insurance with Western Assurance Company, Union Assurance Company, Lloyd's, London, Cornhill Insurance Company, London, Globe & Rutgers, Alliance Asssurance Company, Motor Union Insurance Company, London Guarantee & Accident Company, London & Lancashire Fire, Union Society of Canton, United British Insurance Company, Marine Insurance with various English Insurance Companies, and a small percentage with American Companies.
5. The business was placed through regular brokers on a competitive basis.
6. Willis, Faber & Company of Canada, Hare & Mackenzie, Ltd., Dale & Co., and Toronto Insurance and Vessel Agency.
7. No information.
8. Yes; as announced in the House of Commons on March 27th, by the Acting Minister of Railways, it is the intention of the Canadian National Railways and the Canadian Government Merchant Marine to create their own cash insurance reserves for the adequate protection of all insurable railway and marine property.

Hon. Mr. DANDURAND.

SOLDIER SETTLEMENT

INQUIRY

Hon. Mr. GILLIS inquired of the Government:

1. Total number of returned men settled on land in Canada under the Soldiers Settlement scheme up to the 31st of December, 1922.
2. Number settled in each province respectively.
3. Number that have abandoned their land, and reasons, if possible, for such abandonment.
4. Total amount spent by the Government under the Soldiers Settlement scheme to December 31st, 1922.

Hon. Mr. DANDURAND:

1. Settled with loans, 22,548; on soldier grant entries (no loan), 6,392; total settlement under the Act, 28,940.

2.

Province	Settled with loan	Settled on soldier grant entries without loan	Total settlement under Act
British Columbia ..	3,193	229	3,422
Alberta..	6,607	2,433	9,040
Saskatchewan	5,628	2,462	8,090
Manitoba..	3,497	1,246	4,743
Ontario..	1,752	....	1,752
Quebec..	460	....	460
New Brunswick ..	630	*22	652
Nova Scotia..	427	....	427
P. E. Island.. ..	354	....	354
Dominion total ..	22,548	6,392	28,940

*Settled on Crown lands, but under the advisory supervision of the Board.

3. Total adjustment cases, 3,093. 553, or 17.88 per cent of these cases are attributed to causes beyond the control of the settler, such as death, illness or recurrence of war disability; 227, or 7.36 per cent are caused by domestic trouble; 72, or 2.33 per cent through unsatisfactory land; 68, or 2.18 per cent through crop failure; 2,068, or 66.87 per cent are attributed to the settler himself, to his temperament, lack of experience bad management, abandonment for no apparent cause, etc.; 105, or 3.38 per cent of the cases are due to fraud by settler in his dealings with the Board and other crimes.

4. Total expenditure, $106,914,028.23; refunded to Treasury, $16,773,490.68; net expenditure, $90,140,537.55.

NATIONAL RAILWAYS' EXPRESS AND TELEGRAPH SERVICES

INQUIRY

Hon. Mr. GIRROIR inquired of the Government:

1. Which Railway Systems, Express and Telegraph Companies owned or controlled by the Government of Canada have been included in the system now known as the Canadian National Railways.

2. What was the total amount paid monthly in each of these Systems Express and Telegraph Companies, in salaries to officials in receipt of salaries of $2,000 and upward.

3. What is the total amount paid monthly by the present Canadian National Railways to officials or ex-officials in receipt of not less than $2,000 per annum.

4. What officials of the amalgamated services above mentioned were retired on amalgamation.

Hon. Mr. DANDURAND:

1. Canadian Northern Railway System, Canadian Government Railways, Grand Trunk Pacific Railway System, Grand Trunk Railway System, Canadian National Express Company, Canadian National Telegraphs.

2. $169,990.41.

3. $170,990.41.

4. D. B. Hanna, President Canadian National Railways, A. J. Mitchell, Vice-President Canadian National Railways, H. G. Kelley, President Grand Trunk Railway, Frank Scott, Vice-President and Treasurer, Grand Trunk Railway, R. S. Logan, Vice-President Grand Trunk Railway, A. B. Atwater, Assistant to the President, Grand Trunk Railway, S. L. Shannon, Comptroller and Treasurer, Canadian Government Railways, John Pullen, President, Canadian National Express.

THE LATE HON. JOSEPH GODBOUT

TRIBUTES TO HIS MEMORY

Hon. Mr. DANDURAND: Honourable gentlemen, during the Easter recess the Senate had the misfortune to lose one of its members, Dr. Joseph Godbout, of St. François, Beauce. Dr. Godbout had been among us since 1901. His career was an evenly successful one—that of a good citizen and a public-spirited one. He was Mayor of his town, Governor of the Bureau of Physicians for his Province, honoured by the members of his profession and the citizens among whon he lived. He was elected to the House of Commons when quite young—at thirty-six years of age—and was elected consecutively three times until he was appointed to the Senate.

Senator Godbout was of simple disposition, a man of good-will and of good counsel. His death is a real loss to the community in which he lived, and also to the Senate; and to his family we extend our sincere sympathy.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I join with my honourable friend the leader of the Government in the very fitting remarks which he has made. They are fitting in the sense of the deep regret which the Senate feels at the loss of our late colleague, Senator Godbout. He was a man who enjoyed the friendship, I think, of every member of this Chamber. He was modest and unassuming, courteous and amiable in all his relations with his fellow members. He was a man upon whose judgment in reference to any matter committed to him we relied. True, he was not what might be termed an active member of the Senate in the sense of engaging in many of the activities upon which other members entered; yet it is needless to say that in the function of the Senate the exercise of good judgment on the part of many of its less active members is equally valuable. Senator Godbout enjoyed a reputation for good judgment and for maintaining pleasant relations with all those who were associated with him. One of the highest tributes that can be paid to a man who has departed from us is the tribute of the public in the locality in which he has lived. Senator Godbout was actively identified with the local interests of his constituency. He had the confidence of his fellows; he was, as my honourable friend has remarked, mayor of the city in which he resided; he fought successfully four general elections, and represented his constituency in the Dominion Parliament during four parliamentary terms; he has been an esteemed member of this Chamber for the last twenty years, and we who have been here during that time have very pleasant memories of our associations with him. I am sure every member of the Senate deeply regrets the decease of our late colleague.

CRIMINAL APPEALS BILL

THIRD READING

Bill B, an Act to extend the Right of Appeal from Convictions for Indictable Offences.—Hon. Mr. McMeans.

APPROPRIATION BILL NO. 1

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 103, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending 31st March, 1924.

He said; Honourable gentlemen, the purpose of this Bill is to allow of the needs of the public service being met while the whole Supply Bill is being examined in detail in the other House. This Bill covers one-sixth of the total Estimates for the year 1923-24, and consequently covers April and May of the present year. It includes all the items of the Supply which have been discussed and voted in the other Chamber, but excludes a

part of Resolution No. 141, regarding a sum of $500,000 for a new departmental building in Ottawa.

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

THIRD READING

Certain rules having been suspended:

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

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

CRIMINAL CODE (MARRIAGE AND DIVORCE) BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill Y2, an Act to amend the Criminal Code with respect to Publication of Evidence in Marriage or Divorce Proceedings.

He said: Honourable gentlemen, when I introduced this measure I gave a full explanation of the reason for so doing. I will recall to the Senate the fact that the Standing Committee on Divorce reported on the 1st of March the following recommendation:

The Committee recommend that Rule 135 of the Rules of the Senate relating to Divorce be amended by adding thereto the following paragraph:

"2. The printing of any evidence taken before the Committee except as authorized by this Rule, or otherwise by Order or leave of the Senate, is a breach of the Parliamentary privileges of the Senate. Any person committing or accessory to such breach is liable to punishment therefor, upon Order of the Senate, by fine, or imprisonment, or both."

This report was adopted on the 22nd of March. The Senators will have to be specially called to adopt the new rule, and I suppose that will be done during the present Session.

The purpose of the present Bill is to make it clear that the privileges of the Parliament of Canada have not been abridged by section 322 of the Revised Statutes of 1906, chapter 146. The sections beginning at section 317 come under the heading of "Defamatory Libel." Section 317 states:

A defamatory libel is matter published, without legal justification or excuse, likely to injure the reputation of any person by exposing him to hatred, contempt or ridicule, or designed to insult the person of or concerning whom it is published.

Such matter may be expressed either in words legibly marked upon any substance whatever, or by any object signifying such matter otherwise than by words, and may be expressed either directly or by insinuation or irony.

Clause 318 defines the publishing of a libel. Then, 319 deals with "publishing upon invitation":

No one commits an offence by publishing defamatory matter upon the invitation or challenge of the person defamed thereby. . . .

Section 320 deals with the publishing of proceedings of Courts of Justice. Section 321 says:

No one commits an offence by publishing to either the Senate, or House of Commons, or to any Legislative Council, Legislative Assembly or House of Assembly, defamatory matter contained in a petition to the Senate, or House of Commons, or to any such Council or Assembly, or by publishing by order or under the authority of the Senate, or House of Commons, or any such Council or Assembly, any paper containing defamatory matter or by publishing, in good faith and without ill-will to the person defamed, any extract from or abstract of any such paper.

The clause that interests us specially at this moment is 322, which reads as follows:

No one commits an offence by publishing in good faith, for the information of the public, a fair report of the proceedings of the Senate, or House of Commons, or any committee thereof, or of any Council or Assembly aforesaid, or any committee thereof, or of the public proceedings preliminary or final heard before any court exercising judicial authority, nor by publishing, in good faith, any fair comment upon any such proceedings.

Anyone brought before either Chamber of Parliament accused of violating a rule of the Commons or the Senate could perhaps plead the exception contained in clause 322. It is a question whether or not this clause abridges the privileges of the Commons and the Senate with regard to such a violation. In order to make it clear that the privileges of either House are not abridged, it is sought by this Bill to amend section 322 in the following terms:

Nothing in this section shall make it lawful to publish a report of any evidence taken or offered in any proceeding had before the Senate or the House of Commons, or any committee of the Senate or the House of Commons, upon any petition or bill relating to any matter of marriage or divorce, if the report is published without authority from or leave of the House in which the proceeding was had, or contrary to any rule, order or practice of that House.

This will make it clear that the House of Commons and the Senate can maintain respect for their rules, and anyone infringing upon them will be debarred from pleading the exception contained in clause 322.

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

EUROPE AND THE LEAGUE OF NATIONS

DEBATE CONTINUED

The Senate resumed from March 22 the adjourned debate upon the inquiry of Right Hon. Sir George E. Foster:

That he will call the attention of the Senate to conditions in Europe and the work of the League of

Nations and will ask the Government if it will lay on the Table the Report of the Canadian delegates to the third Assembly of the League of Nations.

Hon. WILLIAM ROCHE: Honourable gentlemen, thinking as I do that the important nature of the inquiry made by my right honourable friend deserves some further expansion, and, after hearing the elegant rhetorical address of the honourable member, I purpose to carry out that obligation this afternoon, and to thrust myself upon the indulgence of the House to aid me in doing so. Before I proceed any further, permit me to say that the sustained rhetorical address of my right honourable friend renewed the sentiment of pleasure with which I heard him address an audience in a distant city more than fifty years ago, on which occasion he displayed those qualities of oratorical eloquence which since, by study and practice, he has developed and improved until now his reputation for pre-eminence in oratory has extended over two hemispheres.

We are fortunate, honourable gentlemen, in having present with us three gentlemen who were eye-witnesses, and who can describe the scenes which they observed with accuracy and reliability; because a great deal of the information given to us on public events comes through channels which perhaps are not censored, but which seem to be directed along one line and to one purpose. Occasionally we hear of some revelation made in the Senate of the United States, or the Italians blurt out some information on current events which entirely reverses our opinion of those events, and produces a widespread sentiment that there are important facts concealed which, if revealed, might totally reverse our judgment and cause us to take other lines of action.

The plea of my right honourable friend was for the League of Nations—for its existence, its utility, its continuance,—and, as a consequence, that we should continue our subscriptions to its support. The League of Nations is a pretentions framework. It has a great aristocratic and costly Secretariat; it has an army of officials; it has all the accessories of clerks and subordinates; but it has neither physical nor pecuniary nor moral force. It has no physical force, because it has no army or navy to enforce its decrees; it has no pecuniary force, because it has no amassed treasure and exists only upon the subscriptions of the nations which belong to it; it has no moral force, although it may cajole or threaten inferior nations, because of the more important nations each seeks its own aggrandizement, and wants to seize upon any territories weakly defended, and there is no regard for the rights or interests of any other power.

The right honourable gentleman, though deploring the want of success on the part of the League of Nations and the relaxation of its activities, based his claim for its value upon the settlement of two questions on which there were disputes between nations. First of all, he declares, and probably truly, that it was the influence of the League of Nations that settled the dispute about the Aland Islands; and then he said it was the influence of the League of Nations which settled the dispute between Lithuania and Poland and the adjacent nations. I do not know what means the League employed, whether persuasion or a threat of force on the part of the great nations. But it was a very singular settlement. Russia claims that she settled the dispute. It was the policy of Empress Catharine II of Russia, when any of the smaller nations had a dispute about territory, to step in and calmly annex the territory and say to the disputants: "Now, what are you going to do about it?" The nations knew what the policy of Catharine II was, and they saw rising in the heavens the great bear, glittering as she ascended, and you know what the course of the disputing nations was. They feared her great claw would come down on the disputed territory, and they composed their differences and abstained from the arbitrament of war.

Following upon that was the Conference at Constantinople and at Smyrna, because the Turks had pushed the Greeks back from the seacoast, and there was a British cordon, with British territory marked off, and there were the various Allied lodgments, and so on. The representatives of the great nations were assembled at Constantinople and at Smyrna. They presented proposals and the Turks presented counter proposals; the Allies presented modified propositions, and the Turks presented more modified propositions; and finally the Allies presented ultimatums and the Turks presented ultimata. The dispute grew so imminent, it verged so closely on war, that the British Government forwarded regiments to Constantinople to maintain order. The British fleet was summoned from Malta; the guns of the fleet were trained on the Turkish batteries and places of lodgment. A frantic call went out from some of the newspapers that the Government should conscript a contingent and send it on a thirteenth crusade—it might be to another Gallipoli—to fight the Turks. At this juncture Italy put in its claim to Smyrna, saying that it was promised Smyrna as an inducement and consideration for entering into the

Great War. And here our friends the Russians came into the controversy and settled the question for the time. They said: "If Turkey is attacked, Russia will be at the back of Turkey." The British Government saw that there were in India two hundred million sympathisers with the Turks full of disquiet and unrest. They knew the consequences of Turkey and Russia uniting. They feared for India and India was more valuable to the British Government than the oil wells at Mosul or the control of the waters of the Dardanelles. So the Conference at Constantinople broke up. The representatives packed their trunks and went home. And the convocation at Lausanne broke up also as abruptly as did the Congress of Vienna, when Castlereagh and Matternich and others met to carve up France and alter the map of Europe: it was broken up by news that came upon them like a bombshell that Napoleon had left Elba, had landed at Cannes and was on the road to Paris.

While listening to my right honourable friend's description of the humble, curtailed and abject condition of Austria, I remembered an incident that occurred at the time of the Hungarian revolution. Louis Kossuth, the President, after the battle of Temesvar, and the defection of Georgei, escaped to Turkey, and thence went to the United States. Being a very eloquent and powerful speaker, he addressed public audiences in the cities of the United States and created a sentiment that the United States, being the guardian and exponent of liberty, should interfere in the affairs of Austria and reinstate the Hungarian republic. Also, the fame of his eloquence reached Washington, and it was thought there might be a movement in the Congress of the United States tending to support the claim of Hungary. At that juncture the Charge d'Affaires of Austria at Washington intimated to the State Department that they should banish Louis Kossuth from the United States and refrain from any propaganda of liberty in Hungary and Austria, and threatened them, if they would not do so, with the displeasure of the Emperor of Austria. Millard Fillmore was President of the United States at that time, and Daniel Webster was Secretary of State, when he sent that celebrated letter to Chevalier de Huselman, the Charge d'Affaires of Austria, saying that the Empire of Austria was only a patch on the United States, that the United States could manage its own affairs, that it was the guardian of liberty in the western world, and that it would extend its influence for the support of liberty wherever it thought it was the obligation or the duty of the United States to do so, undeterred by the displeasure of the Emperor of Austria. The present condition of Austria is as described in the graphic language of my right honourable friend, and the United States is now among the very first, if not the very first, nation of the earth.

My right honourable friend went on to say that there were thirty-one nations that supported the League. There are thirty-one nations, but they are all impecunious. They wanted money from the League of Nations; they thought that the League had a great treasury, and that all they had to do was to apply and they would get it. But the League had nothing in its purse to give them. Then they applied to the great powers severally, but not one of them had either the will or the money to bestow on those impecunious powers. As a last resort they turned their despairing glances to the United States and said: "We owe you money already, it is quite true, but we want to borrow from you more money, in order that we may extend our industries, cultivate our commerce, and earn money; then we will pay you back what you lend us now, and, later on, pay you what we owe you." But the United States said: "You owe us money; you have paid neither the principal nor the interest, and you want from us more money to pay us back what we have loaned you; how do we know and what security have we that you will not take away the money now given you, and pay your soldiers, buy munitions, and go on in your old game of war aggrandizement?"

Suddenly a trumpet was blown in the streets, there was a sound of battle in the land, and we heard the commanding voice of my honourable friend from Alberta (Hon. Mr. Griesbach). After paying a deserved compliment to the speech of the right honourable gentleman who made the motion, he went on with an analytical inquiry as to the causes of war which he ascribed to fear, greed, and ambition. There is another cause, which perhaps might be included in his first category. It is this: that to all autocratic and imperial governments, there is pronounced opposition; the antagonism is great; the people are jealous of their rights; they are averse to the restrictions imposed upon them by the military establishment, and averse to paying the cost of them. These imperial monarchs must have a standing army. They have officers, generals, and others around them who receive large emoluments and honour and glory from their presence in the army and their commands. Monarchs want to use this army to keep down the opposition of social-

ists, republicans, democrats, and those who are averse to military power. They know that if a war is declared the people will be on their side. That is, when a nation is at war all citizens are concentrated to overcome the adverse nation. They pay no attention to political or social circumstances. All their interests are bound up in the fact that the nation must conquer or die. So wars are projected simply because the governments want to suppress the opposition at home. It was so under the revolution in France; it was so under the first Napoleon; it was so under the third Napoleon, when socialistic influences drove the French into war. One of the ministers of France in the old Directory, Carnot, said: "We have 300,000 men under arms, and we must send them as far away as we can and as fast as we can lest they return and cut all our throats."

War is no pastime. War is not an occasion for the exchange of amenities or courtesies. Soldiers are animated by the worst passions that can afflict the human race. They are bent on destroying as many of the opposing soldiers as possible. They wish to destroy property—to sink, burn and destroy. They wish to bring the war to a close by the destruction of those opposed to them, and they use the most improved and most destructive weapons of war to carry out their purpose. Is it not a disgrace to our civilization, and a blot upon it, that perhaps some of the best inquiring and inventive minds are engaged in devising and employing implements of the most violent and dangerous kind, which will destroy their fellow beings with the utmost rapidity, and most effectively, and yet that those men are highly rewarded by Christian nations?—that even the churches invoke the Divine protection over the forces of the earth, the sea, and the air, knowing that perhaps those forces of the air are carrying their destructive bombs hundreds or thousands of miles away from the scene of conflict to throw them down upon harmless citizens inhabiting towns and villages and hamlets, destroying the innocent, and expecting that God will bestow His blessing upon those who murder and destroy His creatures.

The honourable gentleman, I regret to say, departed from his inquiry, and did not inform us in the slightest degree as to the causes of peace, which he might observe and co-ordinate, but went into a recitation of the cruelties and enormities which had been inflicted on the Allied troops by the Germans in the war. Why reiterate these enormities? Why repeat and treasure up the cruelties of soldiers? Why recount the outrages that have been inflicted? It will serve no good purpose. It only minister to the worst passions of mankind—to savagery, to cruelty, to retaliation, to revenge. Why record and perpetuate these? Why convey intelligence of them to the people at large, and reproduce results of such forces and evils? Better far to cast the mantle of oblivion over all those outrages, over all those cruelties, over all those offences, and pray that the Angel of Peace may descend, lighten the earth with his glory, and lay hold on that old demon of war and bind him with chains of darkness for a thousand years.

Honourable gentlemen, there are ruffians in every army. There are men who vent their spite in vindictiveness on the defenceless and the weak. Perhaps there may not be many Bayards or many Sidneys amongst the armies of the present day; yet there are, even amongst the humble soldiers, men whose names ought to be written on the bright rolls of fame. Take, for instance, Michael O'Leary, that gallant Irishman. He marched up alone to a dugout where there were fifteen Germans, and summoned them in such a terrible voice in Irish that they thought there was a detachment behind him, and they came out, escaping from their misery and starvation. O'Leary surrounded them and marched them down as prisoners below the British lines, where they could get a square meal three times a day, and witness the recreations which took place in the interval between combats in the trenches.

Midway between Loos and Armentières there were four British observation balloons suspended in the air and attached to the earth by cables. One morning a German airplane was seen coming towards them. The occupants of the three balloons put out their parachutes and descended safely to the earth. The inmates of the fourth balloon became entangled in their parachute and could not descend. The airplane went away in the distance, circled around, and came back again. The inmates were still entangled in that balloon. The airplane rose above them and went away in the distance, and came back again. In the meantime the men in the balloon got out their parachute and descended to the earth. The German got out his machine gun. Seeing that the inmates were saved, he fired a shot, and a great explosion took place.

In the British lines not very far distant from the German trenches there was a young officer lately appointed in command of the soldiers there. Like a great many young officers, he imagined that his predecessors did not know very much about the art of war, and he thought that they had become indolent; they did not adventure upon the enemy, did

not conduct any midnight raids through the barbed wire, and so on. So in the interval between the sniping he would lift up his head above the parapet and survey the trenches. He did that with impunity. One morning there was a longer lull than usual, and he put up his head to take a more deliberate survey. He might have continued for a longer time, but above the opposite trench up went a board on which was written in good English with chalk: "If you don't take down that head, it will be my duty to fire at it."

Now I turn and respond to the request of my honourable friend from Montarville (Hon. Mr. Beaubien). He invited us to discuss with him certain points, and before I do discuss them I bear testimony to the eloquent, impassioned, and dramatic address which he delivered in defence of the position which he took. I go with my gentle guide. First of all, we go to the Disarmament Conference at Washington. The British representatives were there, the Canadian representatives were there, the representatives of Japan were there, and the representatives from France were there. They agreed generally that there should be disarmament, and that the nations should commence disarmament. The British agreed that they would disband their army that they had aleady commenced to disband; they agreed that they would scrap their ships, and in conformity with that agreement they scrapped 32 of their battle cruisers and other ships. The Americans agreed that they would diminish their troops, and disband them, and that they would also scrap their navies. The Japanese agreed that they would diminish their navy; the Italians did the same; and all agreed that they would abstain from the use of submarines. But when it came to the turn of France, France refused to diminish her great army of 750,000 men and refused to abstain from the use of submarines. Mr. Aristide Briand, the French representative, returned to Paris. His conduct was approved by the Chamber of Deputies and by the President of France.

And now France has retained its vast army; it has augmented its flotilla of aircraft until they are the most formidable in Europe, and lately it has issued a program for the building of ships—six capital cruisers, 24 destroyers, 24 torpedo boats, and 50 first-class submarines. That is the design. Will my honourable guide conduct me to the city of Valenciennes? There is a sound of martial music in the air; what are the inhabitants on tiptoe there to observe? Coming up the main street there is the splendid cavalry of France. Then come the general officers; then the band playing the "Ça-ira" and the "Marseillaise" to inflame the ardour of the soldiers. Then there comes the splendid infantry of France from the line and from the war, with their military overcoats and their helmets on, their long rifles and their glittering bayonets. After that the sullen faces of the Senegal troops marching in good state and even line. Then come the men with the machine guns on their shoulders, and after that the great parks of artillery. Lumbering after them come the armoured cars. Then come the airplanes overhead. Where are they going, my honourable friend? What is this force? That is the army of occupation. They are going first into the Rhineland, and afterwards they will be transported into the Ruhr. What means this, my honourable friend? What is wanting in that tide of living valour rolling on the foe? What you miss is that cordon of custom-house officers. They are not there.

I will put one plain and practical question to my honourable friend and guide. He has described in graphic language the condition of Germany, its prosperity, the industry of its people, and their efforts to compensate for the injuries that war had inflicted upon them. Which is the most likely to pay that indemnity—a prosperous, industrious, semi-wealthy Germany, or a fretful, poverty-stricken, poor, frightened Germany? Will the last one be likely to pay the indemnity so quickly as the other?

Now I put another question. My honourable friend has told us, and others have said, that 67 per cent of the produce of Germany out of which this war indemnity is to be paid comes from the Ruhr valley. How can Germany pay that money if the French have taken possession of that which produces the 67 per cent?—67 per cent of the motive power in coal, of the produce of the iron and steel works, the chemical works, the dye works, of the woolen and cotton fabrics. How, when France has put a strangle-hold around the sources of produce for payment of that indemnity, and says, "We will hold them until you pay it"—knowing that they cannot pay, and yet they hold possession—"What we have we will hold, and we will extend our possession of territory"?

Germany has given up her battleships; she has handed over her splendid passenger ships; she has handed over her coal, steel and iron, also chemicals, dyestuffs, woollen and cotton goods, and a thousand million in gold marks. My friend says France did not get them. Who got them? Germany has certainly lost them. The Germans have not asked for total remission of their indemnity, but only for a postponement of the payment of the instal-

ment. England asked the United States for an extension of sixty-two years, and it was granted her.

I come now to a part in which my honourable friend was more pathetic and tragic perhaps than before, and that was the desolation and ruin of France He said that the towns and villages and property of France were destroyed—that the abomination of desolation reigned in the land. Over how much of the land? Would that my honourable friend, with his powers of description, had extended his travels into southern France, into the regions south of Paris or to the west, along the ocean ,and contrasted the prosperity of that rich and fertile country with the prosperity and the richness and cultivation of Germany. How much of the destruction affected those parts of France, I would ask my honourable friend.

Hon. Mr. GORDON: I suppose we have to thank Germany for that.

Hon. Mr. ROCHE: The main part of the destruction of towns and villages in France was done by the Allies in trying to drive out the Germans. Take one battery of our Canadian artillery—say six guns—and there were hundreds of guns. They discharged 1,000 great shells from their six-inch howitzers in 24 hours, raining shot upon the towns and villages and houses and every other place that could lodge a German, and they beat down the city of Lens, Ancre, Souchy, Mont St. Eloi, and all those other towns and villages behind them. There were 9.2 batteries discharging 400-pound shells on every point where it was considered that the Germans would find a lodgment. More than half of the devastation wrought in France was wrought by the Allies. And does my honourable friend say the poor inhabitants of Germany, who were averse to the war and averse to that military establishment, should be compelled to pay for that devastation which was wrought by the Government they have overthrown and by the Allies who were endeavouring to drive out the soldiers of that Government?

Now I will refer briefly—and I hope my honourable friends will bear with me—to the special privations of the people. A great French soldier, the Emperor Napoleon, said that an army travelled on its stomach. Let us compare the diet of the French soldiers with the diet of the German soldiers. What had the French? The French had plenty of meat for their soup, plenty of vegetables, plenty of salads. They had good bread, because France is great wheat-producing country, and they had flour from America, and they had all that the villages could supply. In addition to that they had two litres of wine to each soldier every day. What had the poor German?

Hon. Mr. CASGRAIN: Outside of beer.

Hon. Mr. ROCHE: He had vegetable soup.

Hon. Mr. GORDON: Too good for him.

Hon. Mr. ROCHE: He had a little horse-meat. He had a little black bread.

Hon. Mr. BOLDUC: Too good for him.

Hon. Mr. ROCHE: And he had coffee made out of burnt rye. Now, if my honourable friend (Hon. Mr. Griesbach), abstemious as he is, had been an officer in command of a battalion or brigade and had found in one of those houses 500 bottles of Vieux Cliquot or Pomard or any of those wines, I think he would have commandeered them and drunk them, receipt or no receipt.

Now let us contrast the privations of the people of France with those of the people of Germany. What had the French people? They had all the resources of that splendid land of France untouched. The whole seaboard was open to them. They could get supplies of meat from South America, and from the United States, and flour and all the canned goods and luxuries. They enjoyed them, and they enjoyed the money that was paid by the Allied troops and their own troops, because they were all paid in francs. The villagers could bring their supplies to the troops and get high prices for them all. What did the Germans have? Meat was too scarce and too dear to get any of it. What they had was some black bread, mingled with bark of trees and grass roots, and a little coffee made out of burnt rye. What nation suffered the most privation? Where was the most devastation? Who suffered most by the calamity of war?

My honourable friend (Hon. Mr. Beaubien) went on to cite the authorities which justified the ocupation of the Ruhr Valley. He cited first of all two ironmasters in England. I dare say those ironmasters would rejoice at anything which would remove the German competition and allow them to sell their iron and their steel to any nation that wished it. That accounts for their approval.

And there was our friend Lord Rothermere. I pass over him, because he has had a domestic calamity: his mother is newly married, and there is a dipute about the will—

Hon. Mr. CASGRAIN: His sister-in-law.

Hon. Mr. ROCHE: And probably the fifty millions which his father acquired by honest toil during the war may be divided up among the lawyers. We pass over him.

Then there was a German-American banker, Kuhn, who approved of the occupation of the Ruhr. I think it very probable that he would like to lend some money at a good rate of interest and on good security. That would account for him.

Then there was Mr. Daniels, ex-Secretary of the Navy of the United States; and I think that his occupation was to secure good material for the next presidential election.

Next I come to home sources, namely, those good moderate Conservative papers, the Montreal Gazette and the Montreal Star. The editorial writers of those two papers are very clever writers indeed. They are quite alive to the signs of the times. But they are no prophets. They live in the midst of a French atmosphere, and they must colour their editorials by the prevalent public opinion. They have their advertisements to get in and they have their papers to sell, and that may account for some of their approval of the expedition to the Ruhr and the occupation thereof.

Hon. Mr. DAVID: That is a great compliment.

Hon. Mr. ROCHE: But I come to what my honourable friend (Hon. Mr. Beaubien) considered was a clincher, and that was the opinion of Lloyd George, who threatened some of the reprisals and some of the actions which the French alone have since undertaken to perform. He threatened that the Allies might take possession of the Ruhr and execute punishment upon the Germans. Did Lloyd George say that France should go alone? Did he say that France should be the claimant and judge and executioner? Did he say that France should take possession of the territory, overturn the general and municipal governments, execute martial law and shoot the inhabitants who resisted? No. He said the Allies might do those things. And have the Allies done them? The United States had a contingent on the Rhine, and they withdrew it. The Italians warned France that it was a dangerous step. England used its influence to remonstrate with France, and holds its contingent on the Rhine only, because they say they do not wish to disrupt the alliance with France.

There is no precedent for the seizure and occupation of territory in time of peace. There was no precedent when the French invaded Prussia during the Seven Years War and were turned back at the battle of Rossbach. Louis XIV was considered unfortunate because he had no good pretext for his wars.

There was no precedent when the Duke of Brunswick passed into Belgium on his road to Paris in his effort to restore the Bourbons, but was checked by the French at the Battles of Valmy, Fleurus and Jemappes. There was no precedent when Napoleon invaded Prussia, when he confiscated property, put garrisons in the towns and levied contributions upon the inhabitants, because it was in the course of war and it was after Jena and Aurstadt in 1806. There was no precedent when the Germans invaded France and captured Paris in 1870, because they had fought battles, the warfare was continuous, they were in the course of the active operations of war when they made the demand. There is no precedent for the occupation of territory after there has been an armistice and after peace has been declared and agreed upon.

Hon. Mr. GORDON: What about the invasion of Belgium?

Hon. Mr. ROCHE: My honourable friend wants to hear about the invasion of Belgium, and I will tell him. The army of France was drawn up. The Germans knew that there was an alliance between France and Russia. The Chancellor, Von Bethman Hollweg, offered to England a defensive and offensive alliance. Germany had the power in its army to withstand France and stave off Russia The Germans knew that the Allies had made their alliance and were ready. England sent nine millions of pounds and munitions of war to Russia to commence hostilities. They chose between Germany and Russia, and they declared war upon Germany. There is an answer to my honourable friend. It was only a question of hours whether France would invade Germany or whether the Germans would invade France, and the Germans were wise that they staved off the opposing forces from their own territory and carried the war into Africa.

Now, honourable gentlemen, the French are occupying the Ruhr Valley and the towns, and they have performed the military acts that I have described. Let them beware. The civil population is already resisting them. The French cannot be content with the operations that they have begun and with the seizures they have made of the towns: they must go on and extend their military operations.

Hon. Mr. CASGRAIN: To Berlin.

Hon. Mr. ROCHE: The spirit of the Germans will be roused. They are a proud,

patriotic, and devoted people. Sentiment will spread all over the land, and it will be the general watchword: "It never shall be France's, the fair, the German Rhine." The people will take the matter in hand. They will hear that the nations had gathered around the Fatherland like wolves around the protecting fires of the travellers. They will hear about the confiscations and contributions that Napoleon imposed upon the towns and villages of Germany when he occupied it. They know of the two millions of the sons of Germany who will never come back, whose bones lie mingled with the soil of the marshes in Russia, on the plains of Austria, in the valleys of Italy, and in those long barrows in France. They look upon the emaciated forms of those four millions of wounded men that subsist on charity in their towns and villages. The whole spirit of the nation will be roused. There may be another Ernst Moritz Ardt; there may be another Tugendbund, another General Deyork, and later on perhaps another Leipsic.

This precedent of being claimant, judge and executioner may be a very bad precedent for England. Russia has a demand on England for reparations. The Russians allege that England engineered and supported Wrangel's attack on Southern Russia, which was very difficult for the present government to put down; that the British carried away the general in a battleship and landed him at Varna. They have presented a claim for remuneration to the British Government and been refused. They may say now "It is a policy of the nation. A precedent has been established. We have demanded reparation and we have not received it. We will take the law into our own hands. We will march an expedition into Asia Minor, we will take the Mosul oil wells and hand them over to our allies the Turks. We have already a suzerainty over half of Persia. We will take suzerainty over the other half, that Britain has." The Russians fairly and firmly established in Persia, the road to India is open.

To sum up the whole matter and bring it to a conclusion, what ought to be our policy?

Hon. Mr. GORDON: France.

Hon. Mr. ROCHE: To refrain from European entanglements, abstain from European intrigues and aggressions, turn our eyes homeward. We are already overburdened with the weight of debt from the former war. Let us have peace. Let us cultivate our fields, extend our manufactures and industries, dig our mines, plow the seas, perfect our transportation, extend our commerce to every nation of the earth that will receive our commodities, and take their goods in exchange. Then, with prudence and patience, and hope and courage, and firm reliance upon Divine guidance, let us work out our own destiny in the western world.

Hon. G. D. ROBERTSON: Honourable gentlemen, it is not my purpose to detain the House at any great length in contributing to this debate introduced by the right honourable member from Ottawa (Right Hon. Sir George E. Foster); but I do feel constrained to make a few observations in order to bring to the attention of the House the views expressed by a large class of people in Europe, confined to no particular country, but spread over many, concerning this very important and vital question.

The right honourable gentleman who introduced this subject in the Senate fascinated all his hearers in that memorable three-hour speech which he made. He built up a case which was at the time the admiration, I am sure, of every honourable gentleman who heard it.

Not long afterwards the honourable member from Edmonton (Hon. Mr. Griesbach) made a valuable and forceful contribution to the debate. He spoke from a rather different standpoint—from the standpoint of one who had participated in the great struggle, who had seen the sufferings and sacrifices on the field, who felt that the French people were justified in the course they were pursuing

Then followed the eloquent address of the honourable member from Montarville (Hon. Mr. Beaubien), full of patriotism and enthusiasm for and on behalf of the French Government. Every one of the honourable gentlement offering contributions to this debate, viewing the question from a different standpoint, has been equally earnest and honest in the opinion and conviction which he expressed. I wonder, however, if we have not thus far overlooked a very important factor and feature, namely, that wars are not conducted for commercial purposes, or at least ought not to be? Listening to the remarks of some of the honourable gentlemen who have spoken, one rather wonders whether or not the collection of reparations, the satisfying of a spirit of vengeance in forcing the repayment of a debt incurred, or the risk and possible necessity of the further shedding of human blood to accomplish those tasks, should be our first consideration.

All over the continent of Europe there are many millions of men who contributed a great deal to the sacrifice that was made during the war, and dependent on them are many millions more of helpless women and children

in humble life upon whom the burden fell even more seriously and heavily than upon those who were more fortunately situated so far as position and the comforts of this world are concerned. I think this country should listen with some attention to the voice of that vast multitude as it speaks through organized channels. In Great Britain—England, Scotland and Wales alone—there are approximately 7,145,000 organized workers in all classes of activity. They have given expression to an official view on this question, which was expressed very clearly in a publication issued by the International Federation of Trade Unions at Amsterdam on January 26th last. The view expressed is not confined to British trade unions, but is that of the International Federation of Trade Unions, which covers almost all the countries on the continent of Europe. That organization, representing several millions of workers, referred to this question in the following words:

Prolonged and thorough consideration was then given to the precarious international situation that has arisen as a result of the military occupation of the Ruhr district. All possible avenues of action were explored when ultimately it was decided:

1. To enter a most emphatic protest against the adoption of the policy of force;

2. To insist on a settlement of the whole question by arbitration;

3. To instruct delegates to get into touch immediately with their members in the various countries, so that full information can be at the disposal at the Bureau in order that a definite decision, that shall be in accordance with the resolutions passed at the London, Rome and Hague conference, may be taken.

Such, briefly, was the view expressed by those who are responsible to the International Trade Unions of Europe.

I desire to make it clear that the views of the British trade unions, or the federation of unions, are not the views of radical labour men, commonly known as socialists or communists, but are the views expressed by the British labour movement, which has a membership of 7,145,000, and which includes all of the organized workmen in England, of whatever sort they may be, and represents the views of conservative labour men as well as those of the radicals. There are more forcible expressions of opinion by more radical organizations, such as the socialist organization in France itself, but the quotations which I shall give to the House are from the standard, conservative, reasonable, thinking labour elements of Europe, and not from those who may be regarded as radical. The National Joint Council of British Trade Unions in Congress in January last gave expression to the following views:

The National Joint Council of the Trades Union Congress General Council, the Executive Committee of the Labour Party and the Parliamentary Labour Party

repudiates in the most formal manner all responsibility for approving, directly or indirectly the policy now being pursued by the French Government towards Germany.

It regards this policy as an invasion of a neighbouring State in time of peace, without any justification, either under the Treaty of Versailles, or any principle of international law, and consequently as an act of war.

This invasion constitutes an attack on the self-determination of the German people, as well as an attack on the rights of the working class, who are treated as mere pawns or chattels.

It threatens all Europe, not only with further economic disintegration, but with widespread anarchy and the renewal of actual war.

This policy is calculated to cripple Germany, destroy her credit, and automatically diminish her capacity to make reparation payments.

This policy is destined also to have the most disastrous effect upon the working class of Great Britain, where unemployment and its attendant evils, resulting in large measure from the collapse of Germany's purchasing power, will now be intensified.

It demands of the British Government that it shall:

(a) Refrain from all measure of support or co-operation with the French troops in their present action, as, for example, by allowing such troops to pass through British occupied territory, or allowing this territoy to be used by them for any military operation.

(b) Disassociate itself by a formal declaration from all complicity with the present policy of the French Government.

(c) Refuse to take advantage in any way of the French Government's action, whether by sharing in cash payments, coal, or deliveries in kind, which may be obtained as a result of such action.

(d) Take all possible steps to secure the withdrawal of all the armies of occupation.

(e) Support the United States Government in securing the submission of the present dispute to an impartial body.

(f) Make a formal proposition for the reference of the whole reparation problem (including the present action of the French Government) to the League of Nations.

Such is the official view of over seven million organized men in Great Britain. The Labour party in the British Parliament has, as honourable gentlemen know, very largely sympathized with the action of the Government itself on this particular question. The only criticism they have is that they think the British Government has not advanced far enough in its efforts to pursue and force its demands for arbitration rather than force.

I think, honourable gentlemen, without quoting expressions of opinion of a similar nature that come from Czecho-Slovakia, Spain, Italy, Belgium and Germany, that it would be interesting to the House, and I hope convincing, to know what are the views of the organized labour movement in France itself. Labour in France is organized in two different ways. There is the political organization known as the Socialist branch in the French Parliament. The views of that organization are voiced independently of the organized trade union movement in France. The opinion of the French Socialists is contained in this same document that I hold in my hand; I

am not going to burden the record or the House with it, but shall quote the officially expressed view of the saner, more conservative, solid trade union movement of the Republic of France as expressed in this same report issued in Amsterdam. The French General Confederation of Labour issued the following appeal on the 14th of January this year:

Within the past few days the Government and Parliament of our country by means of the sword and arbitrary arrest, have defeated the ends of justice and common sense. Beyond our frontiers they have carried to a culminating point a policy of force and mad adventure, while at the same time, within our frontiers, by making use of the Nationalist majority in the Chamber, they are applying brutal reactionary measures denying the right of free speech and Parliamentary control, in the interests of Government dictatorship.

The General Confederation of Labour regards these reactionary measures—arrest and arbitrary house searching—as time worn trickery intended to mask the actions of the Government which are as questionable as they are baneful. The General Confederation of Labour protests against these violations of individual liberty and the right of free speech.

It repeats that the military occupation of the Ruhr district is a dangerous mistake and an infamy.

A mistake, because the burden of making reparation payments is increased by the heavy cost of maintaining the military forces in the occupied area, and by the cost of maintaining and feeding a densely populated area, while no indication can be given that this occupation will yield any advantageous result.

A mistake, because the President of the Council himself has said that "England may be right when she says that a policy of pledges will produce nothing." The workers of France are already beginning to pay for this mistake by a 20 per cent increase in taxation.

The military occupation of the Ruhr is an infamy because it will only revive hatred and sow the seeds of fresh conflicts between nations which are seeking reconciliation and peace; an infamy because it is an affirmation of the principle "might is right" which condemns a section of the proletariat to slavery, and regards human nature as an article of commerce.

The General Confederation of Labour, in virtue of its past history; proud of the fact that is has always given full attention to the question of reparation and asserting that the French proletariat have defended the interests of the sufferers of the devastated areas by proposing the reconstruction of these areas by pacific methods, condemns this policy of violence abroad and reaction at home.

It appeals to the workers of France not to allow themselves to be used as accomplices in this double crime. It says to the French workers:

Range yourselves on the side of the General Confederation of Labour; protest against the monstrous errors which are being committed, ostensibly in your name. Do not forget that the military occupation of the Ruhr may have fatal consequences, and may lead to fresh bloody conflicts.

Demand that the reparation question be submitted immediately to a court of arbitration. We must appeal to the League of Nations to settle this economic difficulty, removing it from the sphere of political rivalry, military ambition and financial and capitalist intrigue.

Let us win over to our side the public opinion of our land and let us make preparations to put into practice, if necessary, the resolutions of the Hague World Peace Congress.

There follows in the same paper an even more forcibly expressed opinion from an organization known as the Committee of Action for the Rehabilitation of the Devastated Areas, a body which is made up exclusively of people who had their homes and property utterly destroyed, and many of their relatives killed. In the face of all this experience and sacrifice, these people are now of the opinion that the military occupation of the Ruhr at the present time is a mistake. I express no personal opinion.

Hon. Mr. BEIQUE: Where is the evidence that the people in the devastated regions are against the occupation of the Ruhr?

Hon. Mr. ROBERTSON: My honourable friend desires some evidence of that. At the risk of delaying the House a moment further I will read it:

The Committee of Action of the Devastated Areas, an organization representing the war victims in the devastated areas of France, has passed a resolution referring to the occupation of the Ruhr district. It will be remembered that this Committee of Action drew up an agreement in Berlin on October 24th last with the German Union of Social Building Corporations; an agreement which guaranteed the collaboration of the building workers of Germany in the matter of supply of labour and materials for the reconstruction of the devastated areas. Insasmuch as the war victims in the devastated areas are deeply interested in the question of reparations, their moderate and common-sense attitude is not lacking in interest. The resolution is as follows:

"This Committee of Action of the Devastated Areas representing the opinion of the majority of the war victims in the devastated areas of France; meeting at the time when French troops are carrying out the occupation of the Ruhr district; and passing this resolution proposed by the Secretary M. Doucedame, General Councillor of the Aisne Department; recalls the efforts which it has made during the past two years to make general reconstruction possible, in collaboration with the workers of Germany, and with the aid of German materials and labour; regrets that its programme, which has been recommended since April 1921, which paved the way for the Wiesbaden agreement, and which led to the Berlin agreements of October 24th, 1922, with the German Union of Social Building Corporations, has not been accepted.

"For these reasons, this Committee of Action calls upon the Government to endeavour to solve the problem of reparations by methods which will serve general interests and develop friendship between the nations, inasmuch as such are the only methods which can assure a safe and lasting peace based on the triumph of the spirit of democracy."

I have presumed to take up a little of the time of this House to lay before honourable gentlemen, not my views, but the official views of the millions of workingmen who represent such a large proportion of the population of France, England, Germany, and other countries concerned. I think it is only fair, when considering this question from all angles, that the views and feelings of such large portions of the people should not be lost sight of by honourable gentlemen in coming to a conclusion as to where Canada's

duty and obligations lie in this matter. For my own part, I feel that Canada, like every other nation of the world, at the present time abhors and will endeavour to evade war, if at all possible. In my opinion very serious provocation will be required before there will be any response from the men of Canada to an invitation to participate in another war; but all this foolish talk, as I deem it to be, that there will be no more war, may just as well be dismissed and forgotten at once, because we can look back over history as far as it is revealed to us, and see how century after century, and frequently more often, just as soon as one generation passes away another takes its place, the determination of the one is forgotten in the next, and the same old feuds arise and the same old medicines are administered, and the casualties go on. If this world is ever to reach that desired state when wars will permanently be a thing of the past it can obviously only be through the instrumentality of such an organization as the League of Nations; and it does seem to me that France, while perhaps having a perfect right to exercise her own judgment and act in her own way, might well have given more serious attention and greater weight to the views expressed by Great Britain, the United States and Italy, all of whom were allies, and useful allies, when the struggle itself was on. I can only express the hope that no great evil may result from what I regard as hasty, if not unwise, action on the part of that great nation.

It seems to me that all men in public life might with profit to themselves and to the state which they serve, give more attention to the value of human life and happiness, and to its maintenance and preservation, rather than to its destruction. That, in my opinion, is the underlying feature in this all-important question of war and peace. War debases men. Peace ought not to have that effect. Should we not bend our energies in that direction, rather than take chances of pursuing policies and encouraging governments along lines that are apt to bring to us a repetition of the disasters and sacrifices and suffering that we have so latedly experienced by reason of war?

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

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

Hon. Mr. ROBERTSON.

THE SENATE

Friday, April 13, 1923

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER announced that he had received a communication from the Governor-General's Secretary informing him that the Right Honourable Sir Louis Davies, K.C.M.G., acting as Deputy of the Governor General, would proceed to the Senate Chamber, at 4 p.m. this day, for the purpose of giving the Royal Assent to certain Bills.

PRIVATE BILL

FIRST READING

Bill K 3, an Act respecting the Frontier College.—Hon. Mr. Tanner.

DIVORCE BILLS

FIRST READINGS

Bill E 3, an Act for the relief of Fannie Boyle.—Hon. Mr. McCall.

Bill F 3, an Act for the relief of James Forbes.—Hon. Mr. McCall.

Bill G 3, an Act for the relief of Julia Tracey Kay.—Hon. Mr. Ratz.

Bill H 3, an Act for the relief of Charles Philip Roy McCabe.—Hon. Mr. Ratz.

Bill I 3, an Act for the relief of William George Haden.—Hon. Mr. McLean.

Bill J 3, an Act for the relief of Gertrude Irene Wood.—Hon. Mr. Willoughby.

Bill L 3, an Act for the relief of James Murray.—Hon. Mr. Fowler.

Bill M 3, an Act for the relief of James McAllister.—Hon. Mr. Blain.

Bill N 3, an Act for the relief of David Albert Clayton.—Hon. Mr. Blain.

Bill O 3, an Act for the relief of Hugh Russell Fulton.—Hon. Mr. Blain.

Bill P 3, an Act for the relief of Maybelle Elizabeth French.—Hon. Mr. Blain.

SECOND READINGS

Bill A 3, an Act for the relief of Frederick Fong Young.—Hon. Mr. Ratz.

Bill B 3, an Act for the relief of Thomas Percy Eversfield.—Hon. Mr. Willoughby.

KENT NORTHERN RAILWAY

DISCUSSION—MOTION WITHDRAWN

On the notice of motion:

By the Hon. Mr. Bourque:

That an Order of the Senate do issue for a Return to include all correspondence since 1921, relating to the acquisition by the Government of the Kent Northern Railway, located in New Brunswick.

Hon. T. J. BOURQUE: Honourable gentlemen, I wish to make a few remarks in connection with this motion, because the subject is a very important one to that part of the country from which I come. If I have already placed on the Order Paper a couple of notices of inquiries in connection with the Kent Northern Railway, it is because the conditions in that section of the country have become more or less unbearable on account of the service that we are getting there.

I might say at the outset that the Kent Northern Railway, in the Province of New Brunswick, is the only railway which has not been taken over by the Canadian National Railways. Had the original plans been carried out when the I.C.R. was built, I think the I.C.R. would have run along the shore line, that is, possibly from Chatham to Shediac or Moncton, and then it would not have been necessary to build in the county of Kent two branch lines, one of them called the Moncton and Buctouche Railway, and the other the Kent Northern Railway. So, about forty years ago, the Kent Northern Railway was built, touching the I.C.R. about 45 miles north of Moncton, and running to the town of Richibucto, the shire town of the county of Kent. This railway was built with a subsidy from the Federal Government and one from the Provincial Government of New Brunswick. Brown Brothers, of Charlotte county, if my memory serves me correctly, were the builders, and they operated this road for a number of years. Eventually, about twenty years ago, or a little more, a local company was formed in the county of Kent, composed mostly of men from the towns of Richibucto and Rexton, and they bought over this Kent Northern Railway and operated it for quite a number of years. Later it was bought by an estate or a party from the province of Ontario, and it is now controlled by the National Trust Company. You can see that there are reasons for thinking that the Kent Northern Railway is possibly a paying proposition, as it has already changed hands three times. But the time has come when the service on the branch lines is possibly not what it should be, and unfortunately, during the past winter, which was one of the hardest winters we have had for many years, that section of the country has suffered severely. There was no communication between the main line and Richibucto from the 3rd of March to the 3rd of April, and I may add that from the 1st of January to the 3rd of April there have been only about eighteen or twenty trips. It may be said that other roads were also blocked; but they were not to any extent compared with this one. The reasons are very plain to see. The Kent Northern has not adequate equipment to work with. There is not on that road an efficient snow-plow. There are three engines, which are practically out of date. I might mention, by the way, that on the 29th of January I spent almost a whole night in going about 10 miles from the town of Richibucto, where they were trying to get through to Kent Junction.

The press has on several occasions called attention to the condition of affairs. I have here a short item from one of our local papers.

> Travellers report that the Kent Northern has been blocked by snow since March 8 and that Richibucto has been isolated at various other times during the winter, greatly to the inconvenience of shippers merchants and the public in general. The railway is a privately owned one, running from the shire town of Kent Co. to Kent Junction on the main northern line of the Canadian National Railways. The equipment, like that of many branch lines is inadequate to cope with the abnormal snow-fall of the winter and unlike other country lines has not the assistance of heavy engines and plows from Moncton.

My remarks will not be lengthy, but may I add that the attention of the Premier of New Brunswick, Hon. Pierre J. Veniot, was called to this condition of affairs, and I see by this newspaper report that he had an interview with the manager of the road, Mr. Clark, of the National Trust Company, and that he has notified the Company that unless traffic is resumed in a very short time steps would be taken whereby the road would be taken over at once. Furthermore, the members from the county of Kent supporting the Provincial Government had before the Legislature in Fredericton yesterday a motion which reads as follows:

> A resolution most important to Kent county was moved last evening by Mr. Bordage, of Kent county in re the transfer of the Kent Northern Railway as follows:
>
> Notice of Motion for Thursday, April 12th, 1923.
>
> By Mr. Bordage, seconded by Mr. Melanson.
>
> Whereas, the Minister of Railways and Canals of the Dominion of Canada by authority of Parliament, has adopted the policy of acquiring the branch lines tributary to the Intercolonial and other parts of the Canada National Railway system; and
>
> Whereas, pursuant to said authority, the Moncton and Buctouche Railway and other privately owned branch lines in the Province of New Brunswick were taken over and are now owned and operated as a part of the Canadian National Railway system thereby giving to the people served by said branch lines much improved and continued service; and
>
> Whereas, the Kent Northern Railway, a privately owned branch line in Kent County, New Brunswick, being the only branch line in the Province not taken over by the Dominion Government, links up the prosperous and thriving towns of Richibucto, Rexton and other growing settlements along its route, with the said Intercolonial Railway at Kent Junction, there-

by serving approximately twenty thousand people in the County of Kent; and

Whereas, owing presumably to a want of efficient rolling stock, coupled with the "Laissez-faire" attitude on the part of the management, there has been no service whatever on said Railway between the third day of March and the third day of April last; that since January first to April third, inclusive service was maintained for twenty days only, resulting in the dislocation of business and untold hardship to the people generally.

Therefore be it Resolved, that in the opinion of this House it is expedient that the Federal Government, in continuance of its branch policy, be earnestly urged to take over and operate the said Kent Northern Railway as part of the Canadian National Railway system, at the earliest possible moment.

I will add only this, that the part of the country served by the Kent Northern Railway is one of the most important business centres in the Province of New Brunswick and is also a farming, fishing, and lumbering district. It includes, outside of the two towns of Rexton and Richibucto, many villages of great importance, such as St. Charles, St. Ignace, Richibucto, and Richibucto Village, and also the Richibucto River.

The people of the West complain about high freight rates, but were they living in my part of the country they would realize that it costs as much to get freight from Kent Junction to Ricibucto, only 27 miles, as it does from the city of Quebec to Kent Junction.

I place these facts before the House and the Government, not by any means for the purpose of criticism. We have on frequent occasions attempted to get other Governments to take this line over, but we have never succeeded in getting the company to accept a reasonable price for the line. It seems to me that, if the company is not prepared to act fairly as to the price, it is the duty of the Government of Canada to take over the line and operate it for the good of that section of the country. There is in the Maritime Provinces at the present time more or less unrest, and this is an opportunity whereby, if we have proper railway service, we shall be in a position to keep our young men at home instead of having them cross the line to the United States.

Hon. Mr. DANDURAND: My honourable friend is not moving the motion, and I suggest that he do not, as I am imformed that no correspondence has been exchanged since 1921 with the owners of the Kent Northern Railway, or with any other parties, relating to the acquisition of that line by the Government. However, I will make it my duty to transmit the remarks of my honourable friend to the President of the Canadian National Railways, who has under his supervison the Intercolonial as well, in order that he may look into the matter and see what relief may be afforded at the least possible expense to the people in that part of New Brunswick.

The Hon. the SPEAKER: Does the honourable gentleman wish to withdraw the motion?

Hon. Mr. DANDURAND: He has not moved it.

The motion was withdrawn.

IMPERIAL OIL COMPANY

MOTION FOR RETURN

Hon. G. V. WHITE (for Hon. Mr. McLennan) moved:

That an Order of the Senate do issue for a return showing:

(a) The authority granted to the Imperial Oil Company to lay a pipe line from the wharf of the Government Railway to their tanks at Barrack Point, Sydney, Nova Scotia, over land belonging to His Majesty.

(b) The amount charged for this privilege and for wharfage on a cargo or cargoes discharged there last autumn.

(c) For how long this charge is established.

(d) All correspondence between the Canadian National Railways or any department of the Government with the Imperial Oil Company or its representatives, and documents relating to this matter.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS

MOTION FOR RETURN

Hon. Mr. TURGEON moved:

That an Order of the Senate do issue for a copy of all correspondence, letters and telegrams between the Boards of Trade and Municipal Councils of the cities of Quebec, St. John, Moncton and Halifax, and the Government of Canada, the Canadian Railway Commission and the Directors of the Canadian National Railways since the 1st of July, 1922, to this date in reference to the utilization of the Transcontinental line to Quebec, St. John and Halifax.

The motion was agreed to.

COST OF THE CIVIL SERVICE

MOTION FOR RETURN

Hon. Mr. BRADBURY moved:

That an order of the Senate do issue for a return showing the total cost of the Civil Service for the year ending March 31st, 1919, and for the year ending March 31st, 1922.

By the Civil Service is meant all the Government employees affected by the provisions of the Civil Service Act, 1919, and its amendments.

The motion was agreed to.

CANADA'S TRADE

INQUIRY FOR RETURN

On the Orders of the Day:

Hon. Mr. SCHAFFNER: Honourable gentlemen, I would like to ask the honourable leader of the Government in this House in

reference to some questions I placed on the Order Paper about six weeks ago, and which were changed to a motion for a return. I would like very much to have the return if possible.

Hon. Mr. DANDURAND: Can the honourable gentleman give me the date of the motion?

Hon. Mr. SCHAFFNER: I cannot give the exact date. It was in reference to the exportation of wheat and flour from Canada to the Orient and also to the countries of Europe.

GOVERNMENTAL PRIVATE CARS AND MOTOR CARS

INQUIRY FOR RETURN

Hon. Mr. FOWLER: Honourable gentlemen, I wish to call the attention of the honourable leader of the Government in this House to a series of questions which I put on the Order Paper, and which, by the request of the Minister, were changed to a motion for a return, which motion was passed some time ago. My questions related to the number of private cars or official cars on the Canadian National Railway System and also to the number of motor cars kept for the use of the gentlemen of the military department of the Government. There are an enormous number of them, but it does seem to me that with the staff which is at the disposal of the Government of this country it would be possible, in the length of time that has elapsed since that motion was passed, for some return to be made. I would not like to insinuate that there is any desire of concealment on the part of the Government, but it does seem passing strange to me that that return has not come down, and I would like to ask the honourable leader why it has not come down.

Hon. Mr. DANDURAND: I may inform my honourable friend that I received an answer which related simply to the Militia Department, and, as I felt that it did not cover all the ground covered by the motion of my honourable friend, I returned it for a complete statement. I will make inquiry in this respect, if my honourable friend wants a complete statement covering not only the Militia Department but all other Departments.

Hon. Mr. FOWLER: Yes, and also the official cars on the Canadian National road. That question was included in the motion. I hope you will chase them up.

PRIVATE BILLS

THIRD READINGS

Bill 14, an Act to incorporate La Banque des Cultivateurs.—Hon. Mr. Chapais.

Bill 18, an Act respecting the Dominion Fire Insurance Company.—Hon. Mr. Macdonell.

SECOND READINGS

Bill 4, an Act respecting certain patents of Leonard Clayton Ridge.—Hon. Mr. Bennett.

Bill 35, an Act respecting The Ottawa, Northern and Western Railway Company.—Hon. Mr. McHugh.

Bill 39, an Act respecting the Rutland and Noyan Railway Company.—Hon. Mr. Beique.

Bill 40, an Act respecting a certain patent of Henry Matthew Wells and James Edward Southcombe.—Hon. Mr. McMeans.

Bill 47, an Act respecting a certain patent of Clarence P. Landreth. Hon. Mr. McMeans.

Bill 48, an Act respecting the Manitoba and North Western Railway Company of Canada.—Hon. Mr. Willoughby.

Bill 50, an Act to incorporate The Protestant Federation of Patriotic Women of Canada.—Hon. Sir George Foster.

Bill 51, an Act respecting a certain patent of James M. Richardson.—Hon. Mr. McMeans.

Bill 53, an Act respecting Canadian Press, Limited.—Hon. Mr. White.

CRIMINAL CODE (MARRIAGE AND DIVORCE) BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill Y2, an Act to amend the Criminal Code with respect to publication of Evidence in Marriage or Divorce proceedings.

Hon. Mr. Blain in the Chair.

Section 1, the preamble, and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

THE ROYAL ASSENT

The Right Honourable Sir Louis Davies, K.C.M.G., Deputy of the Governor-General, having come, and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the

Deputy of the Governor-General was pleased to give the Royal Assent to the following Bills:

An Act to provide for further advances to the Vancouver Harbour Commissioners.
An Act for the relief of Margaret Elizabeth Moran.
An Act for the relief of Ethel Lillian Duncan.
An Act for the relief of Florence Mary Ramsden.
An Act for the relief of Ross John Craig.
An Act for the relief of Florence Dodds.
An Act for the relief of Blanche Hilton.
An Act for the relief of May Woodbridge.
An Act for the relief of Alice May Smith.
An Act for the relief of Albert Ernest Mould.
An Act for the relief of Winifred Rose Foster.
An Act for the relief of Emily May Small.
An Act for the relief of Irene Herdsman.
An Act for the relief of John Frederick King Hall.
An Act for the relief of Herbert Martin.
An Act for the relief of Frederick John Saunders.
An Act for the relief of Robert Archibald Logan.
An Act for the relief of Violet Marie Finn.
An Act for the relief of Harriet Ethelwyn Kingsley.
An Act for the relief of Ernest Warren Porter.
An Act for the relief of May Eliabeth Meng.
An Act for the relief of Maud Vera Butler.
An Act for the relief of Lillian Black.
An Act for the relief of Florence Elizabeth McDonald.
An Act for the relief of Gretta Melville.
An Act to incorporate The Alert Guarantee Company of Canada.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1924.

The House of Commons withdrew.

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

The Senate adjourned until Tuesday, April 17, at 8 o'clock p.m.

THE SENATE

Tuesday, April 17, 1923.

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

Prayers and routine proceedings.

THE GOVERNOR GENERAL'S SPEECH

HIS EXCELLENCY'S REPLY TO THE ADDRESS

The Hon. the SPEAKER presented the following message from His Excellency the Governor General:

Byng of Vimy.

Honourable Gentlemen of the Senate:

I have received with great pleasure the Address that you have voted in reply to my Speech at the Opening of Parliament, and thank you for it sincerely.

Government House,
Ottawa, 12th April, 1923.

Hon. Sir LOUIS DAVIES.

THE VIMY RIDGE MEMORIAL

THE GOVERNOR GENERAL'S ACKNOWLEDGMENT OF THE RESOLUTION

The Hon. the SPEAKER presented the following message from His Excellency the Governor General:

Byng of Vimy.

Honourable Gentlemen of the Senate:

I thank you for the Resolution you have adopted on the subject of the gift graciously made by the Republic of France of a tract of land on Vimy Ridge at the site selected for the erection by Canada of a monument commemorating the exploits of Canadian soldiers in the Great War. I shall cause this Resolution to be transmitted to the President of the French Republic.

Government House,
Ottawa, 27th March, 1923.

IMPERIAL SERVICE ORDER

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. Whether six members of the Ottawa Post Office Staff were given Medals of the Imperial Service Order for long, faithful and meritorious service, as reported in the Ottawa Journal of the 27th February last.
2. And if so, was His Majesty the King led to make such presentations as aforesaid upon the recommendation of a Minister or other official of the Government of Canada?
3. If so, what Minister or Official?
4. Is it the intention and policy of the Government to make further recommendations leading to the award of this medal to other persons in the service of the Government for long, faithful and meritorious service?
5. Is it the intention and policy of the Government to recommend to His Majesty the King the award of companionships in the Imperial Service Order to persons in the service of the Government for long, faithful and meritorious service?
6. If not, why not?
7. If so, is it the intention and policy of the Government to recommend to His Majesty the award of companionships in other Orders such as the Order of the Bath, the Order of St. Michael and St. George, the Victorian Order, and other similar Orders to persons in the service of the Govenment for long, faithful and meritorious service?
8. If not, why not?
9. And if so, is it the intention and policy of the Government to recommend to His Majesty the award of Knighthood under these aforementioned circumstances in any of the said or similar Orders?
10. If not, why not?

Hon. Mr. DANDURAND:

1. Yes.
2. Yes.
3. The Secretary of State.
4. Yes.

5, 6, 7, 8, 9 and 10. The Government does not propose to take any action inconsistent with the views expressed in the report of the Special Committee appointed to consider the question of conferring honours, etc., upon subjects of His Majesty resident in Canada, which was concurred in by the House of Commons on the 22nd May, 1919, the

House further having declined during the present Session to approve a modification of such views.

COAL FOR NATIONAL RAILWAYS

INQUIRY

Hon. Mr. BENNETT inquired of the Government:

1. What contracts have been let, if any, for the carriage of coal by water for the National Railways?
2. If any contracts have been let, to whom, and the rates agreed to be paid per ton for carriage of coal?

Hon. Mr. DANDURAND: The Canadian National Railways have no contracts at the present time for the carriage of coal by water.

DISALLOWANCE OF NOVA SCOTIA STATUTES

INQUIRY FOR RETURN

Hon. Mr. TANNER: Honourable gentlemen, I would like to direct the attention of the Leader of the House to an Order for a Return which was passed on the 6th of February, in relation to correspondence in regard to the disallowance of Nova Scotia statutes in 1922. I do not think the correspondence can be very lengthy. If my honourable friend could arrange to have it laid on the Table of the House, I would be much obliged.

DIVORCE BILLS

FIRST READINGS

Bill Q3, an Act for the relief of John Darton.—Hon. Mr. Taylor.

Bill R3, an Act for the relief of Minnie Eileen Biggs.—Hon. Mr. Turriff.

Bill F3, an Act for the relief of Thomas Henry Bottomley.—Hon. Mr. Turriff.

Bill P3, an Act for the relief of William Richard Dowd.—Hon. Mr. Turriff.

THIRD READINGS

Bill A3, an Act for the relief of Frederick Fonk Young. Hon. Mr. Ratz.

Bill B3, an Act for the relief of Thomas Percy Eversfield.—Hon. Mr. Willoughby.

SECOND READINGS

Bill C3, an Act for the relief of Jean Elizabeth Burgess.—Hon. Mr. Bennett.

Bill D3, an Act for the relief of Thomas Wesley Scott.—Hon. Mr. Bennett.

PRIVATE BILLS

THIRD READINGS

Bill 3, an Act respecting The Royal Guardians.—Hon. Mr. Casgrain.

Bill 26, an Act to amend the Act incorporatting "La Société des Artisans Canadiens Français".—Hon. Mr. Boyer.

Bill 25, an Act respecting a certain patent of Arthur R. Wilfley.—Hon. Mr. McMeans.

Bill 5, an Act respecting certain patents of Charles A. Channell.—Hon. Mr. Belcourt.

Bill 19, an Act respecting certain patents of Albert Manvers.—Hon. Mr. McMeans.

Bill 27, an Act respecting a certain patent of Hans M. Olsen.—Hon. Mr. Macdonell.

FIRST READING

Bill 37, an Act to incorporate the Buffalo and Fort Erie Public Bridge Company.—Hon. Mr. Pardee.

EUROPE AND THE LEAGUE OF NATIONS

THE DEBATE CONTINUED

The Senate resumed from April 12 the adjourned debate on the inquiry of the Right Hon. Sir George E. Foster:

That he will call the attention of the Senate to conditions in Europe and the work of the League of Nations and will ask the Government if it will lay on the Table the Report of the Canadian delegates to the third Assembly of the League of Nations.

Hon. THOMAS CHAPAIS: Honourable gentlemen, like all my colleagues in this House, I have listened with deep interest to the very eloquent speech delivered by the right honourable member for the city of Ottawa (Right Hon. Sir George Foster) on the European situation. Very seldom has the right honourable gentleman displayed more brilliantly his wonderful power of thought and mastery of language. Is it not to be regretted that some parts of that piece of oratory may have been deemed not altogether unfavourable to the stand taken by unrepentant Germany? I feel bound to state, as briefly as possible, on what points I disagree with my right honourable friend.

But before doing this I would like to say a few words in connection with the speech made at the last sitting of this House by the honourable member for the city of Halifax (Hon. Mr. Roche). It was a fine speech, and in the meantime a most extraordinary one, at least in some parts. It sounded the note of charity, of good-will, of oblivion towards past deeds and struggles. In themselves such feelings are surely praiseworthy; but they should not be allowed to supersede the rights of justice. Where justice remains in abeyance, charity and oblivion may stand suspended. Guilt and wrong, responsibility and moral obligation to repair, are not to be expunged by merely appealing to good-will and conciliation. The Franco-German situation now under debate in this House involves a paramount question of justice. Justice claims

reparation, and justice commands enforcement, if good-will fails to comply.

The honourable member wants to know which is the most likely to pay the stipulated indemnity—a prosperous, industrious, semi-wealthy Germany or a fretful, poverty-stricken, poor, frightened Germany? Will the one be likely to pay the indemnity as quickly as the other? The answer seems obvious. It is from the prosperous, industrious, semi-wealthy Germany that reparation is asked, according to conditions thoroughly debated and finally accepted; and it is the fear of losing that wealth and prosperity that is now used as a weapon to induce reluctant Germany to fulfil her obligations.

The honourable member said in his speech:

> The Germans have not asked for total remission of their indemnity, but only for a postponement of the payment of the instalment. England asked the United States for an extension of sixty-two years, and it was granted her.

Germany has been granted many postponements and deductions, and at last the Allies have agreed to give her an extension of over forty-two years to pay her instalments. Besides, it must not be forgotten that her case is quite dissimilar from that of England. The British government had to provide for the repayment of a loan. The German government is bound urgently to pay for the wanton destruction perpetrated by her armies in Belgium and France.

In connection with those ruthless deeds, the honourable member for Halifax has deemed it fitting to file a truly remarkable plea of attenuation. According to that piece of special pleading, the Germans would be responsible only for part of the destruction, because the Allies, in their strenuous efforts to repel the invaders, had to discharge thousands of shells on the towns and villages occupied by the enemy. Here is indeed a queer theory. If it were accepted, I should be held responsible for the damage that I am obliged to inflict on part of my own property in the act of repelling the ruffian who attempts to take it from me; and in that way the despoiler and the despoiled would be co-partners in the loss. I do not believe that such a theory has any chance of being incorporated in any code of civil or international law.

Now, I shall attempt to deal with the main question to which the attention of this House has been called. It seems to me that in discussing the Franco-German situation we should examine with an open mind the two sides of the controversy. We have been told by newspapers, statesmen, and public writers that Germany was poor, economically crippled,financially maimed, politically unbalanced, and that she was utterly unable to bear the crushing burden inflicted on her depleted resources and accepted by her under duress. Let us see whether this pessimistic picture has not been overdarkened.

Germany has gone out of the war beaten, but not disabled. Her territory had been unviolated. Not one inch of her soil had been invaded and trampled upon. Not one city, not one hamlet of her component states had been devasted. Not one of her thriving centres of production had been ruthlessly dealt with by barabarous invaders. Not one of her splendidly equipped manufactories had been destroyed. Not one bolt nor one shaft of her unequalled industrial machinery had been tampered with. In November, 1918, Germany was emerging from war, shaken, but unbroken; humiliated, but unsubdued; weakened, but full of recuperative power. Since that date she has gone, it is true, through more than one internal crisis, but none of these have prevented her traders from trading, her manufacturers from manufacturing, her producers in every field from producing increasingly, and from shipping their products to foreign ports.

Two years ago a member of the British House of Commons, after a prolonged visit to Germany, published a report in which he stated that the recovery of the German nation was astounding. Everywhere one could see the signs of industrial activity. Work was abundant. Economic life was throbbing. The scars of the cruel conflict were apparent nowhere. When France and Belgium had inexpressibly suffered, Germany was seemingly unwounded. One could think that her commerce and her trade had suffered no check. Of course, German lives had paid a dreadful tribute, but the great institutions, the big organizations which the whole world admired and envied, had begun again their normal functions just as soon as the guns had ceased their roaring and thundering. The ink on the treaty sheets was hardly dry when the German nation had already sought for and found outlets for her trade. A new lease of life and prosperity was taken.

And what was the result? After all the figures that have been given to this House I would not like to tread at any length on that well-known ground. I shall quote only a few facts. When the peace treaty was signed the tonnage of the German merchant marine was down to 419,000 tons. In 1921 it had risen to 1,563,800 tons. In 1922 another 575,000 tons were added. At the present moment the tonnage of the German merchant marine can be reckoned at about

2,138,000 tons. A writer in the Montreal Gazette could well assert, the other day, that:

> The assumption that Germany would not count as a sea power for a generation or more is therefore disproved by events.

and that:

> Owing to the low cost of construction she has become a formidable competitor to the industry of shipbuilding in Great Britain.

A contributor to the North American Review wrote in April, 1921:

> I have before me the balance sheets of twenty-four of the industrial and commercial German companies, which rank amongst the most important. In all the countries of the world, the best barometer of an industrial concern is the dividend which it pays to its shareholders. When a company pays a large dividend, it means that its business is in a flourishing condition. Now, what do we see in the balance sheets of the twenty-four companies I mention? We see that every one of them, without exception distributed in 1920 dividends running from 15 per cent minimum to 25 per cent even 30 per cent.
>
> More especially interesting is the balance sheet of the famous Krupp Company. For the first time in its existence, the Krupp Company has not manufactured war material but has given itself up entirely to peace-time manufactures—ships, agricultural machines, automobile motors, etc.,—and it does not appear to have suffered from this at all, since its balance sheet for 1920 shows a net profit of 78,500,000 marks. The preceding fiscal year had left a loss of 36,000,000 marks. Well, for a ruined country, a country that claims to be in poverty, this appears to us to be an industry which is not doing badly. Seventy-eight and a half million marks of net profit—that is something! Could not one say to these industries: "Since you realize such high profits, you shall hand over a part of them to pay the creditors of Germany. Seven or 8 per cent is quite sufficient for your shareholders. The difference shall be paid in to the till of reparations due to the victims of the war."

A study of the German budget may also shed some light on that subject. In 1914 there were 5,500 employees in the Imperial service. In 1921 there were 80,000, not including the railways and the industrial undertakings of the State, where the increase was from 168,000 to 420,000. A glance at the budget of the Labour Department gives us a piece of information highly interesting. It contains an item of one billion of marks for bonusing the construction of new houses. Please remember that war did not pull down one cottage, did not damage one roof in Germany. Would it not be well to tell the German government: "Pardon me, but if you are so intent on the building of houses, should you not direct first your constructing energies towards the re-edification of those thousands and thousands of French dwellings that your ruffian generals and ruthless soldiers burnt to ashes or levelled to the ground during the war?"

Furthermore, the army and navy budget provided for an expenditure of 4,324,000,000 marks, with an additional six hundred millions for militia purposes; that is to say, a total of five billions. Was it not an extravagant figure for a country pledged to a small army of 100,000 men only?

Leaving aside the budget, let me quote a piece of statistics full of the most extraordinary meaning. During the year 1920 the consumption of champagne wine in Germany had risen from 6,000,000 bottles in 1914 to 10,000,000 bottles, which, through the heavy fall of the mark, would represent over one billion marks! At the same time on the race tracks of Berlin, the betting had swallowed in 113 days 500,000,000 or half a billion of marks!

Some German sympathizers may perhaps say: "Granted, but all the same is it not true that the finances of Germany are in a desperate situation, that her deficit is enormous, and that the German Government is on the verge of bankruptcy?" In answer to such statements, made for the purpose of demonstrating Germany's insolvency and, as a natural consequence, Germany's incapacity to pay her debts, let us quote the following rejoinder made by the French Prime Minister on the 9th of January, 1922. M. Poincaré said:

> Germany asserts that she is insolvent, and indeed she is wasting systematically her resources. She is less taxed than France, and yet she does not collect regularly her taxes. She indulges in extravagant expenses and in the issuing of paper currency which, whilst it depreciates her mark, favours her exportations. She leaves her great industrial magnates free to invest their foreign securities in foreign undertakings. But whilst she builds up in such a way her sham poverty her firms pay enormous dividends, her manufacturers work day and night, her economic strength grows continuously, and if the German State gets ruined, the German nation accumulates wealth. Now it is the whole nation who, with her capital and revenues, is security for the State's debt, and it is in the name of the nation that the treaty of Versailles has been assented to as well as the schedule of payments prepared by the Reparation Commission and the conditions determined in May, 1921 by the collective note of the Allies.

The real state of the case could not be more clearly stated.

And now, after all these facts and figures, to the question, "Can Germany pay?" may we not answer: "Yes, Germany can pay." Germany can pay provided the camouflage of her budget be prevented. Germany can pay provided she does not spend four billions on her army and navy; provided she does not multiply by two the number of her postal and railway employees, and by ten the number of her civil servants; provided she is not allowed to appropriate one billion for the building of new houses; provided she does not give to her domestic creditors an undue precedence over her foreign creditors, whom she has robbed, despoiled, ruined, squeezed to

death. Germany can pay provided the Krupp mills allot a just share of their scandalous profits to the victims of the war; provided that the Teutons drink less champagne, squander less millions on the turf, and work a little more. Yes, Germany can pay if she is made to pay.

Let us now turn to the French situation. France has come out of the war victorious but exhausted. She had lost one million and a half of her young men—leaving aside the three million wounded. Ten of her wealthiest departments had been invaded, devastated, trampled upon during four years, drenched with blood, rent and furrowed with trenches, sowed with montrous seeds of steel and iron, of shrapnel and shells. Those departments represented one-fifth of the total capital of the nation. They paid for their share alone, before 1914, one billion francs out of the five billions contributed by the French taxpayers. The collieries of the North representing immense mineral welath, had been systematically impaired by the German. Two hundred coal pits had been flooded. The Lens mines, for instance, could not be operated again before 1930. All this had been done by the German deliberately, not merely to strike a war blow, but rather to destroy France's future wealth and future power of restoration.

France's situation at the close of the war was dreadfully distressing. She had "a war debt of 257 billion francs, a budget which in 1914 was 5 billions, and which in 1920 was between 25 and 30 billions; six departments almost completely destroyed; the loss or the temporary privation of 94 per cent of her wool production; 90 per cent of her iron ore, 70 per cent of her sugar, 60 per cent of her cotton supply, 50 per cent of her electric energy, the loss of a third of her merchant fleet, 600 kilometers of railroad or other road to be rebuilt, 57 per cent of the men between 19 and 37 left on the field of battle." This gives us a general view of the situation. For those who would like to have a few more specific details, let us add that France had to face the following results of German systematic destruction work: Houses destroyed, 289,147; houses damaged, 422,736; roads in need of repair, 53,830 kilometers; industrial establishments destroyed, 4,084; navigable routes destroyed, 1,112 kilometers; farm land destroyed, 3,000,000 hectares; railroads destroyed, 4,630 kilometers. Such was the mournful situation of France when the armistice was signed in November, 1918.

How was she to deal with it? On interest alone she had to pay annually thirteen billions of francs, leaving aside the huge sums she would have to pay in the near future to Great Britain and the United States. And she had to find and to spend billions for the urgent work of reconstruction and restoration of her devasted areas. Let us see immediately what she has done in this last respect. On January 1st, 1922, the work of restoration showed the following figures: Population returned, 3,985,-913; houses repaired and new buildings, 355,-479; roads repaired, 31,965 kilometers; industrial establishments reopened, 5,860; navigable routes repaired, 1,027 kilometers; works of art restored, such as cathedrals, 3,986; farm lands restored for cultivation, 1,500,000 hectares; railroads rebuilt, 2,215 kilometers. On this work of reconstruction the French government has spent 93,000,000,000 francs, and of course it is not finished. How could she do it? To quote the words of the right honourable senator for the city of Ottawa; "Where did France get that money? Not from England; nor from the United States; not from any other great commercial or financial market of the world. She raised that money from her own peasantry, from her own small investors, and it is that money which has built up the devasted regions in so far as they have been built up." In the meantime France had to maintain the efficiency of her administration, to maintain her army and navy, to meet the necessary requirements of the postal, telegraph and telephone service, of her public transportation, of the administration of justice, of her colonial establishments, of her Foreign Office, of her commercial organization; in a word, of all the departments of state. When you take all that into account you need not be surprised to find that in 1920, France's budget stood at 30,732,000,000 francs.

Let us here point to the difference between the governments of France and of Germany. Whilst the latter has showed a reckless spirit of lavishness and extravagance, as we have seen previously, the former has made the most energetic efforts to reduce expenses and realize economy. In 1918 the French budget had reached the tremendous figure of 48,584,-000,000 francs. In 1920 it had been reduced to 30,732,000,000. In 1912 it stood at 24,680,-000,000, which meant a reduction of about 50 per cent in four years. For 1923 the French Minister of Finance, M. de Lasteyrie, announces a further reduction, bringing the budget down to 23,180,000,000 francs. Remember that out of that total, thirteen billion francs are to be paid for interest only. These drastic reductions have unfortunately impaired, to some extent, the public service. We shall quote here the statement made in the North American Review, by Mr. Lawrence Adler, after a residence of sixteen months in France:

This condition of affairs is self-evident to these who have traveled extensively in France since the war. The railways are undermanned, the companies are unable to supply badly needed improvements and new installations, and there is no immediate remedy in sight. The public highways, especially the routes nationales ,have suffered through the wear and tear of the war and the government cannot afford to spend the money necessary to bring them back to the state of perfection which made them famous in former years as the best roads of the world. The same is true of canals, public buildings, works of art, and many other items that might be mentioned.

In pursuing that retrenchment policy the French government has been obliged to make extereme reductions in the number of public offices. During 1922 they have dispensed with 42,000 state functions, and during the present year 50,000 more are to be dismissed. What a striking contrast with the scandalous increase noted in Germany!

It is stated sometimes that France has not reduced to a sufficient extent her military expenses. The official figures utterly disprove that assertion. In 1913 the military and naval budget of France cost her one-third of her income; it costs her now only one-fifth. In 1918 her army necessitated an outlay of 36,120,000,000 francs. In 1923 it has been reduced to 4,910,000,000. Before the war the French army stood at 873,000 men. In 1923 it can be reckoned at 670,000, of which, 230,000 are colonials. It has been established recently by an American writer that on naval and military expenses combined France is spending now but one-half of England's and two-thirds of America's expenditure.

With all these reductions, and strict economy, and drastic retrenchment, what is the present situation of the finances of France? By means of increasing the old rates of taxation and of levying new taxes, the French government has been enabled to raise a revenue of 25,000,000,000 francs ($5,000,000,000). The budget of ordinary expenditure of every kind stands at about the same sum. Thus France's ordinary budget has been balanced. But there is the war budget! What is meant by the war budget of France at the present moment? It is composed of two sets of expenditure. The first one for reparation, reconstruction, restoration of the devastated areas. The second one for war pensions in favour of relatives of the dead, and in favour of the wounded and permanently disabled. These expenditures should not be paid, cannot be paid, and are not to be paid by the French, under the stipulations of the treaty of Versailles. Germany should pay them, Germany is bound to pay them, Germany has agreed to pay them. And Germany does not pay them. Germany says she is unable to pay them. Germany is unwilling to pay them. And thus, for four years, the French government is obliged to pay, the French tiller of the soil, the French wage earner, the French trader, the French manufacturer, the French toiler with the tools of labour or with the creative work of the brain, are constrained to exert their activities and energies to the breaking point in order to meet a sacred debt due by the German people, and to shield the German people from the paramount duty of repairing their crimes. Such a situation has been properly called by a French writer the "tragedy of victory"—"la tragédie de la victoire."

It is that situation that has compelled France to adopt stringent measures, under the sanction of the Treaty of Versailles, in order to coerce Germany into the fulfilment of her pledge. Germany alone is responsible for these measures and has to blame herself for having made them necessary. By the Treaty of Versailles she had acknowledged her guilt and bound herself to repair the wanton destruction made by her barbarous hordes in Belgium and France. Mind you, it was not the cost of the war whose bill she had to shoulder. France had to pay that cost after her defeat in 1871. Germany exacted from her a war indemnity of 5,000,000,000 francs. There were then no reparations to be made, because Germany had not been invaded. It was purely the military expenses incurred by the Germans to invade France and to crush her down that France had to pay and did pay two years before the stipulated term. In 1918 nobody thought, nobody spoke of exacting from the defeated empire such a war indemnity. But the reparation of damage done, of systematic destruction was a just claim, a just condition of peace. Germany agreed to that. Of course, she fought desperately to reduce the amount which she should pay. The sad and wearisome story of all the conferences, and confabulations, and interviews, and fluctuations, and modifications, and concessions, and regresses that took place during four years has been laid before this House. It is enough to say that in the month of May, 1921, it was finally decided, at a meeting of the Reparation Commission held in London, that Germany would have to pay 132,000,000,000 gold marks. The instalments and mode of payment, were stipulated. After first having refused to acquiesce in those conditions, Germany seemed to make up her mind, and the following document was delivered to the Allies' Government through the German ambassadors:

In conformity with the instructions just received, I am commanded by my government, according to the

decision of the Reichstag, and in relation with the resolutions of the Allies dated the 5th May, 1921, to declare the following in the name of the German Government:

The German Government is absolutely determined: First, to execute unreservedly and unconditionally its obligations as those have been set down by the Reparation Commission; secondly, to accept and make good unreservedly and unconditionally the security respecting the bonds decreed by the Reparations Commission.

That document was dated the 11th May, 1921, and it had been backed the day before by a vote in the Reichstag of 221 against 175. At that moment it could be safely believed that the period of procrastination, and dallying, and shifting, and whining, was over. But what have we seen? Two years have elapsed since the spring of 1921, and Germany has not been true to her solemn and repeated pledge. She has had recourse to every subterfuge, to every dodge, to every dishonest trick that could help her evade her indisputable obligations; and it is stated now, that out of the 67,347,000,000 gold marks she owes France she has paid her to the present moment, only 1,777,423,000.

And now what position does she take? She asks for more delay, for a moratorium of four years, during which she will pay nothing, and she has to give only her discredited, worn out pledge that she will honour her obligations at last after that period of unburdened years. Who shall believe her? Who shall take her word again? Who shall give here a chance to accumulate and dissimulate wealth, to build up and abscond hundreds of billions, with risk of receiving from her, after four years, the defiant ultimatum: "We owe you nothing; our signed pledges have been extorted; we will not pay; and if you try to enforce payment, we shall fight with our strength renewed and our might restored." Who shall believe Germany? Who shall take her word? Not France! She has suffered too much, she has been too ill-treated, and she has paid too dear a price for the intimate knowledge of the unscrupulous government with whom she has to deal.

Moreover, France cannot wait. She is faced with bankruptcy if Germany is allowed to elude her obligations. Her ordinary budget may be balanced, but her "war budget," that is to say, the seven or eight billions of francs that she has paid yearly in Germany's stead, that she has, as it were, advanced to guilty and defaulting Germany—that war budget which bears this significant title in the French statute: "Budget of Recoverable Expenses," that extraordinary and overwhelming budget —how shall France meet its inexorable requirements? Please listen to the declaration made by the French Minister of Finance in a written statement addressed to the Budgetary Commission of the Chamber of Deputies:

The system of loans and advances has its limits; there can be no question of facing again, next year, the possibility of obtaining by means of advances and loans the necessary total of seven billion francs which constitutes the budget of recoverable expenses for reparation and pensions. This sum of seven billion francs must be found first in the annuity that Germany must let us have next year, and again in discounting a part of the securities she will give us.

In the face of subsequent events those earnest words really sound ironical. Germany has given no annuity, Germany has provided for no security, and the budget of recoverable expenses stands unrecovered. What shall devastated, impoverished, bleeding France do? She cannot wait, she must be paid; and whilst she has strength enough she must enforce payment. That is the situation.

Can it be said that the French have been too impatient, too unbending, too unyielding, too exacting? That cannot be sustained when one goes through the long chapter of disappointments, of adjourned settlement, of frustrated hopes, of endless quibbling, of repeated deception, that France has been made to read during four years. That cannot be sustained in face of the successive recessions, of the numerous concessions, of the ever-recurring compromises that were the unfailing outcome of the numberless conferences held over the question of Germany's reparation. Notwithstanding her critical situation and the evidence of her right, France has repeatedly given way. She has given way on the lump amount to be paid; she has given way on the proportion she was to receive; she has given way on the delay granted; she has given way on the mode and terms of payment. The successive French cabinets have given way to such an extent that a feeling of bitterness, of fretfulness, of sad discontent has grown up amongst the French people and has been voiced loudly through the tribune and the press. On every side in France you may hear these words: "We have won the war, but we have lost the peace." I am sure that the Anglo-Saxon opinion, spoken of the other day by my right honourable friend, can appreciate and understand that feeling. There is one man, a most brilliant and powerful man, who tries at the present moment to manipulate that opinion and to turn it against the French policy. But Mr. Lloyd George himself has not always felt and spoken as he now does. During the general election of 1918, in a speech delivered at Bristol on the 11th December, he said:

Let me summarize the situation. First, as far as justice is concerned, we have an absolute right to

demand the whole cost of the war from Germany. The second point is that we propose to demand the whole cost of the war (cheers). The third point is that when you come to the exacting of it you must exact it in such a way that it does not do more harm to the country that receives it than to the country which is paying it. The fourth point is that the committee appointed by the British Cabinet believe that it can be done. The fifth point is that the Allies, who are in exactly the same boat as we are, because they have also got a claim to great indemnities, are examining the proposal in conjunction with us. When the report comes it will be presented to the Peace Conference which will put our demands together, and, whatever they are, they must come in front of the German war debt (cheers). You may depend upon it that the first consideration in the minds of the Allies will be the interest of the people upon whom Germany has made war, and not the interests of the German people who have been guilty of this crime against humanity.

That determination to treat Germany with stern justice was not peculiar to Mr. Lloyd George. At Nottingham, on December 10th, Mr. Asquith said:

I am in favour of exacting from the wrongdoer the uttermust farthing.

And at Cambridge, in the Guild Hall, Sir Eric Geddes uttered these very energetic words:

We will get out of Germany all you can get out of a lemon, and a bit more. For my part I will squeeze her until the pips squeak.

Of course, those speeches were made during a general election, and it could be said that they should not be considered as a sober expression of opinion. Well, two years later, in May, 1921, there was no general election, and a man who was Prime Minister of England made a speech in the House of Commons on the subject of German reparations. The Supreme Council of the Allies had just handed down to the German delegates a last and decisive ultimatum in which it was declared that Germany should comply with the decisions of the Commission—the yearly payment of two billions of gold marks, the issuing of obligations properly guaranteed by the Reichstag, etc., and that if she did not acquiesce, the Allies were to proceed to the occupation of the Ruhr valley, which would continue as long as the German government failed to comply. My honourable friend the senator for Montarville (Hon Mr. Beaubien) has quoted one part of that speech. Allow me to quote another part of that important pronouncement. After having explained the situation and read the ultimatum, Mr. Lloyd George went on:

There are those who think that we may have gone too far. I do not think so. We have taken into account all the difficulties; we have taken into account the capacity of Germany to pay.

It is no use being impatient with the French attitude towards this problem. Their position is not ours. We have a tempestuous sea between us and Germany with the best of the German fleet at the bottom of it. The French position is not that of Italy. Italy has the Alps between herself and Germany, and her capital is hundreds of miles away from any part of it. But France has the memory, the living memory, of two invasions, with her capital occupied in one of them, and very nearly in the other. The other day I was looking on the map of the German advance, and I should like anybody who criticizes to have a copy of that map, with the numbers of the German divisions, all pointed towards Paris. Not merely could you hear the sound of the guns, but the shells of the German guns reached Paris. That was only two years ago. And there are the fairest provinces devastated, and devastated now; and it will take ten years to repair. We must not forget that. One must not forget that when one reads debates in the French Parliament, and when one sees impatient criticism, even of British statesmen, who preach a little more consideration and a little more delay. This is much easier for us to do than for them. One must bear those things in mind. But the concern of France is the concern of Britain. We want to see fair play for France. She did not provoke the war; she was never less inclined to go to war; and she is the victim to-day of that war. We are entitled to demand that the nation which wrought all that devastation should do her utmost, should do her last, to repair it.

That speech was delivered on the 5th May, 1921. These eloquent and sympathetic utterances, this ultimatum to Germany, the notice duly given for the occupation of the Ruhr, are the best justification of the present action of France. What was right then, what was just, what was feasible and opportune, cannot be wrong, cannot be unjust, cannot be useless and inopportune, to-day, after two years more of quibble and evasion.

Let us go a step further. Not only has the use of coercion been sanctioned beforehand, and been announced to Germany as the necessary consequence of her stubbornness, but I shall now prove that coercion and occupation of German territory have been at one moment actually resorted to with the co-operation of all the Allies. In March, 1921, there was a meeting of the Supreme Council in London. German delegates were received for the purpose of submitting these new propositions made by their government. Those propositions were a masterpiece of impudence and audacity. Dr. Simons and his colleagues were instructed to offer as a fair amount of reparation 30,000,000,000 gold marks, or about $7,500,000,000, when the estimate of damage done had been reckoned at 226,000,000,000 gold marks. That outrageous proposition was received by the Council with indignation. Mr. Lloyd George was the Allies' spokesman, and he told the German delegates in plain language that they had outdone it, and that their proposal was an insult. In a written statement he said:

The German counter proposals have convinced the Allies that the Berlin government does not intend to fulfil her treaty obligations. . . . If on Monday we

are not informed that Germany is ready to accept the Paris decisions or something equivalent, we shall take the following steps in conformity with the treaty of Versailles: first, occupation of Duisburg, Dusseldorf and Ruhrrort by the Allies' soldiers.

That statement was delivered to the German delegates on the 2nd March, 1921. And on the 8th, Germany, having failed to make acceptable propositions, an army composed of English, French, and Belgian regiments invaded the German territory and took possession of Duisburg, Dusseldorf and Ruhrort, three cities commanding the lower Ruhr valley. This was undoubtedly coercive occupation. And this coercive occupation, made under the auspices, and with the active cooperation of Mr. Lloyd George, constitutes a first-class precedent for the present one. The desired object was attained. After two months Germany yielded, and gave the pledge that we have quoted before. Now, that pledge having remained unfulfilled, a new coercive occupation is taking place in order to ensure fulfilment. And I ask again, why should that move be deemed more dangerous, more inefficient, more unwise, more damnable, than the exactly similar one which was made, and approved, and co-operated in two years ago? Surely France is entitled to appeal from a discontented and ill-advised Mr. Lloyd George to a Mr. Lloyd George speaking and acting under a better and higher inspiration

To sum up the situation, the Treaty of Versailles has been for victorious and exhausted France a bitter disappointment. It has left her unprotected owing to the failure of the English and American defensive treaties. The subsequent conferences and settlements have decreased instead of supplementing the compensations she could hope to receive. With the flower of her youth mowed down through the deadly harvest of war, with her wealthiest provinces reduced to a heap of ruins, with her towns devastated, her industries mangled, her credit overstrained, she has to face a situation perhaps more ominous and perilous than fifty years ago when she stood defeated and subdued. Yet she is not despondent nor despairing. She wants to survive and to live. But she sees clearly that salvation and life can be secured only through prompt and decisive action. It is an impelling necessity that has made her march her battalions to Bochum and Essen. And she says to the world: "Is it not already too much of a mutilated victory? The treaty does not give us all that we wanted. Let us at least, strong in our right and just in our force, know how to get, finally, all that the treaty gives us." Shall we say to France, our tried friend and ally, shall we tell bleeding and panting France: "We don't side with you. We don't side with you whose noble blood has been mingled with ours on a hundred battlefields for the defence of freedom and humanity; we don't side with you, the heroine of the Marne, of the Somme, of Verdun; we don't side with you, the trusted companion with whom we fought shoulder to shoulder through four dreary, murderous years. We side with Germany the assailant, with Germany the invader, with Germany the destroyer, with Germany the despoiler, with Germany the pledge-breaker, with Germany the disloyal and unwilling debtor who tries desperately to evade justice and escape reparation." Shall we say that? For my part I won't do it. As in the days of bloody trial and of uncertain victory, I stand by France against Germany. And if one nation must collapse I earnestly say: Let Germany collapse and may France survive! The world needs France, civilization needs France, and if the national ship of France were to founder in the after-war abyss, it would be indeed a rueful day for all mankind.

There is another thing that the world needs. It is the continuance and preservation of the Anglo-French alliance and friendly understanding. Let me quote the words of a prominent French statesman, Mr. Barthou, the president of the Reparations Commission. In the course of a conference held lately in Paris, he said:

> What Frenchman will forget what England did in 1914 and through the war? She has been at our side, during the war, faithful and heroic. Passing differences of opinion should not take away the hope for the moment, which is perhaps at hand, when the two countries will again tread the same road together. The attitude, which is so correct and so loyal, of the Prime Minister of England, of Mr. Bonar Law, this great and honest man, ought to inspire us with confidence.

I echo that noble declaration. And I pray to God that for years to come France and England, leaving aside minor interests and stemming the tide of prejudice and divergency, may succeed through mutual forbearance in keeping united their aims and policies and thus ensure the blessings of lasting peace and progress for the whole civilized world.

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

PRIVATE BILL

SECOND READING

Bill 34, an Act respecting the Huron and Erie Mortgage Corporation.—Hon. Mr. McLennan.

He said: This is an Act to validate an agreement made between two corporations.

The agreement is set forth in the Bill. It has received the sanction of the Treasury Board, but it was thought desirable to have the agreement validated, and representatives of the Corporation will be here to present all the evidence in the case.

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

THE SENATE

Wednesday, April 18, 1923.

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

Prayers and routine proceedings.

BONDED WAREHOUSES IN PROHIBITION PROVINCES

INQUIRY

Hon. Mr. BARNARD inquired:

1. Is there any regulation requiring or does the policy of the Government require the consent of Provincial authorities before granting licenses for bonded warehouses or excise warehouses for the storing of intoxicating liquors in Provinces where the sale of liquor by private individuals is prohibited?

2. What is the date of such regulation or inception of such policy?

3. Is there any Order of Council dealing with the question, if so, what is the date thereof?

4. Is the Government compellable by mandamus or other process of law to issue such licenses in such Provinces without the consent of Provincial authorities?

5. Is the Provincial authority having jurisdiction in the premises compellable by mandamus or other process of law to give such consent or is the giving of such consent wholly discretionary with the Provincial authorities?

Hon. Mr. DANDURAND:

1. The policy of the Government requires unconditional consent of Provincial authorities before granting a Customs warehouse for storage of intoxicating liquors in bond or before granting a license for an Excise bonded warehouse for storage of intoxicating liquors, in all Provinces where the sale of intoxicating liquors is prohibited under Provincial law.

2. As to Customs—31st December, 1916. As to Excise—March, 1918.

3. No.

4. No.

5. No information. Matter is one to be dealt with by Provincial authorities.

THE PORT OF SYDNEY, N.S.

SALE OF LAND TO IMPERIAL OIL COMPANY—DISCUSSION AND INQUIRY

Hon. J. S. McLENNAN rose in accordance with the following notice:

That he will call the attention of the Senate to a sale of land at Sydney, N.S., to the Imperial Oil Co., and will ask the Government what action it will take in the matter?

He said: Honourable gentlemen, when I asked for a return on this subject I thought that the matter was one of local interest only and that the facts disclosed therein would not justify my occupying the time of the House with the questions of which they treated. I find, however, that the facts revealed in the return are of such importance as to justify me in asking the attention of members of this honourable House from all parts of the country. They show a method of carrying on business which, I think, must have been hurtful in the past, and which fortunately has now ended, unless the new administration of the National railroads carried on as their predecessors in 1921 and 1922. This we hope is not the case.

This is perhaps an unusual matter to bring up in the Senate—the question of the method by which a department of the Government, or the Canadian National Railways, carry on business; but certain events occuring in the early part of December, 1921, have prevented the question being raised by a representative of Nova Scotia in another place.

I bring up this matter in no partisan way. for both Governments were involved, or at all events the officials of the Canadian National Railways and of the Department of Railways were under Ministers of different parties, who had to be responsible for acts of which, I think, in many cases they did not grasp the significance.

Nor have I any animus against any individuals connected with the railroads. The only one of them whom I know at all or have ever met is Mr. Hanna, and my relations with him were entirely pleasant. I do, however, admit to a feeling of irritation, which I think is shared by everybody who lives in the eastern part of Nova Scotia, at the way in which the development of that part of the country has been stifled, thwarted, and hampered by traffic arrangements on the railroad, which seem to be almost beyond belief, so very bad, and have shown but little vision and little capacity for the handling of the traffic of a growing country—a country which would have grown much faster had the railways given it a better chance.

First of all, I would call the attention of the honourable leader of the Government to the extraordinary imperfection of these returns. I made my motion just as wide as I possibly could—for all correspondence, telegrams, petitions, and documents, with instructions to and reports of any engineers or other officials of the Department of Railways, the Department of Public Works, or the Canadian National Railways, dealing with

this matter; and (c) a plan showing the relation of the land in question to the city of Sydney, the terminals of the Canadian National Railways, and Sydney Harbour. That subsection (c) is the only one which has been at all adequately answered, and that referred only to the production of the blueprint of a map.

There is this difficulty about the imperfection of the returns. In the course of what I say I may do injustice to some of the officials. There may be another side of the case. There may be a defence against the charges which I allege. But it is the fault of the C.N.R. organization if documents asked for, which would have presented that other side, are not given in the return.

To give you a thread through these documents, I assert that a clandestine arrangement was entered into by some of the heads of the Canadian National Railways and the Imperial Oil Company to sell land at Sydney to the latter corporation. Secondly, I charge that the price was ridiculous, even if the land is not required for railway purposes. I assert with the utmost confidence that those lands were, and are, and will be required for railway purposes. I assert that the lands were not valued except formally, and I believe that the Right of Way Engineer of the Canadian National Railways who made the valuation was instructed from higher quarters what price to put on this property. I assert that the head office of the Canadian National Railways, instead of acting for the railroad and for its interest, were anxious only to please the Imperial Oil Company. I again assert that this transaction, on its face, shows that they were sacrificing—and, it appears to me, sacrificing wantonly—the traffic which they already had on the road, without any commensurate advantage. I assert also—and the documents, when I come to them later, will prove it—that the higher officials of the Department of Railways and Canals, or of the Canadian National Railways, betrayed the city of Sydney in a matter which was confided to their care. I assert that they, without proper authority, gave possession of Government property to the Imperial Oil Company. I assert also that these documents show that their method of carrying on business was slack and slovenly to an extraordinary degree. I find, in going through these documents, and I think honourable gentlemen will agree with me, that there is only the most fitful evidence of any kind of independence on the part of these officials. Subordinates gave the kind of reports that they were asked, or apparently asked, to give, if one may judge by the divergency between the report which they give at one time and the report which they give at another; and that various statements absolutely inaccurate in certain points were handed on to the Minister for action, without comment or criticism.

Before dealing with the reports, I would like to take a little of the time of the House in describing the place and the conditions. Sydney is the eastern terminus of the whole system of railways belonging to the Government. You know something of what it is as a producer of coal, of manufactured products, and of steel. At the last census it had a population of 22,545; at the census before, 17,000; at the 1901 census, 9,900; and in 1891 something between 3,000 and 4,000. Its growth has certainly been much greater, I think, than that of most places in the eastern part of the Dominion.

It is surrounded by the towns of Glace Bay with over 17,000, North Sydney with 6,600, Sydney Mines with 8,300 and New Waterford with 5,600. These towns as the adjoining smaller places within a radius of 15 miles contain a population which in primary production excels the population of any similar district, I think, east of Montreal.

This population is on or near a harbour which, for shelter, size, freedom from obstruction and certainty of approach, is among the best in the world. In it during the war convoys were handled as large as those which set out from any port on this side of the Atlantic and were handled without accident and with the greatest ease. These ports are nearer the best fishing grounds of the North Atlantic than any ports in Nova Scotia or Newfoundland.

The quality of the lobsters and fish, especially mackerel, caught in the adjoining waters is unsurpassed. There are in Cape Breton Island twenty-nine fish curing plants with a capital of $1,400,000. Their production in 1922 was valued at $1,133,000. Cape Breton mackerel makes a premium of $5 per barrel over any other mackerel which goes into the markets of the United States, either from Europe or North America.

Sydney Harbour is the gateway to Newfoundland with a population of one-quarter million; a population, too, with whom it is most desirable to encourage trade and intercourse. Great industrial developments are taking place on the western shore of Newfoundland within from 100 to 200 miles of Sydney; and the development of those Labrador gold fields should lead to the establishment of an industry on the coast of Labrador. Sydney ought to be the source

of supply for it because it is but half the distance of the next nearest city of any size, namely, Quebec. Sydney has that advantage as a source of supply.

Hon. Mr. MURPHY: What about Charlottetown?

Hon. Mr. McLENNAN: Splendid, particularly in winter.

Sydney is already a distribution centre. There are twenty-seven wholesale houses in Sydney, and eleven of the greatest distribution houses of the Dominion have resident representatives there. Two and a half million registered tons of shipping called at Sydney Harbour in 1921; and that quantity of shipping is not very far short of what the shipping of Montreal was, in not distant years.

The population is an active one. The four greatest Canadian banks have not less than nineteen offices in this population. There are nineteen telegraph offices. The post offices in 1921 did a money order business of not less than $1,700,000. Local enterprise has supplied coastal steamers and is ready to keep in advance of requirements.

Sydney is a strategic port for foreign trade. It is the nearest Canadian port for any traffic beyond the Straits of Gibraltar on the one hand and the eastern ports of Brazil on the other. By it should be gathered all traffic for the many steamers which sail from the St. Lawrence to these ports, and they are numbered by the scores, call there and collect any exports which are produced nearer Sydney than Montreal. The present course is for these goods except those of the Steel Company to go up to Montreal and then return within a few miles of Sydney or as often happens on a steamer which calls at Sydney for bunker coal. It is important for Canada to do as much as possible for the trade of Newfoundland and Sydney is its proper gateway. Moreover, the time is bound to come when mail steamers, or at least some of them, between the United Kingdom and the St. Lawrence must call at Sydney in order to make the quickest handling of the mails.

This is no surmise. It has been tried and proved that it can be done, but the unwilling management of the Allan line at that time and the indifference of the people of the Maritime Provinces have prevented it being made a regular practice, but there is no development along these lines or any others in Sydney, which will not benefit by the Canadian National Railways; they are its one connection with the rest of this continent. It is to their interest to do as much business at the Sydneys on Sydney Harbour as possible because it is the most eastern point on their lines, and instead of the trade being developed by them it has been throttled.

The first inward transfer was made from the Virginian at North Sydney, July 13th, 1905. The run by the I.C.R. to Montreal was made in 22 hours, 38 minutes. The mails were distributed in Montreal at ten o'clock Friday morning, the 14th, in time for the western train. The mails were distributed a day sooner in Montreal than if they had come by the White Star liner Celtic which sailed for New York a day earlier than the Virginian. The mails reached Halifax Thursday, the 13th. The following telegram, which was received from Halifax at the time, speaks for itself:

Halifax, July 14, 1905.—Earliest previous receipt of Rimouski mail at Halifax Post Office three o'clock, Friday afternoon. The ordinary time depends on the route whether via Cape Race or Belle Isle Strait, the latter say from 4 p.m. Friday till Saturday noon.

St. John received its British mail early in the morning. The post office there sent the following telegram:

St. John, July 14th, 1905.—The earliest mail delivered heretofore was 1 p.m. on Friday by the record-breaking trip of the Virginian—June 16th last. Ordinarily the delivery would be 1 p.m.

Thus by North Sydney the people of Halifax received their mail Friday morning, as did also the merchants of St. John and Charlottetown. Such time had never been previously made. The time-saving change had been effected without delay or inconvenience to the people of the West and passengers for the Maritime Provinces reached their destinations on Thursday instead of being carried up the St. Lawrence and landed at Rimouski, whence they would not have reached the same points earlier than Saturday night, or Sunday morning.

Two more trial trips were made with inward transfer at North Sydney in 1907. The first of these was on the 13th day of June. The mails and fourteen passengers were landed at North Sydney. The mails reached Halifax 25 hours 30 minutes ahead of the previous record. The run from North Sydney to Montreal was made in 26 hours 20 minutes. The western mail caught the Soo express and gained a day.

The second inward transfer at North Sydney was made on the 21st June. The train making connection with the boat made the run from North Sydney to Montreal in 25 hours, with the result that the British mails were in Toronto 12 hours ahead of the previous record. Deputy Postmaster Gabouri of Montreal, speaking on the exceptionally

good time made, told the Post correspondent that the record made by the mail special was remarkably fast, that the mails were in the post office in splendid time, and that the result was a great convenience to the public, as it enabled people to procure their mail earlier than would otherwise be possible. On June 27th the Virginian did not call at North Sydney. As a consequence the mails did not arrive in Montreal in time to make connection for the west. Had the mails been landed in North Sydney on this occasion they would have gained a day in the western transit.

So much for the possibilities of trade—possibilities which I can assure this honourable House have been hampered for the lack of facilities given by the railroads, over which must pass everything that comes into Sydney. Therefore it is to their advantage to promote trade there, and the means of developing trade outside of Sydney along the coast and with Newfoundland. This no railway management has ever done.

Now, coming to the chief question, there is outside a map which shows, perhaps better than I can express it, the coal situation. Sydney resembles New York in this, that it is on a tongue of land the end of which has been once Government and military property; and, not the extreme end, but one side of it, facing the harbour, has been given to the public for a park. The other side of it belongs to the railway people. Part of it goes down to a narrow stretch about 140 feet and terminates in a piece of land which contains 7.7 acres, and there once was a wharf there, which was destroyed by fire many years ago and has never been rebuilt. In other words, the great system of railways of this country ends in practically nothing, and the people of Sydney have been asking for years that that wharf should be built. On March 31st, 1921, a sum of money was put in the Estimates to begin that construction.

As to what happened in this particular transaction, I will run over the correspondence, or such of it as may be necessary, and make comment as I go along, rather than attempt to pick it out as establishing each of the assertions and charges that I make.

The first thing that was sent down in the return was a memorandum of the 21st February, 1921, from Mr. Mitchell, Vice-President of the Canadian railroads, to Mr. Brady, who was assistant to the Executive:

> Referring to your memorandum of this date, and returning herewith communication dated 17th inst., from Imperial Oil Company re the site at Sydney:
>
> I have discussed this with the President (Mr. Hanna), and he approves the following routine with respect to sale of property on Canadian Government Railway:
>
> First, a certificate from Mr. Hungerford that the property is not required for railway purposes; 2nd, the valuation by the Right-of-way and Property Commissioner (R. H. Fraser deals with valuation east of Montreal); 3rd, if traffic conditions involved, approval should also be obtained from Mr. Hays; 4th, a resume of matter should be sent to President for his approval; and, 5th, application for approval of Minister of Railways and Order in Council authorizing sale.

And it goes on to say that as he is familiar with the Government Railway property—more familiar than anyone else, that is, presumably in Toronto—

> The President would be glad if you would deal with all such matters on above lines.

Now, let me call the attention of the House to the fact that in this return there is no certificate from Mr. Hungerford. The valuation was farcical. Mr. Hays, although there is certainly a prima face case against him, has not spoken as to the question of traffic. There is no resume of the matter sent to the President for his approval; and I wish to show you that an application for an Order in Council was pushed through finally in indecent haste. There is no certificate from Mr. Hungerford; as I said, there is nothing from Mr. Hays; but Mr. Shatford, the local agent in the East of the Oil Company, was given a letter from Mr. Hungerford, which he showed to the Sydney Town Council, and he also says that he produced a telegram from Mr. Hays. These documents should certainly be in any return which is approximately complete of such a transaction as this.

I spoke of the valuation as being farcical. On the 10th of March the following telegram from Mr. Brady was sent through Mr. Isbester, of the Right-of-way Department, to Mr. Fraser, referred to in a previous letter, who was at that moment in Halifax. That telegram, from the Assistant to the Executive, begins:

> Your letter of the 24th February—

That letter is not here—

> re land Sydney wanted by Imperial Oil, did you get plan from Moncton and can you let me have an early reply as to valuation?

Again part of the farce. Mr. Fraser replies promptly on the next day:

> Your telegram re Sydney; notify Brady that $3,000 per acre is reasonable price if decided to sell. Am advised that land will be required for future development and better be held, also that City Council would not allow Oil Company to locate tanks so near hospital.

Now, you notice there that this gentleman says $3,000 an acre. I have here a letter from a man who is opposed to placing at this point

all these tanks, and did all he could to prevent it, but nevertheless he is an honourable man for whose credibility I would absolutely vouch. He says:

I would say that a town lot 40 x 100 in the residential district of the north part of the city, near Victoria Park, would be worth from $800 to $2,000 according to locality. I have known lots in this district to sell at both the figures mentioned. The city assessment, which is supposed to run about two-thirds the real value of land, is $700 and $800 on lots on North George Street.

—which is in the vicinity of this property—

An acre could be divided up into from 8 to 10 town lots, allowing for streets. I would point out, however, that the Barracks Point site is very much more valuable than an equal area of residential lots, because it is the best located shipping site on Sydney harbour, etc., etc.

He says that, if they had imagined for a moment that this property would have been sold, local people would have bid for it. So much for the valuation.

That telegram was sent in reply by Mr. Fraser, and the Assistant to the Executive writes to Mr. Fraser as follows—and please note the tone; please remember, also, that Mr. Fraser suggested, and underscored, that the property would be required for Government purposes, etc.:

Would you kindly inform me what you think the property will be required for in the future, and also where you got your information that the City Council of Sydney would not allow the Oil Company to locate tanks so near the hospital.

That from the Head Office. That was on March 23rd. On the 24th Mr. Fraser, to whom this pleasant letter was addressed, replies as follows:

I have yours of March 23rd. As I was not posted on this property in Sydney myself, on my way to Halifax I inquired first of L. S. Brown, in Montreal, and then later on of other officials in Moncton, and I think they all agreed that there was some intention of the Public Works department, or some other department, of replacing the old I. C. R. pier at Battery Point, Sydney, with a new structure, and that all the lands of the railway in that vicinity would be required if this was carried out.

When the gentleman stated that he was not posted on this property—of which previously he decided the value at $3,000 an acre—I think I am perfectly justified in describing that valuation as farcical, and in saying that the words were put in his mouth by some superior officer in Toronto. He goes on to speak of other matters about which I need not occupy time. Then the City Council passed the following resolution on the 14th of April:

Resolved, that this Council grant a permit to the Imperial Oil Company, Limited, to construct an oil storage plant at Battery Point, providing the Department of Railways, the Department of (Public) Works at Ottawa, and the Executive of the Canadian National Railway System assure this council that the location of this oil storage plant on the proposed site will not in any way interfere with the construction of the projected ocean and railway terminals, and will on the contrary, prove an adjunct and complement to such terminals; and also that a right-of-way extending from the north end of George Street be reserved through the said plant; also providing that the Imperial Oil Company expend an equal amount annually on improving this site with the amount spent annually by this city on Victoria Park, up to $1,000.

I spoke of the representative of the Oil Company having various documents. This to the Hon. Mr. McCurdy, then Minister of Public Works:

All this is agreed to by telegram from Mr. Hays to the Secretary of the Sydney Improvement League—

—that telegram is not here—

—and by Mr. S. J. Hungerford, Vice-President of the Canadian National Railways, to the writer.

That communication is not here.

This information was placed before the Sydney City Council, but they asked that this information come from the heads of the Department at Ottawa, and Mr. Shatford is asking for it from Mr. McCurdy. It would have been well if the City Council of Sydney had continued to be as wary as they were at this particular time. But when he writes to Mr. Reid he says that advice was given by Mr. Hanna to a private citizen of Sydney to the same effect.

Hon. Mr. BRADBURY: Who is this man who is writing?

Hon. Mr. McLENNAN: That is Mr. Shatford, the local agent of the Imperial Oil Company, with his headquarters, I believe, at Halifax.

Now, we come next to one of the extraordinary letters of this whole extraordinary correspondence. This is a letter from Mr. D. B. Hanna, then President of the Canadian National Railways, to Major Bell, then Deputy Minister of Railways and Canals.

Hon. Mr. DANDURAND: What date?

Hon. Mr. McLENNAN: April 21st, 1921:

The Imperial Oil Company, Limited, desire to purchase from these railways a parcel of land in Sydney upon which to erect oil tanks and warehouse to handle oil that will arrive at that point in oil tankers.

That is, steamers carrying oil. Mr. Hanna then mentions that the City Council of Sydney had passed the resolution I have just read to you, and then continues:

The Sydney Post, a local paper, has started a crusade to oppose the erection and am informed that the editor is on his way to Ottawa to induce the Government not to give the city council the assurance they ask. To put you in a position to meet the objectors, I desire to advise you that these railways are willing to sell or lease the land to the oil company, as was done at Point Levis, under similar circum-

stances, some two or three years ago, also that the disposition of the land will not interfere with any railway development contemplated.

That was written on the 21st of April. On the 31st of March a vote was passed, as I said, looking to the commencement of that railway wharf—a railway wharf which would take steamers, possibly ocean steamers, which would require warehouses; and yet the President of the railway says that this property, which took a third of the available space, already too small, would not interfere with any development contemplated. No examination into the thing; nothing given here; nothing on record which showed that they proposed to do anything; nothing but an eagerness which they all seemed to display to act as brokers for the Imperial Oil Company, and to push this thing through. Mr. Hanna has, I understand, been a railroad man for a long time, and I wonder if he could mention any place on the continent of North America which had grown as Sydney has in the last 20 years, where there was not a necessity for a constant increase of building, of sidings, of the various materials that a railway takes on. I think all of us who have been in Europe were struck over and over again, as we travelled, not only through England, but through France, through Holland, and through Belgium as it was, to find how continuous is the extension of railway work, and the extension of facilities that they require constantly. And yet Mr. Hanna says it will not interfere with anything contemplated.

Then Mr. Fraser is asked for a memorandum by Mr. Bell, the Deputy Minister, and he says again at the end of April that the price will be $3,000, and shelters himself under Mr. Hanna's letter of April 21st, which advises that the sale or lease of this land to the Oil Company will not interfere with any railway development.

The gentleman, who lately adorned the position of Minister of Railways, and whom we now have the honour to have as a colleague (Hon. Mr. Reid), seems to me to rather sidestep this situation. He begs to say to Mr. Curry, the town clerk of Sydney:

> That I am advised by the management of the Canadian National Railways that there is no objection to the land in question being sold or leased to the Oil Company, and that such distribution of the land will not interfere with any railway development contemplated.
>
> J. D. Reid.

The next letter is on May 10th. It is to Mr. Brady, from the Deputy Minister, Mr. Bell:

> The right of way and lease agent of the Department advises that the price of the land should be fixed at $3,000 an acre, and if a lease is granted the conditions referred to by the City Clerk of Sydney should be incorporated in the said lease as an obligation of the Company.

I would ask honourable gentlemen to note that phraseology.

On the 3rd of June there comes this letter to Mr. Kingsland, who was then General Manager at Montreal, from the Assistant to the Executive:

> Toronto, 3rd June.
>
> It has now been decided to sell the piece of land at Sydney to the Imperial Oil Company, and I enclose you herewith five copies of the plan and description. Will you please arrange for an Order in Council and for the issuing of the patent by the Government for the land, the price to be seven cents per foot.

They were in such a hurry they were not even accurate about the price.

> Quick action will be appreciated.

Here is a memorandum from the Imperial Oil Company. It is not dated, but, from internal evidence, it appears that it was on December 15th, 1921. It says:

> In March, 1921, we made an application to the Sydney Town Council, after having obtained assurances from the railway people in Toronto that the said property was available for our purposes.

And you will find there is extraordinary discrepancies as to when this was taken up—by whom, what the price was, what the size was, and every other possible discrepancy. That was the 3rd of June.

> Quick action will be appreciated.

But between the dark and the dawning "the native hue of resolution" was "sicklied o'er" by something. There is nothing to show that it was by any regard for the public interest. Mr. Brady telegraphed on the next day:

> Referring to my letter of yesterday re sale Sydney lands to Imperial Oil. Hold matter in abeyance until further advised.

That is Mr. Brady, who had previously written: "Quick action will be appreciated"—at seven cents a foot. Guess at the number of feet.

What happened we can only guess. But on the 6th—this was on the 4th—Mr. Fraser, the right-of-way engineer, wired the local member, J. C. Douglas, that Dr. Reid was sending him down. He went down, and he made the following report, of which I will read the essential parts. He names the various people he saw, and says:

> It seems that many of the citizens claim the permit granted by the City Council was done without any notice to the public and did not receive the unanimous consent of the Council and that as soon as the public was aware of it numerous and very strong protests were made particularly to the Department of Public Works.

My opinion is, and I expressed it to the citizens objecting, that no further action should be taken by the Department to dispose of these lands until as the result of a public hearing, at which the Imperial Oil Company should be represented, the Council should be unanimous in granting a permit for the erection of the oil tanks as proposed on Barrack Point.

In looking over the whole situation in Sydney I am of the opinion that the oil company are anxious to secure a site on the water front so that they may unload directly oil from tankers and then be in a position to supply the oil burning ships in the future. This, however, would not provide freight of any kind to the railways.

This is the railroad, which Mr. Brady represented, which Mr. Kingsland represented, which Mr. Hanna represented.

Looking it all over, I am of the opinion that their chief object in locating on Barrack Point is to secure water front that does not seem to be available at any other point around the harbour, for the purpose of supplying ships with fuel oil that has been brought by these tanks to water, and will not add to traffic for the railways.

Then there are representations from aldermen, and so on, and on the 13th of July the Imperial Oil Company write through Mr. Shatford:

I found that Mr. Fraser had visited Sydney from your Department and seems to have agreed with the handful of opponents to our application, as they were strongly of the opinion that the Sydney City Council would not again support our application for the installation of tanks.

Then he yaps at Mr. Fraser. Then, there is a telegram from Mr. Brady, the Assistant to the Executive, to Major Bell:

Your letter of the 17th re Imperial Oil, Sydney. Informed Minister of Public Works passed whole matter over to your Department. Is it now in order to let the Imperial Oil Company have the land they are ready to purchase, as outlined in previous communication? If so, will send you plans and descriptions.

Major Bell was not active in this matter. I suppose he and some others possibly did not like having the whip cracked over their heads, and he lagged, and it is quite a time before you find any reply from him. But we come now to a letter which I think everybody, however they may feel about this matter, will think a most extraordinary one to find in the files of a department of the Canadian National Railways. It is from the Imperial Oil Company, Halifax, Nova Scotia, addressed to G. W. Mayer, Vice-President, Imperial Oil Company, Toronto. It encloses an editorial from the Sydney Post. It says:

The main point in this editorial is his reference to Fraser. I did not know of this man's visit. While in Sydney he called—

—And so on.

Perhaps Mr. Lown could investigate this gentleman's visit to Sydney, and, if there is anything we can do to offset his recommendations, we will be glad to do it.

Mr. Lown is another official of the Imperial Oil Company. Evidently the letter was sent to the Head Office of the Canadian National Railways—at least it looks like it—to take action with Fraser for making such a report.

On July 18th, the Assistant to the Executive writes again to the Deputy Minister. He is as complaining as he dares to be to his superior officer. He says:

I wired you on the 13th instant, and have received no reply.

That is as vigorous a protest as he could make to his superior.

We are satisfied that the railway will never require this property for railway purposes, and can never make any particular use of it and consider that we should let the Oil Company have it.

That is signed by Mr. Brady, who is the Pooh-Bah for Mr. Hanna and the Chief Executive.

Hon. Mr. GORDON: The late F. P. Brady.

Hon. Mr. McLENNAN: Yes. Mr. Brady, I have not the slightest doubt, did what he was told, and I make no accusation against him. He simply did what he was told to do by his superior officers. What I would ask gentlemen to note is that "we will never require this property"—property within four hundred feet of where a wharf was actually in contemplation, which would leave them only five acres to make any development which might be necessary. "Never" is a perfectly ridiculous, improper, inaccurate and absurd word to use in this connection. It reminds me of the time when, about 1890, Mr. Collingwood Schreiber had charge of the Government railways and I had charge of a very little road, but just as broad as any other, down in Cape Breton. The Government railways had opened a big ballast pit, and we were in need of ballast of which there was none along our line. When I was in Ottawa I asked Mr. Schreiber if they would not sell us a certain amount of ballast—it was not a large amount, because our whole line was only about fifteen miles long—and Mr. Schreiber said: "No, it is quite impossible. A railroad keeps on forever, and no man in charge of it should ever alienate any part of the property, because he can never tell when it may become necessary." Apparently time had not improved the outlook of the various people at the head of our railroads under the late regime, as compared with nearly forty years ago.

Mr. Fraser then makes a defence as to whom he saw at Sydney, and so on. Then, there is another letter from the Assistant to

the Executive to Major Bell. That letter is apparently a very important one, but it is not included here:

So far as this railway losing business is concerned, that was the first subject considered when this proposition was put up to us by the Imperial Oil Company, and it was agreed by Mr. Hayes himself that there were no objections from a traffic point of view to letting the Imperial Oil Company have the site.

Then a little further on:

You are aware, of course, that the Imperial Oil Company are very friendly to these railways and pay us an enormous amount of money in the course of a year, and we are desirous of retaining their goodwill to as great an extent as possible.

Certainly everybody likes to be on good terms with a customer; but I take it that the Imperial Oil Company got good service for the good money they paid to the Canadian National Railways. The nearest analogy I can think of to this kind of thing is a shop-boy stealing from the till in order to give the money to someone else, to retain business for his master.

This matter has been dragging along since September last.

The first communication we have is on February 21st, so there must have been something before that which ought to have been included in this return.

Hon. Mr. BRADBURY: What has happened the letters off the file?

Hon. Mr. McLENNAN: That is what I do not know, or whether they were ever put on the file.

That ends the matter to that time. It had been turned over to the Canadian National Railways, and Mr. McCurdy, who was Minister of Public Works, had not given the certificates which were demanded by the City Council. There is no more correspondence of any moment on the file until the 22nd of December, when Mr. Hungerford, the Vice-President, writes to Major Bell and says:

The Imperial Oil Company are anxious to have the matter settled at the earliest possible date, and on account of the friendly relations which exist between them and the railway, we will be glad to see them accommodated in this way. I would appreciate a memo from you giving the present status, and advise if the sale can be concluded now.

Then, apparently in the usual course, the Deputy Minister gets a memorandum from somebody else, so there is something which he can justify himself by. It is of no great consequence, but I call attention to the fact that Mr. Fraser still speaks of "the land applied for either by lease or sale." As a matter of fact, there never was any intention to do anything with it except by sale, and it is pure camouflage to keep on talking about "lease or sale."

I may say here that one of the most extraordinary things in connection with the whole matter is the action of the Railway Department. If they wished to give the use of this property to the Imperial Oil Company, every purpose could have been served for the benefit of the Company and the benefit of the railways, if there was any benefit in it to the railways, by giving a lease of the property in the ordinary form. All such leases, as far as my knowledge goes, say that should this property be required at any time for public purposes it can be resumed by the Crown upon six months' notice. That, I think, is the formal stereotyped way of dealing with the matter; and yet this absolute sale to the Company is pushed through.

Subsequently the matter is again brought up in the City Council, where the proposal was carried again by a vote of six for and four against, which is not an overwhelming majority. Then Mr. Fraser on January 9th writes:

I see no reason why the application should not be granted, and the transfer of the land shows on the accompanying plan granted to the Company.

They also speak of the size of the tract as being 2.24 acres, which please note.

Then Major Bell writes to Mr. Hungerford:

The proposed conveyance to be subject to the condition that the location of any buildings or tanks on the area in question shall be subject to the approval of the Department of Railways and Canals, so that there may be no interference with any proposed works of any Department of the Crown.

An Order in Council was passed on the 26th of January, 1922. Things went along in the ordinary way, but in February the Solicitor General, Mr. D. D. McKenzie, wrote to Hon. J. H. King, Minister of Public Works, congratulating him on his appointment, and saying:

I am to-day in receipt of a letter from the city of Sydney protesting very strongly against the granting of permission to the Imperial Oil Company to locate certain tanks upon Victoria Park in that city.

There is a slight inaccuracy there. It was not on Victoria Park, but in immediate proximity to it.

If there is anything your Department can do to prevent the locating of oil tanks on this park, it should be done.

To this Mr. King replied, telling him something of the circumstances. The matter comes back into the arena again.

Mr. Fraser, who, you will remember, in his first report referred to the loss of traffic to the railways, etc., writes a memorandum stating:

This Department had no interest in the matter beyond assisting the Imperial Oil Company, which is

a very large shipper over the Railways in Canada, to improve their facilities for handling more traffic over the Railways at that point, but in view of these further objections the matter had better remain open.

He is obviously under dictation, but whenever he gets a chance he puts in a little word to delay the thing. One can congratulate him on his courage. Apparently it is extremely difficult for a man in a Department to show any courage in opposing the views of his superior, but he can at all events show the situation in a proper way.

But Mr. Fraser's memory is at fault. On the 20th of February, 1922, he sent this telegram to Mr. Hungerford at Toronto:

Imperial Oil Company, Sydney.
Major Bell says verbal instructions to you stand. Order in Council passed authorizing sale gave amount as three thousand dollars per acre instead of three thousand for whole area of two point two four acres. Better notify Imperial Oil not advisable to re-open this matter as whole sale might be blocked. Please advise me their decision and letters patent will be issued at once.

Hon. Mr. GORDON: From whom is that?

Hon. Mr. McLENNAN: That is from Mr. Fraser.

Hon. Mr. MURPHY: Fraser again. To whom?

Hon. Mr. McLENNAN: Mr. Hungerford, Vice-President of the Canadian National Railways, Toronto.

Hon. Mr. GORDON: Three thousand dollars for the whole area?

Hon. Mr. McLENNAN: Three thousand dollars for the whole area. Fraser evidently got panicky; he had a brain-storm. Mr. Hungerford promptly—and his promptitude shows that he has a kind heart, if a poor head, about property belonging to the railway—sent a telegram in reply:

Major Bell's letter of May ninth, nineteen twenty-one, stated price would be three thousand dollars per acre. This price was quoted to Imperial Oil Co. and they are prepared to pay it.

Then on the 25th of February there is a letter from Moncton from J. S. O'Dwyer, the Engineer of Right of Way:

In reference to proposed Letters Patent to the Imperial Oil Limited., as indicated on Plan No. 10261-1—

Which is on the table—

Further to your letter of the 1st inst., on the above and my reply of the 11th inst., the General Superintendent has forwarded me copy of his telegram of the 18th inst.—

That is the 18th of February, 1922—

—to Superintendent Fitzmaurice at New Glasgow, reading as follows:—"Re sale certain piece land Battery Point Sydney to Imperial Oil Ltd. General Manager advises they may be given permission begin work on this property.

Note the date—the 18th of February. I have made special inquiries, and am informed that they entered on this property and commenced excavation in the last week of December, 1921. They discontinued work in the middle of January, 1922. They began again in May, 1922.

It seems to me extraordinary that the General Superintendent of a railroad can give anyone who has no right or title, no lease or possession, authority to enter on the property of the King and begin to build foundations, etc.

Then there were further protests. You may think I am reading as much as possible, honourable gentlemen, but I assure you I am reading as little as possible. On June 12 there was a great discovery made. The Order in Council had been passed, with the plan attached, which is on the table, giving this land as 2.24 acres. After the plans had been drawn and the Order in Council passed it was discovered that there was a mistake. Whether or not it was a mistake of the Engineers, or how it occurred, I do not know. There is also, apparently, a third plan, which shows the area as 2.89 acres. Seven copies of the revised plan and description of the land were sent back, and attention was called to the Order in Council granting authority to the Department to dispose of 2.243 acres of the land when, as a matter of fact, the land was actually 2.720 acres. Then they went to work and easily enough they got an amended Order in Council, changing the price from $6,729 to $8,160—which is still about one-third of what it ought to be. This correction was made on the 29th of June.

I belong to Sydney. I am interested in Sydney and its development. I may be considered a prejudiced witness, but I bring forth evidence from the other side of the Dominion —from the province of British Columbia, with reference to this transaction; it is the evidence of Dr. King, the present Minister of Public Works. He proved himself honest and intelligent in this matter. He saw the situation as it was. I will read, not all his letter, because it contains an unimportant reference to the park. This letter is addressed to his colleague, the Minister of Railways:

Department of Public Works,
Ottawa, 15th August, 1922.

Dear Mr. Kennedy:

When I was recently in Sydney, N.S., my attention was called to the placing in Battery Point Park of some oil tanks by the Imperial Oil Company, and there would seem to be a strong feeling on the part of

the residents of the City that this should not be allowed. It appears, that the privilege was granted to the Company by the City Council.

He had looked it up. But the thing that is of importance is this:

The area in question is a very restricted one and if the new Terminal wharf is constructed there, as has been suggested, it seems to me there is no question but that all the space will be required for sidings and warehouse purposes.

This is the result of my personal observation and at the time I was there there did not seem to be any work going on in connection with the tanks, though some preliminary work had been done in starting the foundations.

So far as I can see, it is not too late yet to stop the matter and I would suggest to you the advisability of looking into it as soon as possible with a view to taking that action if you can see your way to do so.

Your faithfully,
(Sgd) J. H. King.

The amended Order in Council had been passed less than a month before. Then there is a memorandum, and it seems a pitiful thing if you remember the first report of Mr. Fraser. This is a memorandum for the Deputy Minister:

The application of the Imperial Oil Company for increased area to carry on their business, beyond what they had under lease from the Railways,—

They had been working at the upper end of the town on a property leased also to the Railways—

—was brought to the attention of this Department by the Traffic Officer in May, 1921,—

The whole thing was arranged, one man says, in September before, and we have evidence here that it was under consideration and Fraser had to do with it in March, and he went down later, when he made this extraordinary valuation.

—and, as it seemed to be an ordinary matter of an industrial location for the purpose of erecting an oil warehouse and also some storage tanks, there was not objection made providing the Company had a permit from the City.

He made an objection himself. He said it would take away traffic.

I visited the location in June, 1921, and had all these objections before me but decided that such were not practical and it would be an interference in the traffic handled by this Company if their application was not granted.

It appears that this matter was for the benefit of the railway traffic and the objections to it had no foundation beyond the fact that a few did not consider the business side of the transaction.

Mr. Bell writes to Dr. King telling him this same thing, which, if he had looked over it and checked it, he would know was absolutely inaccurate.

Hon. Mr. DANDURAND: Do I understand that it was Major Bell who answered the letter of the Minister of Public Works?

Hon. Mr. McLENNAN: Yes; he answered the Minister of Public Works almost word for word in the same language as I have read:

The application of the Imperial Oil Company for increased area to carry on their business, beyond what they had under lease from the Railways, was brought to the attention of this Department by the Traffic Officer in May, 1921, and as it seemed to be an ordinary matter of an industrial location for the purpose of erecting an oil warehouse and also some storage tanks there was no objection made providing the Company had a permit from the City. This had been granted on April 14th, 1921.

Afterwards there was considerable objection raised by some of the residents to this privilege being given the Oil Company, but all opposition was discounted upon investigation of the matter.

That is the case. Letters Patent were finally issued, but, though they seemed to be an important element, they were not included in this return. I had to get them, and I got them from the Under-Secretary of State. I find they are in the ordinary form:

Whereas the lands hereinafter described were acquired by us for the purposes of a public work within the meaning of the Expropriation Act and are no longer required for such purposes—

Although they are within 400 feet of the place where a wharf is to be built—

—and Our Governor in Council has duly authorized the sale thereof.

And it goes on to deal with the sale, and gives the description:

To have and to hold . . . . the free uses, passage and enjoyment of, in, over and upon all navigable waters that are now or may hereafter be found on or under or flowing through or upon any part of the said land.

Povided always. . . . that the permises shall be used by the grantee for the purpose of erecting, maintaining and using thereon oil tanks, warehouses and other structures required for or in connection with the oil business at present carried on by the grantee, for no other purpose and that no such oil tank, warehouse, building or other structure shall be erected, placed or moved upon or to the premises or any part thereof. . . . unless and until the location of such oil tank building or other structure shall have been approved by the Minister of Railways and Canals.

These are the Letters Patent that are granted. But there were reservations made by the City of Sydney. Major Bell, I think, signs this somewhere or other. It was provided that if a lease be granted these should form a part of it. I have read them, and will not bother to look them up again. However, those reservations are not included. Were the public humbugged by being told that if a lease should be granted these conditions would be included, or was the omission of them purely an oversight? I cannot tell. But the City of Sydney was betrayed. We may free the Government. Major Bell has a great deal to do, and may have overlooked it. And we have seen where Mr. Fraser's

memory was at fault. But those Letters Patent, the correspondence shows, were sent to the Imperial Oil Company before execution, and they approved of them. They knew about them. Mr. Shatford must have been cognizant of the transaction and of their offer to give this right of way through the property, and it seems to me that he has placed himself, and everybody connected with the Imperial Oil Company has placed himself, very much in the position of a man who has been given two ten-dollar bills stuck together instead of one ten-dollar bill, to pay an account of nine dollars, and who takes advantage of the oversight. It is, it seems to me, an extraordinary thing for a great corporation not to have called attention to the fact and said: "We agreed to give a right of way through this place. We agreed to spend a certain amount of money on it." Those conditions are not incorporated. Therefore, the city of Sydney, which is hoping that its development will be extended—and I am sure it will be if proper wharfage facilities are provided there—finds itself actually with no right of way to that wharf, because it was not reserved, as the Government should have reserved it. The transfer being a sale instead of a lease does not alter the fact that they undertook to reserve that property. The whole thing is so extraordinary that I feel there must be some other explanation than that which appears on the surface. It is hard to believe that such a thing could happen.

Hon. Mr. FOWLER: Does this proposed wharf lie in front of the property alienated?

Hon. Mr. McLENNAN: Yes; and then the base of it would be about 400 feet, as nearly as I can measure by the map. There is a map outside, and it will explain.

Hon. Mr. MURPHY: Cannot the oil burners be carried on as they are?

Hon. Mr. McLENNAN: I do not know that the National Railways are going into it. What actually has happened, and what will be further referred to in the way of loss of traffic, is that all the oil that now comes into Sydney comes in over the Intercolonial Railway; and they began last autumn to fill these tanks by a tank steamer, actually taking business away from the C.N.R.. They might say: "We will still supply Sydney; we will still supply these 60,000 people, who use per capita as much oil and gasoline as anybody else, but we will supply them in the old way by the C.N.R." So they had them filled up in the late autumn, as they thought there would be no oil-burning steamers coming in before May—and if this kind of weather keeps on we do not know when they will come in. But, as far as one can see on the surface, the Canadian National Railways gave this property to the Imperial Oil Company to cut their own throat as far as any traffic in oil and in gasoline is concerned.

Now, it seems to me that I have justified the statements and charges and assertions that I made when I began, and now I inquire what is to be done about it.

The happiest solution would be this. If there should prove to be at the head of the Imperial Oil Company or on its directorate some official higher in station and with a broader outlook than their representatives who have appeared in this transaction—who realizes that company and its affiliations control what is a necessity of modern life over the whole of this continent as they have a practical monopoly—if such an official exists who is big enough, he might say: "My subordinates have been over-zealous; they hypnotized the former management of the C.N.R.; they have taken advantage of a gross error, or they have been guilty of malpractice in relation to the city of Sydney; they have obtained advantages which are unjust. This is a poor foundation for a business which we hope to make as permanent as we have made it prosperous. This company does not endorse their action, so we will give back this property and make a new deal open and aboveboard, which will satisfy every reasonable person interested."

If they do not do this, they have done a grievous injury to all large organizations, for no red anarchist can do the injury to capital that sharp practice, unjust dealing, and the exercise of improper influence by representatives of capital can inflict on the great power which is represented and controlled by the officials of great companies.

Failing the existence of such a man or men—and with all earnestness, I hope this appeal to them will not fail. It is the duty of the Government, as I see it, to cancel a grant which should never have been issued. The city of Sydney is justified in withdrawing a permit on the ground that that grant should never have been made, as it is not in accord, as I have shown, with the permission they gave. Moreover, the Government has no right to give them further powers to carry their pipe-lines over Government property and to use their wharf. If such powers have been given, the documents establishing them should have been included in this return. If the Government finds itself tied up, it had better expropriate now rather than leave it to the time when

they must expropriate, on account of the growing development of the trade which will surely come to the city of Sydney.

There has been a change in the management of the C.N.R. Sir Henry Thornton has come to its presidency with a high reputation which he will enhance or destroy by the way he manages the road. I draw his attention to the manner in which even the most important of his staff have dealt in this instance with the property and the interests of the railroad.

Then there is another thing. We all hope that the northwest part of Canada is going to be one of the great oil reserves of this country and the world. When this Government or its successors come to deal with the question of leasing its oil, it will be well for them to remember what answer the Imperial Oil Company makes to my suggestion as to the revision of this deal, and also remember the control that in this case the officials of that company have held over the officials of the Government. The Government should be very wary in their dealing with them.

I think, also, I may venture to recommend to the Government a revision of the whole system by which the property of the Crown is given away by Order in Council. Certainly such property as is connected with any of its public works should not be alienated under any circumstances without ample notice to all concerned; without laying on the table a full statement of the reasons for proposing the particular transaction, with proof of the soundness of such reasons, with a chance for all the people interested to be heard. I believe it would be of distinct advantage if a procedure were established by which all such transactions should be submitted, say to the Exchequer Court. I speak as a layman, but, as I understand it, that Court has jurisdiction on valuations and expropriations. Why should it not deal with necessary valuations of what the Government alienates, as well as what the Government acquires? Such a course would be a safeguard for the people of Canada. It would be a safeguard for Ministers against illegitimate pressure from outside and against such a deplorable lack of vigilance on the part of their subordinates as I have established in this case.

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

DIVORCE BILLS

FIRST READINGS

Bill U3, an Act for the relief of Eliza Harvey Northgraves.—Hon. Mr. McCoig.

Bill V3, an Act for the relief of Olivette McMaster.—Hon. Mr. Bennett.

THIRD READINGS

Bill C3, an Act for the relief of Jean Elizabeth Burgess.—Hon. Mr. Bennett.

Bill D3, an Act for the relief of Thomas Wesley Scott.—Hon. Mr. Bennett.

SECOND READINGS

Bill E3, an Act for the relief of Fannie Boyle.—Hon. Mr. McCall.

Bill F3, an Act for the relief of James Forbes.—Hon. Mr. McCall.

Bill G3, an Act for the relief of Julia Tracey Kay.—Hon. Mr. Ratz.

Bill H3, an Act for the relief of Charles Philip Roy McCabe.—Hon. Mr. Ratz.

Bill I3, an Act for the relief of William George Haden.—Hon. Mr. McLean.

Bill J3, an Act for the relief of Gertrude Irene Wood.—Hon. Mr. Willoughby.

Bill L3, an Act for the relief of James Murray.—Hon. Mr. Fowler.

Bill M3, an Act for the relief of James McAllister.—Hon. Mr. Blain.

Bill N3, an Act for the relief of David Albert Clayton.—Hon. Mr. Blain.

Bill O3, an Act for the relief of Hugh R. Fulton.—Hon. Mr. Blain.

Bill P3, an Act for the relief of Maybelle Elizabeth French.—Hon. Mr. Blain.

PRIVATE BILLS

SECOND READINGS

Bill 49, an Act respecting a certain patent of Robert A. Campbell.—Hon. Mr. Reid.

Bill K3, an Act respecting Frontier College.—Hon. Mr. Tanner.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, April 19, 1923.

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

Prayers and routine proceedings.

RESTRICTION OF SUPREME COURT APPEALS

MOTION WITHDRAWN

On the notice of motion by Hon. Mr. David:

That appeals to the Supreme Court of Canada from judgments rendered by the Provincial courts should be restricted to cases where the matter in controversy on the appeal involves the validity of a Dominion or of a Provincial statute, or is a matter within the exclusive legislative jurisdiction of the Parliament of Canada, or where, by reason of the importance of any question of law or fact, the highest court of final resort in the province has given leave to appeal to the Supreme Court of Canada.

Hon. Mr. DAVID: Honourable gentlemen, after having consulted certain members of this House, eminent lawyers, who represent the English provinces particularly, I have come to the conclusion that my motion, although a good one, would not be here supported by those honourable gentlemen; so I intend to modify it and to bring it back if I can obtain the support of honourable gentlemen of the legal profession to the motion as modified.

Before asking leave to withdraw my motion I wish to say only this. I was induced to present the motion by the complaint which I had heard for the last ten years against the multiplicity of appeals, particularly to the Supreme Court. No doubt there are more appeals than are in the interest of the public, and this condition is a cause of mischief, of serious grievance, and very often of a denial of justice. I know people who, after having obtained judgment before a superior court, were obliged to reduce their claim to a great extent in order to avoid an appeal, because they were not able to bear the cost of such appeal.

Those who are obliged to have recourse to our courts of justice have a right to ask for the abolition of appeals to the Supreme Court in all cases which are governed by our provincial laws and by our French code. The other provinces, the English provinces, I admit, have not the same interest as we have in this respect. There are undoubtedly cases in which people have a right to complain. I know of instances in which people, after having obtained judgment from three, four, or six judges, have seen the judgment reversed by a majority of the judges of the Supreme Court—by three judges who naturally could not have the same knowledge of our laws as have our own judges. I need not state what those people think and say of the administration of justice in such circumstances. Honourable gentlemen, if there is an institution which we must preserve, it is the administration of justice. Recognizing that fact, we ought to do something to remove those grievances.

However, I do not intend to speak longer. I may have occasion to speak at greater length if I bring back the motion when it has been modified. For the present I ask to be allowed to withdraw my motion.

The motion was withdrawn.

DIVORCE BILLS

FIRST READINGS

Bill W3, an Act for the relief of Mahlon Beach.—Hon. G. V. White.

Bill X3, an Act for the relief of Alfred William Kelly.—Hon. Mr. Green.

Bill Y3, an Act for the relief of Wilmot Austin Pickell.—Hon. Mr. Green.

Bill Z3, an Act for the relief of Annie May Vogelman.—Hon. Mr. Ratz.

THIRD READINGS

Bill E3, an Act for the relief of Fannie Boyle.—Hon. Mr. McCall.

Bill F3, an Act for the relief of James Forbes.—Hon. Mr. McCall.

Bill G3, an Act for the relief of Julia Tracey Kay.—Hon. Mr. Ratz.

Bill H3, an Act for the relief of Charles Philip Roy McCabe.—Hon. Mr. Ratz.

Bill I3, an Act for the relief of William George Haden.—Hon. Mr. McLean.

Bill J3, an Act for the relief of Gertrude Irene Wood.—Hon. Mr. Willoughby.

Bill L3, an Act for the relief of James Murray.—Hon. Mr. Fowler.

Bill M3, an Act for the relief of James McAllister.—Hon. Mr. Blain.

Bill N3, an Act for the relief of David Albert Clayton.—Hon. Mr. Blain.

Bill O3, an Act for the relief of Hugh R. Fulton.—Hon. Mr. Blain.

Bill P3, an Act for the relief of Maybelle Elizabeth French.—Hon. Mr. Blain.

SECOND READINGS

Bill Q3, an Act for the relief of John Darton.—Hon. Mr. Taylor.

Bill R3, an Act for the relief of Minnie Eileen Biggs.—Hon. Mr. Turriff.

Bill S3, an Act for the relief of Thomas Henry Bottomley.—Hon. Mr. Turriff.

Bill T3, an Act for the relief of William Ritchie Dowd.—Hon. Mr. Turriff.

PRIVATE BILLS

FIRST READINGS

Bill 4, an Act respecting the Northern Trust Company.—Hon. Mr. McMeans.

Bill B 4, an Act to incorporate the National Surety Company of Canada.—Hon. Mr. Casgrain.

THIRD READINGS

Bill Y, an Act to change the name of Rio de Janeiro and Sao Paulo Telephone Company to "Brazilian Telephone Company."—Hon. Mr. Green.

Bill Z 2, an Act respecting Montreal, Joliette and Transcontinental Junction Railway Company.—Hon. Mr. Pope.

Bill 13, an Act respecting The Nipissing Central Railway Company.—Hon. Mr. Gordon.

Bill 35, an Act respecting The Ottawa, Northern and Western Railway Company.—Hon. Mr. McHugh.

Bill 36, an Act respecting The Quebec Central Railway Company.—Hon. Mr. L'Esperance.

Bill 38, an Act respecting The Essex Terminal Railway Company.—Hon. Mr. Pardee.

Bill 48, an Act respecting The Manitoba and North Western Railway Company of Canada. —Hon. Mr. Willoughby.

SECOND READINGS

Bill 33, an Act respecting The Canadian Niagara Bridge Company.—Hon. Mr. Lynch-Staunton.

Bill 46, an Act respecting The Community, General Hospital, Alms House, and Seminary of Learning of the Sisters of Charity at Ottawa.—Hon. Mr. McCoig.

Bill 37, an Act to incorporate Buffalo and Fort Erie Public Bridge Company.—Hon. Mr. Pardee.

Hon. G. D. ROBERTSON: Honourable gentlemen, I think that the Committee on Railways, Telegraphs, and Harbours should give careful consideration to the question of the advisability or propriety of members of Parliament, either provincial or federal, being directors of a company with power to distribute its assets, and at the same time to solicit gifts, loans, or substantial aid from the public treasury of either the province or the Dominion while acting in the capacity of directors and members of Parliament at the same time. I think there is a principle involved there to which the Committee should give special attention.

Hon. Mr. CASGRAIN: Surely no one would insist that a member of Parliament, either in this House or the other, could not be a director of such a company as is being incorporated here. Of course, I object very much to the principle of buying a franchise and giving stock for it, because that is one way of giving stock for nothing, and I think it would be well if the Bill contained a clause that when the Company buys a franchise it should pay for it in money. That would be perfectly regular. But, as to members of Parliament not being directors, if the honourable gentlemen will look back he will find that nearly all the railway enterprises were started with the help of local or federal members of Parliament, whether on one side of politics or the other. They are the people to whom promotors go for this sort of thing.

Hon. Mr. ROBERTSON: That may be, but I would say that those directors were not members of Parliament seeking aid for the railways at the hands of the people. There are many substantial business men in that locality who could be secured to serve in the capacity of directors of that bridge company. It is not necessary to include gentlemen whose have responsibilities and duties as representatives of the people in the federal and provincial parliaments, but who, under this Bill, if passed would be required to go before the Legislature at Toronto and the Parliament at Ottawa seeking financial aid at the expense of the country, in order to advance the interests and increase the value of the assets of the corporation of which they are directors.

Hon. Mr. MURPHY: Could they not, as dummies, be just as effective as the men who stood behind them?

Hon. Mr. ROBERTSON: If they did that they would not have the responsibility.

The Bill was read the second time.

BUSINESS OF THE SENATE

Hon. Mr. DANDURAND: I have been asked by some of my colleagues whether any important business is shortly to come before the Senate. If not, they desired that we should extend the week-end adjournment from to-morrow to next Wednesday evening. I have been pressing to have legislation brought before us, but, as I expect very little to come to-morrow or Tuesday, I have no objection to giving notice now:

That when the Senate adjourns to-morrow it do stand adjourned until Wednesday evening next at eight o'clock.

This will come up as a notice of motion to-morrow, when, if it meets with approval we shall adjourn to Wednesday evening.

THE PORT OF SYDNEY, N.S.

SALE OF LAND TO IMPERIAL OIL COMPANY—DEBATE CONTINUED

The Senate resumed from April 18 the adjourned debate on the inquiry of Hon. J. S. McLennan:

That he will call the attention of the Senate to a sale of land at Sydney, N.S., to the Imperial Oil Co., and will ask the Government what action it will take in the matter?

Hon. CHARLES E. TANNER: Honourable gentlemen, having some personal knowledge of the locality referred to by the honourable member of the Senate who introduced this subject yesterday, and some acquaintance with the people and conditions there, I feel that the matter is of sufficient importance to call for a few observations. It is not necessary that I should review the ground which

my honourable friend went over so thoroughly yesterday, nor have I any intention of doing more than making a few comments on some of the salient points in the matter as they appear to me.

I have had the opportunity of perusing the correspondence to which my honourable friend referred to copiously yesterday, and as I read it this matter appears to divide itself into three phases. One begins either in the autumn of 1920 or early in 1921, and extends until the latter part of July or some time in August. During that phase there is apparent what my honourable friend referred to—a very determined effort on the part of the railway executive to get rid of this land. It would appear that in the latter part of July or in August the matter was halted, and thereupon the second phase, which is a hiatus, occurs. I would judge from the correspondence that the fact that Federal elections were probably in sight had some influence, inasmuch as the third phase, as I see it, did not open until after the Dominion elections of December, 1921, and all that occurred then appears to have been considerably hurried, and the affair was closed satisfactorily to the Imperial Oil Company.

I think my honourable friend very clearly depicted to the House the state of affairs in the City of Sydney and the county of Cape Breton. There we have one of the most important business and industrial centers in the Maritime Provinces. We have a city whose population has increased since 1901 from 9,000 to 22,000, and a county whose population has increased in the same period from 49,000 to 86,000—eclipsing, as I believe, any other part of the Maritime Provinces. There we have the great coal mining industry and the great steel industry, and allied industries. We have subsidiary industrial plants, with great wholesale and distributing houses, as my honourable friend pointed out. The city and county are situated in the center of a great fishing industry, and if there is any hope for growth and development in the Maritime Provinces it surely must be expected to take place within the borders of the county of Cape Breton, if not indeed upon the whole island of Cape Breton. It is not necessary, after my honourable friend's extended remarks, to enlarge upon the situation, but I would like in a general way to impress the facts just mentioned on the minds of honourable gentlemen.

The Canadian National Railway is presumably expected to aid in the development of this country. That is one of its duties, I would presume. It has its terminus down near the property referred to, practically within a few hundred yards of it. A terminal wharf at the ocean extremity of these seven acres of land is projected, and, no doubt will be constructed some time—I hope, in the near future. This railway has great business connections in the county of Cape Breton. It has a large connection with all those great industries to which I have referred, and I would suppose that in the ordinary course the railway would be looking forward to extensions and enlargements of its plant. I do not need to comment upon the aspect referred to by my honourable friend, namely, that anyone who has had the opportunity of observing the life of the Intercolonial railway, or any other part of the Canadian National system, must be aware that as business develops the railway needs more and more property for siding and for terminal facilities. Seven acres are but a small area. The land being strategically situated, on deep water, close by the present terminals of the Canadian National Railways, to part with any portion of it is an action which cannot be too strongly condemned. I agree with every word which my honourable friend (Hon. Mr. McLennan) said in regard to the suicidal policy of the Canadian National Railway executive.

That, in brief, is the situation. I want to be very brief, and to avoid reiteration. I have described the position of the city and the county, and the position of the railway in regard to them.

What is the attitude of the railway in regard to this land? We are told in the correspondence that there is no likelihood of any development, and no likelihood of any part of this land being required. I want to join with my honourable friend in saying that no member of a railway executive, especially a nationally-owned railway executive, should undertake to lay down such a proposition in regard to a location like that of Sydney harbour. In truth, I think it is fair and right not to consent to any such proposition in regard to any part of the railway property of this country. In order to justify the view of the railway executive we must conclude that there is no expectation or hope of development on the harbour of Cape Breton. I am sure no honourable member of this House nor any intelligent citizen in the province of Nova Scotia would assent to such a doctrine. Therefore, as I see the matter, the attitude of the railway in considering that land worthless, as if it were mere wilderness out in the far north, is absolutely wrong. I join with my honourable friend in saying that the executive of the railway were entirely unjustified in coming to such a conclusion.

Against the attitude of the railway I want to put the view of the public as represented by the people of the city of Sydney. First of all, objections were made to the placing of an oil plant on this land because of its contiguity to a public hospital. The federal Department of Public Health was for a while interested in that aspect, and so were many citizens of Sydney who made a protest.

Another ground of objection, and a very reasonable and proper one in my judgment, is that this oil plant is to be placed very near to an important residential district of the city of Sydney. Down George Street, in the vicinity of the Park, within a few hundred yards of this projected oil plant, is one of the best residential districts of the city, where real estate is valuable and residences of a class which would be a credit to any community are being erected. Very properly, I think, the people of the residential district protested against the establishment of an oil plant there, when, as I am informed, there are other locations on the harbour of Sydney where the Imperial Oil Company could be well accommodated.

Not only on general principles did the residents of that district object. They objected on the ground that they would be confronted with a real fire menace, because the proximity of great quantities of oil must be recognized as a real danger in respect of fire. One has only to remember that, in the month of September, at the very time these matters were being pushed through by the railway executive, a tremendous explosion occurred across the harbour of Halifax, on the Dartmouth side, where the central plant is located. Six retorts exploded. Fortunately the plant is segregated from any settlement; but no argument is necessary, honourable gentlemen, to show how great is the menace to a residential district in having an oil plant located near it.

Another instance occurred in the city of Halifax in the same year. An oil tanker was discharging oil alongside one of the docks. She had met with some accident and was leaking, and the oil flowed out over the surface of the harbour. Suddenly, from some cause or another, that oil was set on fire, and at once the whole waterfront of the city of Halifax was in danger. The newspaper reports, which I will not read, state that practically every wharf along the waterfront was burned to some extent, several of the smaller craft were destroyed, and if there had been much shipping in the locality at the time there would have been a great disaster.

I mention these incidents merely in corroboration and support of the objection raised by residentials of Sydney on the ground of the danger in the oil plant being located contiguously to a residential district.

The fourth and principal ground of objection on the part of the people of Sydney was one to which I have already referred, namely, the public interest. The people of Sydney realize that their community has made great progress during the last twenty years. They are ambitious. They are looking to the development of their trade—of the fishing industry as well as the industries they have now. They anticipate that the great ocean liners and other large ships will make Sydney a regular port of call, and they are expecting, and with reason, that in the near future there will be ample terminals, constructed by the Canadian National Railways or by some Department of the Government of Canada, to accommodate the growing trade. Therefore, they say, the executive of a national railway should have some vision and some faith in the future, and should not cripple themselves and the community by disposing of one-third of the comparatively small bit of land at their disposal in that city; for that is the only piece of land available for the further development of the Canadian National Railways without very great expense to the public.

These are the principal grounds—

Hon. Mr. DANDURAND: Would the honourable gentleman allow me? He speaks of the people of Sydney, particularly of that residential district. What surprised me when listening yesterday to the statement of my honourable friend from Sydney (Hon. Mr. McLennan) was that those very people of Sydney approved of the grant made through their City Council.

Hon. Mr. TANNER: I am coming to that right now. I am simply explaining the situation as I see it and pointing out the principal grounds upon which objection has been made to this disposal of the land, and I was about to deal with the action of the City Council, to which my honourable friend is probably alluding.

It is quite true that the City Council on two occasions, by majority votes, passed resolutions favoring the establishment of an oil plant on the land in question, subject to certain conditions. On one occasion the vote was seven for and five against; on the other occasion the vote was six in favor and four against. Now, I am not going to say anything against the City Council of Sydney; it is unnecessary for me to do so; but anyone who

is familiar, as most of us are, with the transactions of municipal, city and town councils, is quite well aware that if a powerful corporation like the Imperial Oil Company undertakes to get a resolution through such a council it is not always very difficult for them to succeed. We know, moreover, that city councils—and I say this with all due respect to the Council of Sydney—are not always to be depended upon to look very far into the future. They may be carried away by arguments which would destroy hopes of the future. They may look only to present advantages. At any rate, as I see this matter, I do not place a great deal of stress upon the fact that seven out of twelve and six out of ten city aldermen voted for the establishment of these oil plants on the site in question. I venture to say—and I will submit reasons why—that action on the part of the City Council is not to be accepted as a judgment in favour of the Canadian National Railway executive.

In the first place, we have the aldermen who voted against the proposition protesting vigorously on more than one occasion to the several departments of the Government. They did not accept the decision of the City Council, and the mere fact that they persisted in their opposition is, to my mind, some evidence that public opinion was supporting the views which they advocated.

Furthermore, we find references to petitions by a large number of citizens coming up to the several departments. Now, I have some knowledge of the citizens of Sydney and I am not prepared to believe, as is suggested in some parts of that correspondence, that the citizens who sent up these petitions were not concerned about the matter. From my knowledge I would conclude that the citizens who were protesting were in deadly earnest, and, as I think, they had good reason for being in deadly earnest on the subject.

Then we have the protests from the residential district. There was Mr. Mullins, a gentleman with whom I have personal acquaintance, whom I know to be a prominent, highly respected and responsible citizen of Sydney; a man who at present occupies the position of representative of the Department of Marine and Fisheries in the Island of Cape Breton; a man whose word I would take at any moment. He protested vigorously more than once against the disposal of this land, and voiced on some of these occasions the protests of the residents of the residential district near the proposed plant. Mr. Mullins and the people for whom he was speaking considered they had a just grievance, and I believe they had a just grievance in this regard.

Then there is the newspaper press. It is quite true that in part of this correspondence the influence of the press is belittled; but the press represents public opinion—a forcible and intelligent public opinion, and no leading daily newspaper of Nova Scotia or any other province can afford to fly in the face of sound and just public opinion; nor do they usually undertake to do so. When you find a reputable and well established newspaper, one of the most ably conducted in the whole of Canada, protesting vigorously and continuing to protest against the sale of this property, there must be some reason for the protest.

In order to show that the voice of the majority of the City Council was not the voice of the leading citizens of the city, I want to refer again to the statement of the honourable gentleman who recently laid down the office of Solicitor General. He is a public man of long experience; a man who, I presume, is able to read public opinion and to understand when public opinion is going this way and when public opinion is going the other way. Hon. D. D. McKenzie comes from that very part of the country. What do we find him saying? We find him writing, as my honourable friend (Hon. Mr. McLennan) has pointed out, to the Minister of Public Works, advising him not to let this matter go through. The Hon. Mr. McKenzie would not write a letter of that character unless he felt that there was a strong public opinion against the sale of this land. I think there is reason to believe that when Mr. McKenzie wrote that letter he was convinced, and I am prepared to believe that he had reasons for being convinced, that the judgment of the City Council was not the true judgment, but that he was sending to the Minister of Public Works in his letter the true judgment of the public opinion in that city.

Added to that, we have the evidence of the Minister of Public Works himself. I need only refer to that. The Minister goes to Sydney, he meets the people of Sydney—no doubt he met all the leading citizens—and goes over the ground. And what does he say? It is unnecessary for me to read the letter: it is to be found in the speech of my honourable friend (Hon. Mr. McLennan). Are we to presume that the City Council was right and that the Minister of Public Works and the honourable Solicitor General were both wrong in reading public opinion? I am prepared to believe, from what I know of the locality and from what I know of the people

there, that the judgment of the Minister and the Solicitor General was right, and therefore, summing up the facts I have just mentioned —the protesting aldermen, the protesting citizens, the protesting Navy League, the protesting Solicitor General, the protesting Minister of Public Works—that all the evidence combined inevitably weighs against any credit we may be prepared to give to the judgment of the City Council on this aspect of the matter. I hope I have convinced my honourable friend that the City Council is not to be accepted as the final arbiter in this matter.

Hon. Mr. DANDURAND: I am not accepting it as the final arbiter. I am only saying I think it is unfortunate.

Hon. Mr. TANNER: If anything further were necessary to establish the fact that intelligent public opinion in the city of Sydney was not in favour of the sale and disposal of this land, I would like to suggest to honourable members the fact that although the railway executive was vigorously pushing this matter, calling out for quick action, castigating the men down below, directing them what to say and what to do, demanding that they should get into line so that this matter might be put through—notwithstanding that, notwithstanding that on the 23rd day of June, I think, the assistant to the Chief Executive said, "We must have this put through at once," the next day, as my honourable friend pointed out, he sent a wire countermanding, and saying "Stop." Why did he stop, honourable gentlemen? Was it because public opinion in Sydney, public opinion everywhere, believed that this was not only a legitimate, but a wise and businesslike transaction? Why did he stop? As I read the correspondence, he stopped because the protests of the opposition to it among the business men and the residents of the city of Sydney had culminated in a demand that it should be stopped; and thereupon there was some further investigation, but from the date of that letter and telegram in June, 1921, the matter practically died.

Then came in the hiatus that I refer to. The hiatus, to my mind, is a further proof that public opinion was against the project. Month after month went by; nothing was done—no attempt made to push this matter forward; why? There must have been in the minds of the Executive a fear of public opinion. Probably they saw that an election was coming. That is another reason upon which I base my judgment—because no government, no executive wants to fly in the face of public opinion; and somebody realizing that there would probably be an election in the near future, and realizing that this was a proposition that could not be publicly defended, simply allowed it to smoulder until the months slipped by, the elections were held, and the new Government were seated in their places in Parliament. I say that is further proof to me that it was an indefensible transaction.

Just one other item in support of that view. After the matter had gone into February 1922, that little question rose about whether the price should be $3,000 for the whole lot or $3,000 an acre. Now, was it a proper transaction to put through? Did the people ever want it? What said Mr. Fraser? "Don't open the matter: if you do open it, the whole thing may be blocked." Does that sound like a transaction that is popular and businesslike and acceptable to the people of Sydney? Doesn't it sound like a transaction shady all through, a transaction that it is dangerous to open up again? Fraser says: "Don't open it as you value your lives because if you do you may lose the whole pudding." That is the situation as I see it, honourable gentlemen, and I don't think it is necessary to elaborate any further on that aspect.

There is just one other aspect upon which I want to say a few words. My honourable friend proved, I think conclusively, that the railway executive made up its mind either in the fall of 1920 or in the early part of 1921 that this land was to be given over to the Imperial Oil Company. It is not necessary for me to criticize the Imperial Oil Company: it was their business to get the land if they could get it. But it was the business of the Executive of the Canadian National Railways to protect the public interests, and not give away and sacrifice the property of the people of this country.

Now, what do we observe? We observe Mr. Fraser, the valuator, saying that this land is worth so much, but that it is needed, and should be reserved for future development. Down comes the mallet of one of the chief executives of the railway. He says: "What do you know about this thing? Who told you the City Council was not in favour of it? How do you know the railway wants it? We say the railway doesn't want it." And Mr. Fraser was drilled into his position so that he would follow immediately after the gentlemen who had made up their minds to dispose of these lands.

Mr. Vincent Mullins, the gentleman to whom I referred, the agent of the Marine and Fisheries Department on the Island, wrote to the City Council telling them that there

were objections by the Public Health Department to the placing of this oil plant on the land in question. What happened to him? The ink on his letter was scarcely dry when he received a peremptory communication from the Deputy Minister of Marine at Ottawa, telling him that it was none of his business, and to keep his hands off the transaction. And, very considerately indeed, by the same mail went out a letter from the Deputy Minister to the Imperial Oil Company, assuring the Company that Mr. Vincent Mullins had been put in his place.

Hon. Mr. DANDURAND: Was that correspondence read to the House yesterday?

Hon. Mr. TANNER: It is on file.

Hon. Mr. McLENNAN: It is in the record. I did not read it.

Hon. Mr. TANNER: Then the Department of Public Health had some correspondence about the matter, but it is interesting to note that they did not get very far. There were some communications, some inquiries; but some significant influence put a clamp on the Department of Public Health, and they saw new light—I don't know whether it was an oil light or an electric light, or what it was, but they saw some kind of light—and came to the conclusion that it would be all right to have the plant placed on this land.

The Public Works Department also was interested. It was expected that they would put a terminal wharf there. But by some mysterious power they were not permitted to get very far. They got out of the matter by explaining, as the correspondence shows, that the construction of an oil plant on this piece of land would not in any way interfere with navigation. I do not know just what was meant; at any rate they do not appear very long in the matter; they are removed, if they ever were an obstruction.

Then the Department of Marine had some little interest—because, as I said a few moments ago, their objection also was overruled by someone. Towards the later stage the Department of Militia and Defence intervened, setting up some claim to the property; but their standing did not last much longer than the standing of the other people. There seemed to be some power or influence at work which quickly removed all the obstacles that would stand in the way of the railway executive disposing of this property.

My honourable friend yesterday made reference to a letter at the beginning of the correspondence in which Mr. Mitchell, I think, required different things to be done, among others the making of a resumé of the whole situation, after traffic and other matters had been investigated, to be placed before the President of the System for his decision. My honourable friend remarked upon the very astonishing fact that none of these things appear in the correspondence submitted to this House. Now, while there do not appear to be official reports of the character referred to by my honourable friend, I observe that there are other reports, and I am going to give one or two illustrations of the class of report upon which the railway executive appear to have acted. I think it would be reasonable to expect that the instructions contained in the letter to which I have referred would be carried out, and that there would be a traffic report, a valuation report, and a report upon the other aspects of this matter, and that all of them would go before the President. The correspondence shows nothing of that kind; but it does show a letter written by the Imperial Oil Company. Honourable gentlemen will find the Oil Company writing that an editor had started a crusade against this proposition. That is all right; there can be no objection to the Oil Company writing that; but strangely enough we find the executives of the railway, in their letters from one to the other, repeating the very words of the Imperial Oil Company's communication, and pointing out, the superior to the inferior, that a crusade is being started by a newspaper editor, and warning the subordinates to be prepared for this newspaper editor. Then we find the Oil Company again in another letter saying that only a handful of misinformed people, led by an editor, are objecting to this proposition; and, strangely enough, we find that statement again incorporated in the official correspondence from some of the heads of the railway executive, placed on the Table of the House. So, as I see it, the executive, instead of taking reports from their own officials, have been taking reports from the Imperial Oil Company, and have been sending these down through the several grades for the instruction and the improvement, at times, of the gentlemen who are supposed to carry out the orders of the higher officers.

Then I find a further statement. In the correspondence there is a resumé dated July 13th, 1921, made by Mr. Shatford, the gentleman referred to by my honourable friend, in which Mr. Shatford in writing to his superior in the city of Toronto categorically states the whole situation. Mr. Shatford, of course, had a perfect right to make that statement. But what do we find? On the 21st day of

July Mr. Brady accepts that statement of Mr. Shatford to Mr. Mayer as the official statement of the executive of the railway, and he sends it down to Major Bell as the official judgment of the executive of the railway. He says: "We think this; we find that." I want to say, honourable gentlemen, that does not indicate that the railway executive was acting upon the information and the judgment of its own officials, but that it was accepting without question the statements of the Imperial Oil Company, and without knowing, as we are bound to believe, whether those statements were or were not wholly true. In any event, to my mind, it is an astonishing thing to find any departmental or railway official making the statement of a company seeking a favour the official statement of the Department.

I am not going to detain the House at any great length, honourable gentlemen. I think it is absolutely clear, on the correspondence and the statements made yesterday by my honourable friend, that the railway executive deliberately and in cold blood made up their minds that they were going to hand this property over to the Imperial Oil Company.

Hon. Mr. SCHAFFNER: Why so?

Hon. Mr. TANNER: That is more than I can say. They do say that the Imperial Oil Company is a good customer, but I presume that when that company pays any money to the National Railways, it takes good care to get service in return. As my honourable friend has pointed out, the Canadian National Railway is the only one that serves the Maritime Provinces, and it does not seem like a very strong argument to say that because the company is a good customer, therefore the interests of the city of Sydney and of eastern Nova Scotia should be sacrificed, and that this land should be given away, particularly since there was other land on the harbour which, as I understand it, would be just as useful for the Oil Company's business.

I think my honourable friend has made out a powerful case against the railway executive in this regard—that they deliberately entered upon that policy; that they brushed aside all opposition, all argument and all reason; that they refused to listen to advice, and simply went down there and took out of those 7 acres of land nearly one-third of it, which in my judgment leaves practically nothing of value for the railway business. Anyone who looks at the map will see that the land is so cut that if there were any extensions or developments in that part of the province the remainder of it is so left that in coming to it you have to pass through a narow gusset, and it would be of practically no value to the railway. If the development which is expected should occur, this country will be put to great expense in reinstating its title to this land, and securing an addition to that portion.

I think my honourable friend has clearly shown that the railway executive exercised no vision whatever. That part of Canada is either going to develop or to fall behind. The people believe it is going forward, and in that view I think they are right, and whatever can be done I think should be done to protect the people in that event. I do not profess to say whether these lands can be taken back or not, but it is lamentable that the railway management has been so lacking in ability to look into the future that they were unable to see any probability of business developing in that part of the province.

Whether redress can be obtained or not, I look upon this discussion as being of great value, and I hope that nothing like this will ever occur again. I think that, if possible, some steps should be taken and some safeguards provided to prevent the country from being similarly divested of valuable terminal property by any railway executive that may be in charge of the Canadian roads:

Hon. W. B. ROSS: Honourable gentlemen, I have very few remarks to make on this subject. I do not intend to go over the evidence again, as two members of the House have already done that in very great detail. I wish to say, however, that if the railway authorities base their action, and seek justification for what I think is a very extraordinary transaction, upon the vote of the City Council of Sydney, there is not very much excuse for what they have done. Apart altogether from the fact that there was a very large minority in the City Council upon both occasions—the first vote being 7 to 5 and the second 6 to 4—there was a very strong expression of opinion from outside in support of the view of the minority, and this should have given pause to the railway people in what they were doing.

But if the railway authorities choose to confine themselves entirely to the vote, and ignore entirely the expression of outside opinion, they must explain why the transfer was made from the Crown to the Oil Company without compliance with the two conditions which were attached to the vote. One of them was that an important street, George street, which is now a cul-de-sac, should be extended through the land that was being conveyed. thus giving the town access to the portion that was left, and to the portion of the land which is really the Government terminal of

the railway at the eastern end. Another condition—which can be readily appreciated when we understand the value that towns, cities, and villages attach to their public squares and parks, which are used as free recreation grounds for women and children, and people generally—was that an expenditure not to exceed $1,000 should be made by the Oil Company, which of course would be supplemented by what the city itself was spending on ground immediately adjoining. Both of those conditions were ignored in the grant, and when the railway authorities say they were simply carrying out what the City Council agreed to, their statement is a misrepresentation and a mistake, for they did nothing of the kind.

I think the grant might very well be recalled, but if it is not, some steps should be taken by the Government to compel the Oil Company to make good those two conditions that were imposed upon them by the vote of the City Council. There was a staunch expression of opinion from the citizens of the town, from members of the Cabinet, and even from officers within the Railway Department itself; so that I do not think the Railway authorities were justified in pressing this matter, even though they had a small majority in the City Council.

When we remember that this property is practically the terminus of our National system of railways on the Atlantic coast that the whole area is seven acres across and a fraction, and that the railway people conveyed away about two and three-quarter acres, it will be seen that the conveyance was an improvident thing. They must have been acting on the assumption that there would be no extension of business in Sydney, and that any business which is there now would dry up, because seven acres is a very small piece of land for the terminal of even a small railway, much less a transcontinental system. This land is needed for the business of Sydney, a very fair-sized city, to say nothing of the trade of a number of towns and villages, the names and population of which were laid before the House, and the very susbtantial trade with Newfoundland, Prince Edward Island, and all the ports on the north of Nova Scotia and New Brunswick that have been referred to. I think the railway authorities have a good deal to explain as to why they gave away any part of that property. The correspondence is conclusive that, instead of getting $8,000 on the ground that it was not wanted and never would be wanted, the property should have been sold at public auction. It is perfectly certain that if that had been done, instead of bringing $8,000, the land would have brought from $40,000 to $50,000, and probably more, from this Oil Company itself, because, looking at it from their point of view, it is practically an ideal situation. Further than that, the citizens of Sydney, rather than let the property go to the Oil Company, would have given a very much larger sum, and taken their chances of re-selling the property in private lots, as there is evidence in the correspondence that it would have brought a very much larger sum in view of the prices at which lots were selling in that vicinity.

From the point of view of the Railway I think this deal was very improvident. They have let that land go for $8,000, yet probably inside of 10 or 15 years they will be buying it back at a cost of $150,000 or $200,000. That will probably be the history of this piece of land. The sale was not only improvident, but it was unjust toward the city of Sydney, and unfair to make the grant and ignoring the conditions which the City Council attached to their consent. It is unfair also to those citizens who made their protest against having this Oil Company right alongside their Park, their public amusement ground, and the residental district.

I would like to see either one of two things done—either the grant recalled altogether, on the ground, which I think is sufficiently shown in the correspondence, that the Crown was misled, misinformed and deceived about the value of the land and also about the consent of the City Council of Sydney. Failing the recall of the grant, I think the least thing the Crown can do is to see that the two conditions stipulated for by the City Council of Sydney are annexed to the grant.

This whole transaction points to the necessity of legislation somewhat on the lines which have been suggested, arising out of another transaction—that in sales of property belonging to the people, standing in the name of the Crown, when it is of greater value than say $500 or $1,000, instead of such sales being completed by the Department—though perhaps necessarily the negotiations must be conducted by the Department—the final conveyance should be made only by Parliament, instead of being left in the hands of the Minister of the Crown. It strikes me that matters are coming to such a pass that, by combination and pressure, the stress and strain on Ministers of the Crown is becoming too great for them to resist, and that the best thing for them to do would be to agree willingly to a proposition that anything in excess of $1,000 in the shape of Crown property, instead of being conveyed away by the De-

partment, should be finally parted with only when sanctioned by an Act of Parliament.

I would simply say, in conclusion, that this is one of the worst transactions I have seen for a long time.

Hon. JOHN McCORMICK: I do not intend to detain the House for any length of time, as the matter has been so lucidly dealt with; but perhaps it is necessary to give some explanation as to why there has not been a more pronounced protest from the people of Sydney. The one reason for that, in my judgment, is this. It would not require any great knowledge of business or of the requirements for terminals for a man of ordinary judgment who went down and saw this property, to decide against its sale, as the Minister of Public Works did; and I want to compliment that Minister on having some respect for an obligation that seems to have been overlooked by some important members of the administration of the railway. There is a width of only 140 feet of land owned by the railway, leading down to Barrack Point and down the shore of the harbour for a considerable distance; and the only possible means for trackage and for sheds in connection with the terminal is on that piece of land containing seven acres and a fraction. If the people of Sydney had any thought that the sale would have been made, I believe there would have been a most pronounced protest. I have no hesitation in saying that if a plebiscite of property-owners in Sydney had been taken, at least 7 or 8 out of every 10 would have objected. The town and district of Sydney have been patiently waiting. They are very short of wharfage facilities, and if it were not that the Dominion Steel Company and the Dominion Coal Company have wharves for the handling of their products, the surrounding country as well as Sydney would be at a great disadvantage. The piece of land owned by the railway was small enough, even if they had retained it all; and now that this matter has been placed before the House so clearly, I would say, without being too hard on anyone connected with the matter, that there is no reasonable doubt in my mind that the railway officials were altogether negligent of their duties in regard to it.

If it is possible for the Government of the country to take any action at this time to reclaim that property, that action should be taken in the interest of the trade, industry and development of the town of Sydney. You have there, to mention only the consumption of raw materials inside the Steel Company's yards, a consumption of coal amounting to over 100,000 tons a month. Nearly a million and a quarter tons of coal are used there annually. The coal and steel industries are the principal sources of employment for the people of the town of Sydney, and they have been patiently waiting for wharf accommodation to give them access to the sea for the exportation of the products of those industries. Now they are faced with the fact that the terminals that will be placed there will be altogether inadequate. There is no doubt in the mind of anyone who understands the situation and makes only a moderate estimate of the expansion that will take place within the next five or six years, that the Railway Department will be obliged to buy this land back again. Therefore, I repeat, if it is possible, by any means within the power of this Parliament, to do anything to prevent this outrage on the industries and the people of that community, it should be done, and done quickly.

To show the necessity for wharf accommodation let me mention that, in the month of December last, I think, some thoroughbred cattle were shipped down there from Ontario, and there were no terminal facilities at Sydney for the handling of them. It was only through the kindness of the Dominion Steel Company in permitting the steamer, with a partial cargo of their products, to sail down to their wharf that it was possible to handle the cattle. That goes to show the dire necessity for terminal facilities. Yet one-third or 2.7 out of 7.5 or 7.7 acres of the land needed for a terminal for the town of Sydney has been disposed of. The industries in the town itself, the tremendous mining industry outside, the increase of population that has been taking place in the past eight or ten years, and the certain prospect of greater increase in the near future, require that something be done to permit of the products of that district having access to the sea.

I do not think that anything further need be said. My remarks are not made in any carping spirit or any fault-finding way. In fact, I desire to compliment the honourable the Minister of Public Works for the interest he as a public man has displayed in this matter. He is the only person connected with any of the departments here, or the railway organization, who seems to realize the importance of that piece of property. Let the Government send down to Sydney some confidential man who would be able to form an estimate of the requirements for railway purposes. If that is done, I have no doubt he will come back with a recommendation that

the land in question should if possible be reclaimed.

Hon. G. D. ROBERTSON: Honourable gentlemen, it is my unfortunate lot to have to say a word on behalf of the under-dog in most of the affairs that come before this House, and it would seem that in the present case, so far as this debate has proceeded, the Canadian National Railway executive, or the late executive, are occupying the position of the under-dog.

Having an intimate knowledge of Sydney harbour, the railway business that is done there, and the fact that the business that develops there is local produce from the mines and the steel plant, I know that there is not an extensive export business from Sydney, and in my opinion there never will be. These things were undoubtedly taken into consideration by the gentlemen who made the recommendation. The fact has been established by the statements made yesterday and to-day, that the City Council itself, after due deliberation, approved of this project. Then apparently some objection was raised by property-owners in the city, and more time was taken for further investigation and consideration of the whole matter. Finally the City Council reiterated its action, and the Canadian National Railways officials or executive made a recommendation to the Government. Please keep in mind that the Canadian National Railways did not transfer this property without the consent and authority of the Crown itself. If anything improper has been done, I hold that the responsibility does not rest wholly or ultimately upon the officials of the railway, who themselves had only to go upon the advice of those whom they sent to make an investigation and inspection; and that if the people of the city of Sydney considered that property which should not be alienated from the possession of the Crown was likely to be, then the matter should have been the subject of direct negotiation between the people of that locality and the Government itself. It is but fair and just to the gentlemen who had the responsibility of making the recommendation to observe these facts. While it may be unfortunate that the recommendation was acted upon, nevertheless the final responsibility cannot be said to have been theirs.

Hon. G. W. FOWLER: Honourable gentlemen, I did not intend to intervene in this debate, but, coming from the Maritime Provinces and being greatly interested in them, I feel it incumbent upon me to show that I am with those people who are making this protest.

I do not see why my honourable friend (Hon. Mr. Robertson) who represents Labour in this House should be so sensitive on the subject. I do not know that the Railway Department was particularly attacked. If it was, the attack was based upon documentary evidence which came from itself—evidence produced here in correspondence that passed between the railway executive and their subordinate officers. The documents certainly did disclose a most astounding state of affairs. It is astonishing that a man who was at the head of a great railway system should have had so little vision as to the future of Canada. The only justification for the existence of that railway system was that there was going to be great growth in this country; otherwise a very large portion of that railroad should be scrapped. And let me tell you that the West cannot prosper unless the East prospers with it.

Hon. Mr. ROBERTSON: Halifax and St. John, yes; Sydney never, so far as export business is concerned.

Hon. Mr. FOWLER: Sydney, yes, as far as export is concerned.

Hon. Mr. ROBERTSON: No, sir.

Hon. Mr. FOWLER: Sydney is the jumping-off place for Newfoundland and the trade between Canada and Newfoundland.

Hon. Mr. ROBERTSON: Local trade.

Hon. Mr. FOWLER: Local trade? That is not a local trade. It is not by any means a local trade. How far does trade have to be carried before it ceases to be local?

Hon. Mr. McCORMICK: That is foreign trade.

Hon. Mr. FOWLER: Yes, it is as much foreign trade as trade to Great Britain. It is not foreign trade in a sense, because we all belong to the same confederacy, but it certainly would not be called local trade, the trade with a country over which we have no control, although she is a sister nation with us in the Empire. So I say it is not local trade, and there can be no question that there will be a very great advance in Sydney in the future. But there, where the railways have only a restricted area to start with, they sell off practically their whole waterfront.

Hon. Mr. ROBERTSON: Oh, no.

Hon. Mr. FOWLER: Yes, practically their whole waterfront.

Hon. Mr. ROBERTSON: No, no.

Hon. Mr. FOWLER: Well, one-third of the waterfront—the part of that waterfront that would be contiguous to the wharf—

Hon. Mr. ROBERTSON: A little piece of it.

Hon. Mr. FOWLER: —and without reserving or taking into consideration what the town council considered necessary. That town council certainly was not very much alive to the rights of the public and to its duty as representative of the city of Sydney, but even that slack council considered it necessary to incorporate in the deed the right of way to the proposed wharf. That is eliminated entirely. Another consideration was omitted, namely, that in addition to the purchase price of the property the sum of $1,000 per annum was to be paid towards improvements in Victoria Park. If I were living in the neighboudhood of that park or in the habit of walking in it to enjoy the air and surroundings, I would not care to have oil tanks stuck up under my nose. The odor from those tanks is not particularly grateful, at any rate, to the nostrils of people who have not been bred beside them.

Hon. Mr. McLEAN: They are not like flower beds.

Hon. Mr. FOWLER: No. There is a difference between them and the perfumes of Araby. So I say that for many reasons it is not desirable to erect oil tanks in that particular place. They would be a menace to the public health and the public safety. And by selling this property to the Imperial Oil Company the Railway Department was depriving itself of property which it would know, if it had any common sense at all, any vision of the future, or any thought of what was best for the road, ought to be retained by the Crown.

When the Minister of Public Works—the first man who combined intelligence with probity—went down there to view the premises, what did he say? He wrote at once and said, "This deal should not go through." Of course, we could not expect him to act otherwise than justly, because originally he comes from the province of New Brunswick.

Hon. Mr. BENNETT: He is innocent.

Hon. Mr. FOWLER: But it is unfortunate that some of those other gentlemen who were closely connected with this transaction had not been raised in similar surroundings, and did not protect the interests of the railway for which they were acting, and were paid to act. The whole transaction has a most suspicious appearance. I have been in Parliament for a great many years and have known of some transactions that were slightly suspicious and unsavory, but this, thought not a large transaction, is certainly the rankest that ever I have known. There must have been considerable oil transferred one way or another before this thing was accomplished.

Hon. Mr. ROBERTSON: May I ask my honourable friend, is he referring to a transaction between the Imperial Oil Company and the Canadian National Railways? The transaction, obviously, must be between the Imperial Oil Company and the Crown.

Hon. Mr. FOWLER: Of course it is.

Hon. Mr. McCORMICK: It was recommended by the Railways.

Hon. Mr. FOWLER: But it was recommended by the Railways and the Crown were only acting on the advice of the Railways.

Hon. Mr. ROBERTSON: Quite so.

Hon. Mr. FOWLER: Yes, on their suggestion and at their request.

See how the question of the election governed this thing—how it was held in abeyance while the election was pending, for fear it might have some effect or influence in the election. The matter was dropped, and everybody thought that the whole thing was over —that there was going to be nothing more about it. But as soon as the election is decided, then the machinations are resumed, with the result that the new Government—acting, I suppose, on the report and recommendation of the railway authorities—the new Government is induced to put the deal through.

Hon. Mr. ROBERTSON: Quite right.

Hon. Mr. FOWLER: And they muss up and mess up the thing so that they do not know the exact acreage, and they have to put through a second Order in Council before they can get the acreage right.

So it seems to me, now that this matter has been brought before Parliament, it is the plain duty of the Government to recall that grant. If it has to be done by expropriation, let it be done by expropriation. Whatever may be the cost, let this wrong be righted. Let not the inhabitants of that growing, enterprising, thriving town of Sydney be deprived of their rights in this matter, and let nothing be thrown in the way of the advancement and the increased prosperity of Sydney. It seems to me that the duty of the Government is very plain and simple.

I would like to have heard from the responsible Minister in this House some declaration on his part that would be encouraging and comforting to the people of Sydney.

Hon. Mr. McCORMICK: With the permission of the House I would like to refer to the statement of my honourable friend opposite (Hon. Mr. Robertson), that there is no prospect of any large export from Sydney. Where did he get that information? Is the honourable gentleman not aware that we are shipping abroad from Sydney thousands of tons of steel rods and other steel products which are made there? I think that if the necessary facilities are provided there is very little ground for refusing to believe that within a very short time other industries will come there and there will be a large export trade from Sydney. In view of the important position the honourable gentleman holds and has held as an authority on labour questions, and for fear that any misstatement of that kind would have a bad effect on the minds of people outside, I desire to challenge his assertion. I believe that not only will Sydney increase its production in the line in which it is now engaged, but it will attract other industries for the re-manufacture of the goods that are now being made there.

Hon. Mr. ROBERTSON: I crave permission of the House to reply to my honourable friend. I specifically pointed out that there was an export business, a large export business, from the local industries.

Hon. Mr. McCORMICK: They are not only local.

Hon. Mr. ROBERTSON: I desire to point out also that those local industries have large docks and wharves, sufficient many times over to meet their present requirements. And during the war scores and scores of ships, almost every week, were calling there and taking on bunker coal, because the harbour has splendid facilities for that. But I say again. there never will be a large export business originating in Canada west of Truro and going to Sydney. There will not be any great quantity of such exports from Sydney for the very good reason that Halifax harbour is already equipped and is available, the rail haul to Halifax is shorter, and the water transportation to that port cheaper, and it is an all-the-year-round port. Sydney will have the export business that originates at Sydney, but I would point out that the necessary facilities are there, owned by the owners of the industries, and the the Canadian National Railways or the Government have never up to the present found it necessary to build extensive dock facilities at Sydney.

Hon. Mr. McLENNAN: May I ask the indulgence of the House and the honourable gentleman to say a word or two? I would like to have the honourable gentleman's opinion as to whether there is no possibility of a mail steamer a week, or all the mail steamers calling at Sydney. I pointed out the great advantage which actually accrued in the years to which I made reference. The mail steamers would require docks. More than that, I think the honourable gentleman quite overlooks the fact, which I touched on only slightly yesterday, that during the year there comes to the St. Lawrence, and always will come, the bulk of the ocean-borne traffis, because the bulk of our business lies in Quebec and Montreal and west. But the point I made was that all these steamers pass within a few miles of Sydney when going to their destination in the Mediterranean or elsewhere, except to England. They do not go to Halifax or St. John except in the winter. My honourable friend spoke of the shipment of cattle. Cattle from Ontario were sent to Sydney and went on board there, and last autumn automobiles were shipped down to Sydney. It will always be more economical to send some products of the East the short distance to Sydney than to send them to Montreal and have them loaded there and then come back past Sydney.

I would like my honourable friend to say whether the calling of mail steamers at Sydney, a thing which was unquestionably proved, would not be of advantage.

Hon. Mr. ROBERTSON: I quite agree with the honourable member from Sydney that it was proven possible to save a little time in handling the mail. I think it was also proved that it was not desirable as an economical arrangement. Some time it may be. I also believe that there are at the present time ample facilities in Sydney. I am not trying to justify this particular transaction, but what I have tried to point out to the House is that the railway officials have undoubtedly believed that the property was not required for railway purposes, and never would be, and that, with the twice obtained consent of the Town Council, the Crown, not the railway officials, made the grant. I think it might also be borne in mind that, with the establishment of an industry such as the Imperial Oil Company, probably more ships will visit Halifax harbour to discharge oil and take on bunker oil for fuel than would ever see Sydney.

Hon. F. F. PARDEE: After listening to what has been said this afternoon, and after hearing the repeated demands that this property should be re-surrendered to the Crown or the railway company, it appears to me that some of the honourable gentlemen who have spoken have come to a somewhat hasty conclusion. They will agree with me that the history of railways has been that no matter how much or how little land they may own, it is only with the greatest possible difficulty that you can ever get them to give up one foot unless you convince them in every possible human way that the land will be of no use whatever to them. We have an example of that in my own city, where the railways have a large area. It is almost an absolute impossibility to get them to give up one foot of the ground for the establishment of industries until they are convinced that it will ensure to the benefit of the railways.

As my honourable friend said a moment ago, complaint is made here to-day because of the fact that one-third of the land that comprises this portion around the harbour of Sydney has been given to the Imperial Oil Company. I hold no brief for the Imperial Oil Company, although their original refinery in Canada was established in my own city; but I may say that the Imperial Oil Company has been perhaps one of the greatest factors in the prosperity of Canada.

Hon. Mr. FOWLER: Oh.

Hon. Mr. PARDEE: My honourable friend says "Oh." He speaks without the book, and he cannot refute that statement. The Imperial Oil Company have a chain of refineries extending from Vancouver to Halifax; they have expended millions of dollars, and employ thousands of men; and they are to-day the only company that is exploring for oil in the Northwest Territories, where we hope oil will be found. We know as a matter of economic progress that once we establish to the world that Canada has sufficient oil for her own consumption and her own needs it will be one of the greatest possible factors in the prosperity of Canada. Last year that Company spent $1,000,000 exploring for oil in the Northwest Territories; and they are prepared to do so again. The honourable gentleman says Sydney is being deprived of an export trade by reason of these lands being taken. All I have to say is this—

Hon. Mr. FOWLER: That is unfair.

Hon. Mr. PARDEE: All I ask the honourable gentleman to do is to let me complete my statement.

Hon. Mr. ROBERTSON.

Hon. Mr. PARDEE. My honourable friend stated that the only company operating in the North was the Imperial Oil Company. Does my honourable friend not know that the Anglo-Persian Company desired to get an opportunity to work up north and were beaten out by the Imperial Oil Company?

Hon. Mr. PARDEE: I really do not know.

Hon. Mr. FOWLER: Well, I know it.

Hon. Mr. PARDEE: My honourable friend is quite welcome to his information. That does not alter my statement.

As I was proceeding to say, does it not strike honourable gentlemen that as the Company have established a tremendous industry at Halifax, and now seem to be prepared to establish somewhat of an industry at Sydney, the people of Sydney, or the Town Council, might well believe that with the land in the hands of the Imperial Oil Company, and with that industry coming there, they would be just as well off, and perhaps far better off than if the land were left to be built up by the trade that is to come through the railway?

Reverting to what I have already stated, that railways seldom give up land unless it can be proved to them that it will be more beneficial for them to do so and to have industries established on it, may I mention the fact that the previous Government seemed to have the greatest faith in D. B. Hanna—and in that I agree with them. Mr. Hanna was undoubtedly a first-class railway man. Mr. Hanna seems to have been concerned in the giving up of this land. I do not know that anything derogatory should be said of Mr. Hanna by reason of his having done this, until it is fully proved. We have heard the statement made here that the Minister of Public Works and the Hon. D. D. McKenzie both thought it should not have been done; but I take it that as against the opinions of those two honourable gentlemen, perhaps the opinion and the theory of policy of an experienced railway man might well be brought into play. Before we make an absolute demand that this land shall be re-surrendered, it might be well to consult the present head of the Canadian National Railways to go over the ground with him, and point out all the facts to him. When we got his opinion, it might be that the members of this House would be better able to judge whether the land has been wrongly given up, and whether it should be re-surrendered.

Hon. RAOUL DANDURAND: Honourable gentlemen, I do not intend to answer the inquiry which is on the Order Paper at this

moment, because I have not gone through the record; and even if I went through it, I might not do full justice to the persons who were instrumental in having the Crown dispossess itself of that piece of land. The statements made by the honourable gentleman from Sydney (Hon. Mr. McLennan) and some of his colleagues in this Chamber will be brought to the attention of the Railway Department, and I will obtain within a reasonable time a statement explaining the conclusions that were come to, and embodied in an Order in Council.

I quite see the point that my honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) is trying to make, that, whatever the advice and whoever furnished it, in the last analysis the Government that passed the Order in Council is to be held responsible. That is what was in the mind of the honourable gentleman, although he did not say it in so many words. He spoke of the Crown. I draw the honourable gentleman's attention to the fact, with which he is familiar, having sat in Council, that 15 or 16 gentlemen sitting around the Council Board receive reports and recommendations from the various departments. They have to be guided by the reports put before them. In this instance it was undoubtedly the report of the railway officials. That report comes to the Deputy Minister of Railways, from him to the Minister of Railways, and from the Minister of Railways to the Council Chamber. In this instance the Cabinet had before it a statement of facts which seemed to cover completely the question which had to be elucidated. "What were the people of that city thinking?" There was the report from the City Council. "Did the report show the vote that was taken?" Very likely it simply indicated the fact that the City Council had voted approval. There was a report from the railway officials that the Canadian National Railways did not need the land, and there was the valuation of the property at so much.

It seems to be admitted on all sides that, if the Imperial Oil Company needed some land in that part of the country on which to put oil tanks and reservoirs, a way should be found to accommodate them. So the question resolves itself into this: Was that location the proper one; were the railway authorities justified in declaring that they did not need the land; and were the necessary precautions taken to ensure the conditions which the Council had embodied in its resolution favouring the sale of the land? These are questions which I shall be in a better position to discuss when I get a report from the Railway Department. I will draw the attention of Council to the representations made that even if the railway did not need the land, the interests of the city of Sydney would be better served by arranging with the Imperial Oil Company to locate elsewhere.

Hon. Mr. ROBERTSON: Can my honourable friend inform the House whether or not the Government received any protest or objection from the city of Sydney prior to the time the Order in Council approving the sale was passed?

Hon. Mr. DANDURAND: I will make inquiry. I may say that personally I knew nothing of the transaction until it was brought up in this Chamber.

Hon. Mr. McLENNAN: I think there were representations made to the Minister—certainly to the local Minister, Mr. McCurdy.

Hon. Mr. PARDEE: What year would that be in?

Hon. Mr. McLENNAN: 1921.

On motion of Mr. Dandurand, the debate was adjourned until Thursday next.

EXPLOSIVES BILL

SECOND READING

Hon. W. B. ROSS moved the second reading of Bill D, an Act to amend the Explosives Act.—Hon. Mr. Boyer.

Hon. Mr. DANDURAND: I will read a statement from the Chief Inspector of Explosives Lieutenant Colonel Ogilvie, in regard to this Bill. It may help the Committee, if this Bill goes to Committee, in dealing with it:

4 Cliff Street,
Ottawa, 7th March, 1923.

The Deputy Minister,
Department of Mines,
Ottawa, Ont.

Reference Bill amending Explosives Act

Dear Sir,—We understand that the Bill introduced by Senator Boyer last session has been re-introduced, and that he proposes that it shall apply exclusively to factories engaged in the manufacture of explosives. We beg to refer you to our communication of the 26th May, 1922, and supplement it with the following observations.

1. In issuing licenses to factories manufacturing explosives, the table of distances, which is in effect in the United Kingdom and other British Dominions, is employed. The conditions therein applied are similar to those employed by all the European nations, and also more stringent than those in use in U.S.A. The intra-factory distances for buildings and quantities is that applied in the United Kingdom and other British Dominions. Copies of these tables are enclosed.

2. It will be observed that in all cases, where artificial or natural protection is at hand, the distances are reduced. This is a universal practice in all countries.

3. The quantities of explosive, in the majority of the buildings in explosive factories, is much less than that stored in magazines of merchants, miners, etc. The largest manufacturing building of any explosive factory in Canada will contain less than five (5) tons, while the contents of many magazines, used by dealers and miners, exceed twenty (20) tons.

As a general rule the factory buildings contain less than half a ton. Therefore the danger to the public, arising from the possible explosion of a factory building, is much less than that due to the explosion of an ordinary storage magazine containing much larger quantities.

4. The fixed distance of two miles from any other building is excessive, as it would abnormally penalize the establishment of any prospective factory by compelling the purchase of a large tract of land exceeding twelve (12) square miles, the greater portion of which could not be utilized for any useful purpose and thus incur heavy outlay of capital, which would increase the cost of production, from a monetary standpoint.

(b) Heavy expenditures for sidings and roads for transportation of raw materials, fuel, finished products, etc. and the keeping of these in proper condition and removal of snow, etc.

(c) The dwelling places of the employees and workers in the factory would be so far removed that they could not conveniently travel to and from work without loss of considerable time, and in winter season the difficulty would be increased.

5. The features under No. 4 would not only greatly increase initial expenditure, but recurring increase of costs due to unnecessary charges to capital and manufacturing expenses caused by the restrictions set forth in the proposed amendment to the Act.

6. The proposed amendment would practically give the present established factories a monopoly of the manufacture of explosives, and prevent the further development of the explosive industry in Canada.

7. The miners, quarrymen and others of Canada have been complaining of the high price of explosive in this country, and, only recently, a number of these have combined to build a factory with the result that competition has been introduced and a reduction in price has already resulted.

8. Explosives are absolutely essential for the development of the resources of this country—such as mining, railway and canal construction, buildings, farms, etc., and any increase in cost of them means a tax upon the producers of Canada, and enhances cost of production.

9. The danger to the public, from explosive factories, is much less than that arising from the transportation of explosives, where carloads containing 15,000 lbs. and more, are passing through populous centres every day.

10. Fireworks factories are explosive factories under the Act. It would be absurd to compel such plants to acquire such extensive terrains, and especially where the quantities of explosive involved amounts generally to a few pounds.

11. The whole question of the location and distance of an explosive factory, from any dwelling or other building, is amply provided for in the regulations under the Act and by the adoption of the procedure and practice which has been found to be satisfactory in Great Britain and other countries.

In closing, would respectfully urge that the adoption of the proposed amendment would prevent the establishment of new explosive factories by the introduction of such restrictive measures as would increase initial outlay for land, construction etc., and also, in addition, cause increase cost of production by the location, at such great distances from terminal transportation points, workmen dwellings, etc. It is in the interest of mining and other industries that competition in the manufacture of explosives should exist, whereas the proposed amendment would give the present factories an unfair advantage over prospective competitors, and have a general tendency to throttle competition.

Yours truly,

G. Ogilvie, Lieut.-Colonel,
Chief Inspector of Explosives.
Per Alfred E. Macintyre.

I will hold for the Committee stage the table of intra-factory distances, and others which are in my hand, for the Committee to examine.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, April 20, 1923.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill C4, an Act for the relief of Mabel Gertrude Johnston.—Hon. Mr. Bennett.

Bill D4, an Act for the relief of Wilfred Charles Brown.—Hon. Mr. Bennett.

Bill E4, an Act for the relief of Gertrude Andrews.—Hon. Mr. Ratz.

Bill F4, an Act for the relief of William Henry Davidson.—Hon. Mr. Bennett.

Bill G4, an Act for the relief of George Robert Webb.—Hon. Mr. Hardy.

Bill H4, an Act for the relief of Katharine Bryans.—Hon. Mr. Blaine.

EXPRESS, RAILWAY AND TELEGRAPH EXPENDITURES

MOTION FOR RETURN

On the notice of inquiry:

By Hon. Mr. McDonald:

That he will inquire:

What sums of money have been paid by the various departments of the Government for express charges, railway fares, and telegraph tolls, between January 1st, 1922, and December 31st, 1922, and to what railway, express and telegraph companies respectively were such sums paid?

Hon. Mr. DANDURAND: I am advised that the honourable gentleman should change his inquiry into a motion for a return. If the honourable gentleman did so, it might save him time.

Hon. Mr. McMEANS: The honourable gentleman from Shediac (Hon. Mr. McDonald) asked me to have the inquiry stand, as he would be unavoidably absent for the space of an hour or two. But I am quite willing to accept the suggestion on his behalf.

Hon. Mr. DANDURAND: From the Secretary of State I have received a letter stating that every branch of the Service has been circularized, but that, as the information is voluminous, the inquiry should be changed to a motion for a return.

The inquiry, as a motion for return, was agreed to.

THE MOST FAVOURED NATION CLAUSE

DISCUSSION AND INQUIRY

Hon. C. P. BEAUBIEN rose in accordance with the following notice:

That he will call the attention of the Senate to the Nations enjoying the benefit of the most favored Nation clause, without any adequate compensation for Canada, and will ask the Government whether it intends to obtain the denunciation of the treaties granting such unilateral advantages.

He said: The subject-matter of this inquiry is, in my judgment, of material importance to the country. It is, however, almost self-evident and does not require to be laboured. I will therefore claim your attention for a few moments only.

For a time we were faced with one great problem, that of the National Railways. We find now that a second one has arisen of equal if not of greater magnitude, that of our population.

The Canadian people represent a very small household about to settle in an immense domain with, proportionately, heavy expense of maintenance and development. Taking its entire superficies, Canada has less than 3 inhabitants per square mile. Considering its arable lands only, Canada has less than 9 inhabitants to the square mile. Compare these figures with the following:

France has 184 inhabitants to the square mile.

Germany has 318 inhabitants to the square mile.

Belgium has 670 inhabitants to the square mile.

It is therefore obvious that we need to import bone and sinew to build up the Dominion; but it is also evident that we want the right kind—that only which constitutes an asset to a nation. Above all, we want immigrants that will become bona fide settlers, and not merely transients imported at our expense—but for the benefit of our neighbour. Before we turn on the flow of incomers, we must see to it with determination that the receptacle is free from leakages and not merely a funnel through which throngs will pour across the border?

From 1911 to 1921 our population has received the following increments:

By immigration	1,975,393
By births	1,836,407
	3,811,800

From the above we have lost the appalling number of 2,248,949 which means that our entire increase by immigration with, in addition 273,566 of our natural increment have been lost to us. It is natural, therefore, that public opinion should be focused with anxiety on this new menace—little to be expected in a land which from 1901 to 1911 held the record of the world for increased population.

Many causes have been pointed out and many remedies suggested in another place and throughout the land in relation to this disquieting problem. I venture to make my contribution to it, trusting that it may be of some use.

Our most sacred duty and our greatest interest lie in the keeping of our own people within our own country. Then, we should select, call in and retain desirable settlers.

I suggest that one of the best means to accomplish this double purpose is the intensive development of our foreign trade. Many incomers destined to farm lands revert to the city sooner or later. The increased number of unemployed drives organized labour to oppose immigration through their political influence. If industrial employment could be found for these immigrants, and also for our countrymen who drift to the city from the country, this most serious problem would have almost found a satisfactory solution.

Many industries cannot establish in our midst because our home consumption is too limited. Many others, over-extended during or even prior to the war, since normal conditions have returned, are working half-time or less.

The expansion of foreign trade has become much more difficult since the war. Foreign trade, in the same ratio as wealth, has been reduced throughout the world, and every country feels more keenly the necessity of preserving its own market. Within the last three years no less than 16 nations have increased their tariff duties. Great Britain now raises $700,000,000 yearly from her customs collections.

The emergency tariff of the United States from May 1921 to May 1922 has reduced our exports to that country on 15 commodities from 172 million dollars to 42 million dollars. The depreciation of foreign currencies has reduced our exportations to certain European countries to the following extent, in dollars: Canadian exports to—

To Belgium	40	millions,	1921
	12	"	1922
To France	27	"	1921
	8	"	1922
To Greece.	20	"	1921
	5	"	1922
To Italy	57	"	1921
	15	"	1922
To Roumania . ..	3	"	1921
	5	"	1922

We must, therefore, use every possible means to stimulate our foreign trade. The most efficient method is of course the negotiation of commercial treaties. Our neighbour to the south is making very effective use of it. In fact, in the House of Commons in England, on the 19th June last, Sir Robert Horne stated:

> The notorious manner in which the United States was biulding up trade on a basis of preferences was becoming a serious menace to British industries.

To this testimony I think I may be permitted to add another, closer still to us, and which speaks strikingly of the result of treaty-making in connection with one of the greatest industries in Western Canada. I refer to a letter written by the President of the British Columbia Canning Association, Mr. F. E. Burke:

Vancouver, B.C., March 25th, 1922.

Hon. Charles Philippe Beaubien,
50 Notre Dame West,
Montreal, Canada.

My dear Senator:

Referring to our conversation when I was recently in Ottawa concerning the export of salmon to France, and how valuable the Preferential Treaty was to us in the salmon industry, would say that the facts in the case are as follows:

The salmon industry, the same as almost all other industries, suffered a very severe depression in the fall of 1920. There had been very large productions of salmon both in Alaska and other parts of the United States, and as these territories produce about six times as much as British Columbia produces, they were offering it everywhere at prices brought about by stringent financial conditions in the United States, that almost prohibited the sale of Canadian goods.

The very grade of fish that constitutes the largest proportion of the Canadian pack, namely Pinks and Chums, were the grades that were in the greatest abundance everywhere, and which we could not sell here in Canada. There was between six and seven hundred thousand cases of this product on hand in British Columbia at the beginning of 1921 with no prospects apparently in sight at that time to move them.

The result was that everybody's operations for the year of 1921 were curtailed almost to the stopping point of the entire industry, with the consequent industrial depression here in B.C.

During the war the American Government had shipped over in the stores for their Army enormous supplies of canned salmon in these grades, and at the close of the war these were thrown on the French market, at whatever price could be realized for them. The result was that everybody in France commenced to use canned salmon, and it became almost a standard article of food. These enormous army supplies that had been left in France and dumped on the market had all gone into consumption by the Spring of 1921, and the demand for it had become so strong that the French buyers immediately commenced to look around for the filling of this demand. They naturally applied to the three sources of production: the United States, Japan and British Columbia.

To a certain extent France had taken, prior to the war, some British Columbia Salmon, and most of the producers in Canada had acquired the habit of stamping the word Canada on the top of their cans so that on any purchase that went to France they could comply with the French law in that respect, rather than put a sticker on each can.

When the French buyers commenced to feel out the market, they of course found that the United States market and the Japanese market were lower than Canadian prices because of the cheap means of fishing that are allowed in the United States and are not allowed in Canada, and because of the larger production per unit. However, this was overcome entirely by the Preferential Treaty that we had with France, which gave us 25 francs per 100 kilos preference. The result was that not only this large surplus pack that we had on hand went into consumption very rapidly in France, but also we were able to pack considerable more of this grade of fish in 1921 and dispose of that also. As a result we are almost entirely cleaned up of this grade of fish at the present time, the industry starts out next year on a legitimate basis, and we are assured of a steady demand in France for the Canadian product.

The Frenchmen have reached the point where they also ask for a can of salmon with the word "Canada" stamped on the can, and the American buyers themselves when they receive orders from their French connections have to purchase these goods in Canada and ship them from a Canadian port to be in a position to compete with the Canadian exporters. The business is of much more value to British Columbia than a domestic market would be, as it brings in entirely new money in exchange for one of our natural products, and it has been a life-saver for an industry that would have been in quite bad shape except for this Preferential Treaty.

I sincerely hope that something can be done in this line with Australia so as to assure us a market which is now dominated by the American salmon and which really should come to Canada. We want no particular advantages in world wide markets; all we want is an even break and this preferential gives us an even break because it overcomes a distinct advantage that the laws of these other countries allow in the taking of their fish by means which are not allowed in this country, and by overcoming the decreased cost by a larger output.

Trusting that I am not asking too much in asking for your support that may aid in an Australian Preferential on salmon. With kindest personal regards, believe me,

Sincerely yours,
F. E. Burke.

The importation of Canada per head of population is four times greater than that of

the United States. To foreign producers we are worth a nation of over 30 million people. Concessions, therefore, assuring privileged access to our market are of great value, and should not be extended without due compensation. Strange to say, we are throwing them away now on no less than eight nations who without any return to us, enjoy the benefit of what is commonly known as the "most-favoured-nation clause."

In the days of good old Queen Anne—or, to point with precision to a date venerable with age—on the 9th December, 1713, Great Britain renewed with Spain the Treaty entered into by the Crowns of these nations on the 23rd May, 1667. The 1713 Treaty contains the following clause:

(Extract from Handbook of Treaties relating to Commerce and Navigation between Great Britain and Foreign Powers—page 831).

Treaty of Commerce between Great Britain and Spain signed at Utrecht, December 9, 1713.

Article II

Commerce and Navigation—Most Favoured Nation Treatment

The Subjects of Their Majesties, trading respectively in the Dominions of Their said Majesties, shall not be bound to pay greater Duties, or other Imposts whatsoever, for their Imports or Exports than shall be exacted of and paid by the Subjects of the most favoured Nation; and if it shall happen in time to come, that any diminutions of Duties or other advantages shall be granted by either side, to any Foreign Nation, the Subjects of each Crown shall reciprocally and fully enjoy the same. And as it has been agreed, as is above mentioned, concerning the rates of Duties, so it is ordained as a general rule between Their Majesties, that all and every one of their Subjects, shall in all lands and places subject to the command of Their Respective Majesties, use and enjoy at least the same privileges, liberties, and immunities concerning all Imposts or Duties whatsoever which relate to Persons, wares, merchandise, Ships, freighting, Mariners, navigation and commerce, and enjoy the same favour in all things (as well in the Courts of Justice, as in all those things whcih relate to trade, or any other right whatsoever), as the most favoured Nation uses and enjoys, or may use and enjoy for the future, as is explained more at large in the XXXVIIIth Article of the Treaty of 1667, which is specially inserted in the foregoing Article.

This treaty was concluded practically one half-century before Canada became a British colony. It is still in existence and operation and adamant to evolutions of time, the growth of Canada, the loud clamour of our autonomony.

Subsequently, but before Confederation, other treaties imposing similar obligations on us were concluded without our consent and mayhap without our knowledge, and they too are in force and ruling us to-day, notwithstanding our proud claim of self-control and self-determination, at least in respect to commercial matters. These treaties are the following:

Argentine—February 2, 1825.
Columbia—February 16, 1866.
Norway—March 18, 1826.
Russia—January 12, 1859.
Sweden—March 18, 1826.
Switzerland—September 6, 1855.
Venezuela—November 7, 1825.

The effect of the treaties is to greatly diminish the value of any concession made by us to any foreign country, since automatically the same concession must be extended to all nations enjoying the most-favoured-nation clause. I have inquired several times, but in vain, to ascertain what advantages Canada could draw from any such treaties. On the other hand, the disadvantages are strikingly apparent.

In our exchange of commodities with Spain, from 1912 to 1922, both inclusive, ten times out of eleven our imports have surpassed our exports. In the nine months ending December, 31, 1922, our imports have exceeded by 200 per cent our exports to that country.

In the same period of 11 years—from 1912 to 1922, both inclusive—we imported from Switzerland over 60 million dollars' worth and exported to that country less than 4½ million dollars. Whenever Switzerland bought $1 worth of goods from us, we purchased $15 worth of merchandise from her. During practically all this time Switzerland was a free-trade country and we could hope for no valuable tariff concessions from her. Lately Switzerland has adopted a policy of moderate protection, and we might perchance obtain from her useful tariff privileges. She imports nearly 250 million dollars' worth of products which we can furnish, amongst them cereals, prepared foodstuffs, live stock, leather, furs, asbestos, mica, iron and steel sheets and tubes, agricultural implements and machinery, small hardware and tools, stationary and portable engines, varnishes, lumber, wood-pulp, paper, boots and shoes, cotton goods and tobacco. On the other hand, our clientele, which is of great value to Switzerland could be easily shifted by tariff rearrangements to France. In 1921 we imported from Switzerland a total of $8,671,608 out of which textiles and fibres amounted together to $7,266,353, all of which, textiles and fibres could have been purchased in France.

I will not inflict upon this House a careful scrutiny of our commercial exchanges with the other nations to whom we are bound hand and foot by this nefarious clause. Some are without importance. Others result in a favourable balance to Canada, which comes to us without effort or even thought, and shows plainly what could be accomplished by treaties

negotiated with care. Hence my question to the Government. Are they content to witness our trade parade through the world in swaddling clothes restraining and binding it at every turn? Are they satisfied now and then with a display of certain treaty negotiations where the value of the Canadian market or Canadian clientele is bargained for with due care when it is at the very same moment thrown unconsciously to the winds to the four corners of the earth?

Perhaps the Government may labour under the impression that the revocation of these treaties might entail strenuous discussion with the Home Government. This, however, is not likely to be the case, as the British Government for years has forseen the advisability of some of her Dominions withdrawing from these treaties. On the 20th of June, 1894, Sir Drummond Wolfe special British delegate to Spain, wrote to the Spanish Minister, Senor Moret:

(Extract from Handbook of Treaties relating to Commerce and Navigation between Great Britain and Foreign Powers—page 876.)

Protocol between Great Britain and Spain providing for cancellation of Treaty in reference to British Colonies.

Sir H. Drummond Wolff to Senor Moret

Madrid, June 20, 1894.

M. le Ministre,

The negotiations for a Commercial Treaty have now reached a stage where, before further progress can be made, they must be submitted to the consideration of Her Majesty's Government.

There are some points still only partially discussed, and on these important questions of detail will have to be carefully elaborated and worked out, the more so as some of them are without precedent in any of the Treaties negotiated by Spain with other countries. It is proposed, therefore, that the two British Delegates should at once proceed to London to render an account of the work already achieved, and it is believed that a suspension of the discussions until a later period of the year will also prove acceptable to the negotiators on behalf of the Spanish Government.

Under these circumstances, and pending the negotiations, goods arriving from Spain and her Colonies will continue to receive the most-favoured-nation treatment in the custom-houses of Great Britain, her Colonies, and foreign possessions. Her Majesty's Government understand that until the discussions are terminated by the conclusion of a permanent Treaty, or a rupture of negotiations goods arriving from Great Britain, her Colonies, and foreign possessions, will be guaranteed against differential treatment in the custom-houses of Spain, her Colonies, and foreign possessions.

It is further agreed that it shall be open to any British Colony to withdraw from the present Agreement on notice to this effect being given by Her Majesty's Ambassador at Madrid to the Spanish Minister for Foreign Affairs within six months after the date of its signature.

I avail, etc.,

(Signed) H. Drummond Wolff.

Much more recently, on the 30th March, 1914, a special treaty, with no other purpose than to liberate the Dominions in this respect was concluded between Great Britain and Switzerland. This treaty, signed by Sir Edward Grey for England and by G. Carlin, Minister Plenipotentiary for Switzerland, contains but one material clause. It reads as follows:

Article I

Whereas the commercial relations of the British Empire and the Swiss Confederation are at present regulated by the Treaty of the 6th September, 1855, and whereas it is desirable to make further provision with regard to the application to certain parts of His Britannic Majesty's Dominions, viz., the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, and Newfoundland, of certain stipulations of the said Treaty relating to the treatment of goods the growth, produce, of manufacture of the territories of the High Contracting Party in the territories of the other.

The High Contracting Parties hereby agree that either of them shall have the right at any time to terminate Articles IX and X of the said Treaty with respect to any or all of the above-mentioned Dominions on giving twelve months' notice to that effect.

It is further agreed that should the said articles of the said Treaty cease, in pursuance of the present Convention, to be applicable to the Commonwealth of Australia, they shall also cease to be applicable to Papua and Norfold Island, if so desired by either of the High Contracting Parties.

Two other Treaties were also passed specially for this purpose by Great Britain—one with Columbia on August 20th, 1912, the other with Sweden on November 27th, 1911,

Great Britain has in this respect opened widely the road to the action of our Government—nay, it has clearly suggested its opportunity. Will it permit this state of things to continue? I submit that I have shown on the one hand that it should act without delay and on the other that it can act without difficulty. Will it pursue the old policy of giving away lavishly the entry to the Canadian market and its most valuable clientele, or will it stop this free admission and exchange for good and sufficient consideration the purchasing asset of our country? Will it specially exempt from taxes certain foreign countries without receiving reciprocal advantage, and thereby impose such taxes on the Canadian people already so heavily burdened? In brief, will it let the ship drift as of old, or will it sweep off these medieval barnacles and set it spick and span through the channels of foreign trade with every inch of canvas strained to the wind?

Hon. Mr. DANDURAND: If no honourable gentleman desires to express an opinion on this most interesting subject, which has been so brilliantly put before us by the honourable gentleman from Montarville (Hon. Mr. Beaubien), it will be my duty to submit the question and the honourable gentleman's speech to the Minister.

Right Hon. Sir GEORGE E. FOSTER: Would my honourable friend allow me a

moment before he concludes? In a short time we are to have before us the treaties which have been negotiated between Canada and France and Italy, which have a direct reference to the question which has been so ably entered upon by my honourable friend who has just spoken. I think it would probably be well for us to reserve this question on the Order paper until those treaties come before us. Whether or not I shall speak upon this matter, I would ask that I be allowed to adjourn the debate and so keep it before the Senate.

Hon. Mr. DANDURAND: It could be put down for Thursday. I think by the end of next week we shall have the French and Italian treaties before us.

On motion of Right Hon. Sir George E. Foster, the debate was adjourned.

OIL SHALES, FUEL AND IRON DEPOSITS

SPECIAL COMMITTEE APPOINTED

Hon Mr. FOWLER moved:

That the following Senators, to wit: The Honourable Messieurs Donnelly, Farrell, Girroir, McLean, McMeans, Ratz, Schaffner, Tessier, Thibaudeau, Turgeon, Turriff, Willoughby and the Mover, be appointed a Special Committee for the following purposes:—

1. To further inquire and report from time to time upon the desirability of the further development of the oil shares, iron ore, coal and fuel deposits of Canada.

2. Whether or not further and better facilities might be placed at the disposal of the Department of Mines for the investigation of the above subjects.

And further that the Committee be empowered to send for persons, papers and records, and, subject to the approval of the Senate, to employ such clerical aid as may be necessary to properly carry on the Committee's investigation.

The motion was agreed to.

ADJOURNMENT OF THE SENATE

MOTION

Hon. Mr. DANDURAND moved:

That when the Senate adjourns to-day it do stand adojurned until Wednesday next, at eight o'clock in the evening.

The motion was agreed to.

TAXATION OF CIVIL SERVANTS

UNSATISFACTORY ANSWER TO INQUIRY

Hon. Mr. TANNER: Honourable gentlemen, I should like to direct the attention of my honourable friend the leader of the House to a question and answer which appeared in the record of the 23rd of March. The inquiry was in regard to income tax on certain deductions made and retained by the Government from the salaries of civil servants under the provisions of the Public Service Retirement Act, and also referred to the interest which is credited on those deductions. I asked why those deductions and the interest were not relieved from income tax; and my honourable friend gave the answer of the Department, which I may read:

1. "Income," as defined by section 3, subsection 1: "Annual—gain—as being wages, salary or other fixed amount—directly or indirectly received by a person from any office or employment." See Smyth vs. Stretton (1904) 20 L.T., 756.

2 and 3. Answered by No. 1.

I wish to direct my honourable friend's attention to the fact that this subject is governed by the Civil Service Superannuation and Retirement Act, Revised Statutes of Canada, Chapter 17, volume 1, page 245; and subsection 7 of section 2 of the Income War Tax Act, 1919, page 367. Under the Civil Service Superannuation and Retirement Act a fund is provided, to be called the "Retirement Fund," which is:

—maintained for the retirement, subject to conditions hereinafter contained, of the persons to whom this part applies, which fund shall be constituted and made up as follows:

(a) By the reservation out of the salary of each such person of five per centum of his salary;

(b) In the case of any person in the Civil Service previous to the first day of July, one thousand eight hundred and ninety-eight, to whom this Part applies, by the transfer in addition and placing to his credit in the fund of a sum equal to the amount of all deductions previously made from the salary of such person under the Authority of the Civil Service Superannuation Act with interest thereon compounded half yearly, at the rate of four per centum per annum.

Under further provisions and amendments to that Act it is provided:

The semi-annual interest shall be credited to the fund and shall form part thereof.

Then, in a further provision, section 28, chapter 17, it is provided:

No person shall, during his continuance in office, have any claim or right to any part of the Retirement Fund.

I want further to direct attention to the fact that this case of Smyth versus Stretton which was decided in 1904, related to a provident fund created in respect to a college in the Old Country, whereby certain moneys were to be provided for the masters, as they are called. A question arose as to meaning of that statute and whether these accumulations were taxable for income, and I would like to read one paragraph of the decision of the court. Mr. Justice Channell was in some doubt, but he went on to say:

This case was argued before me yesterday, and I think it better for me to give judgment in it whilst the matter is fresh in my mind, though I cannot say that I am altogether satisfied with the decision that I am

about to come to. It seems to me to depend upon this. There is a scheme established by the Governors of Dulwich College, and the question is whether the true effect of that scheme is to increase the salaries of the assistant masters, imposing at the same time an obligation upon them to deal with a portion of the increased salaries in a certain way, or whether the true effect of the scheme, when you look at the substance of it, is not really to increase the salaries, but to give to the masters upon their ceasing to hold the position of assistant masters gratuities or allowances. I do not use the word "gratuities" in the sense that there is no consideration for it, because the services of the masters during the time that they serve, after the arrangement is made, are no doubt consideration for it, but retiring bonuses, or something of that kind, when they cease. If that is the true effect of the scheme, then I do not think it becomes salary for the purposes of taxation.

I have read that in order to point out that the only question which the court in this case decided was whether or not these amounts were to be considered as remuneration or salary to the masters, and in the end, although he came to the decision with doubt, the judge decided that they were salary and therefore subject to income tax.

I wish my honourable friend (Hon. Mr. Dandurand) to submit to the Department this fact, that that decision has no relation whatever to the case in point, for the reason that in subsection 7 of section 2 of the amending Income War Tax Act of 1919, our Act, the kind of salary or remuneration referred to is exempted from income tax. I will read for my honourable friend the clause, subsection 7:

> Any part of the remuneration of a taxpayer retained by his employer in connection with an employee's superannuation or pension fund or plan shall be allowed as an exemption or deduction from the income of the taxpayer for income tax purposes, and any payment to an employee out of such fund or plan shall be included as taxable income of the employee.

So, as I see the matter, until the time comes when the employee is paid this money, he has under this Act of 1919 a right to have the Retirement Fund payments treated as deductions and is not liable to income tax upon them. That is the whole point of the matter as I see it, and I would like my honourable friend to call it to the attention of the Department, because, as I understand, the person who wrote the answer to my inquiry disregarded the fact that this statute of 1919 comes in and Parliament says: "True, the court decided that the salary was taxable, but we in our Act of 1919 stated that it shall not be taxable." Therefore the English decision can have no reference to or no effect upon the law in this country.

I will send over to my honourable friend (Hon. Mr. Dandurand) a copy of the memorandum which I have.

Hon. Mr. TANNER.

Hon. Mr. DANDURAND: I will transmit that memorandum, as well as a copy of the remarks of my honourable friend, to the Department.

GOVERNMENTAL PRIVATE CARS AND MOTOR CARS

INQUIRY FOR RETURN

Hon. Mr. FOWLER: I would like to call the honourable leader's attention to a question, or series of questions, which I put on the Order Paper on the first day of this Session, and which were afterwards turned into a motion for a return. The motion was passed about two months ago.

Hon. Mr. SCHAFFNER: February 27th.

Hon. Mr. FOWLER: And we are now pretty well along in the Session.

Hon. Mr. DANDURAND: To what does the motion relate?

Hon. Mr. FOWLER: It asks for a return as to the official and private cars in connection with the Canadian National Railways, and the motor vehicles in connection with the various departments of the Government —what are their cost, upkeep, etc. I spoke of this matter a short while ago.

Hon. Mr. DANDURAND: I had in hand yesterday all that part of the answer which covers the private railway cars, also a part of the return concerning the motor cars in use in the various Departments, but there was no answer to the query as to their initial cost; so I asked the secretary to send back all those reports and get the initial cost of all the cars, which were at first used mostly in the Militia Department and have since been distributed among various departments. The answers were incomplete, but I can furnish at the next sitting of the House, if not the entire return, at all events the first part, concerning the railway cars.

Hon. Mr. FOWLER: This is the second time that an incomplete return has been given you.

Hon. Mr. DANDURAND: It is due to the fact that there is as yet no official whose duty it is to co-ordinate all the answers from the various departments. The Secretary of State has an official who claims that his whole duty is simply to receive the answers from the departments and transmit them to me. When I look at those returns I may find that they do not cover the same ground, or in certain cases they are insufficient. This week I asked that someone be appointed to co-ordinate answers and make a proper return to this Chamber.

Hon. Mr. FOWLER: It is unfortunate that the Civil Service has nobody available to do that. I did not know that it was so short-handed. I thought all the trouble was from the opposite cause.

Hon. Mr. DANDURAND: That is what they claim.

Hon. Mr. ROBERTSON: With regard to the obtaining of information, I should regret the necessity of appointing a special officer to co-ordinate returns.

Right Hon. Sir GEORGE E. FOSTER: There are plenty to do it.

Hon. Mr. ROBERTSON: I think it is the obligation of each department of the Government to transmit to the Secretary of State any information asked for by an honourable member, so far as it relates to that particular department. If the departments had done so in this instance, the complete information would have been in the hands of the leader of the Government in this House, and there would be no necessity for considering the appointment of a special officer to gather it.

Hon. Mr. DANDURAND: My impression is that inquiries and orders for returns go to a certain official in each department, who prepares the information and sends it back without submitting it to the Minister, or to his Deputy. Therefore we have an answer to an inquiry or order as construed by the departmental official, and when the return reaches us we may find that he has totally misunderstood the import of the inquiry, or the purpose in view.

Right Hon. Sir GEORGE E. FOSTER: Then what has my honourable friend done about it? He has just now acknowledged that he knows that the officers in the different departments to whom these inquiries or orders are given, and whose duty it is to see that the questions are answered and the answers forwarded, have not done so, and have repeatedly failed to do so. The only thing my honourable friend appears to have done is to have made a recommendation that an extra job be arranged for an extra person to co-ordinate the returns. He ought to get by the hair of the head those officers who refuse to answer the questions, and he ought to give them a real wooling and see that they do their duty, or have their Ministers see to it. It is simply folly for us to ask for information if the officers in the different departments take no pains at all to answer the questions, and just throw in a paper at their own good will and pleasure. Surely the Government is big enough, and my honourable friend ought to be strong enough, to see that those officers do their duty, or to know the reason why.

Hon. Mr. DANDURAND: I did use rather strong language, and the Secretary of State agreed with me that it should be the duty of the head of each department to verify the work of the subordinate who is charged with the preparation of returns to Parliament.

Right Hon. Sir GEORGE E. FOSTER: One of my honourable friends has suggested that if we are driven to it the Senate might strike at some time. What would happen then?

CANADA'S TRADE

INQUIRY FOR RETURN

Hon. Mr. SCHAFFNER: Honourable gentlemen, I asked some questions about the last of February in reference to the exportation of wheat and flour to the Orient and to different countries of Europe. My inquiry was on March 2 changed to a motion for a return. My motion is very unlike that of my honourable friend from Kings and Albert (Hon. Mr. Fowler), for all the information I require can be obtained from the Department of Trade and Commerce—just one department. I have been anxious to get it, and, as the motion was made six or seven weeks ago, I would be very glad if the honourable leader of the House would try to get me that information as soon as possible.

Hon. Mr. DANDURAND: I have already sought that information. I will seek it again.

Hon. Mr. FOWLER: You are a poor seeker.

DIVORCE BILLS

THIRD READINGS

Bill Q3, an Act for the relief of John Darton.—Hon. Mr. Taylor.

Bill R3, an Act for the relief of Minnie Eileen Biggs.—Hon. Mr. Turriff.

Bill S3, an Act for the relief of Thomas Henry Bottomley.—Hon. Mr. Turriff.

Bill T3, an Act for the relief of William Ritchie Dowd.—Hon. Mr. Turriff.

SECOND READINGS

Bill U3, an Act for the relief of Eliza Harvey Northgraves.—Hon. Mr. McCoig.

Bill V3, an Act for the relief of Olivette McMaster.—Hon. Mr. Bennett.

The Senate adjourned until Wednesday, April 25, at 8 p.m.

THE SENATE

Wednesday, April 25, 1923.

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

Prayers and routine proceedings.

PETITIONS OF RIGHT

ANSWER TO INQUIRY

On the inquiry:

By Honourable Mr. Casgrain:

That he will call the attention of the Senate to the practice pursued by the Government when dealing with a Petition of Right and inquire:

1. How many petitions of right have been presented to the Government during the last twelve years.
2. How many fiat justitia (let justice be done) have been granted during the same time.
3. How many have been refused also during the same time, if any, and why.

Hon. Mr. DANDURAND: I have received from the Department of Justice under the signature of W. Stuart Edwards, Assistant Deputy Minister of Justice, the following memorandum in answer to the questions of my honourable friend:

Referring to the answer submitted to the Hon. Mr. Casgrain's questions relating to the granting of fiats upon petitions of right, I have, pursuant to your request, had the departmental records examined with a view to ascertaining what became of the considerable number of petitions of right filed during the period in question, in connection with which fiats were neither granted nor refused, and I regret to state that in checking the figures with this object in view it was discovered that, owing to confusion having occurred in the addition of certain columns of figures, some of the columns were included more than once, with the result that the figures submitted in answer to Mr. Casgrain's questions were erroneous. The following are the correct figures:

Number of petitions of right presented since 1st January, 1911..	515
Number of such petitions upon which fiats were granted..	315
Number of such petitions upon which fiats were refused..	26

Of the balance, 94 were settled, 11 withdrawn, 43 were not proceeded with, and 26 are under consideration. Of the 43 not proceeded with there are none in which the delay is due to any indisposition on the part of the Government to deal with the question of a fiat, but is due to causes under the control of the petitioners. It not infrequently happens that when a petition of right is presented it is found to be based upon erroneous grounds, and upon this being pointed out to the petitioner he decides not to press for a fiat. In other cases communications are sent to the petitioners asking for additional information to which no answer is received.

Hon. Mr. FOWLER.

TAXATION OF CIVIL SERVANTS

ANSWER TO INQUIRY

Hon. Mr. DANDURAND: I beg leave to present a supplementary answer to the inquiry of the honourable gentleman from New Glasgow (Hon. Mr. Tanner) concerning the Income War Tax Act of 1917, and the Civil Service Superannuation Retirement Act. It is as follows:

With reference to the memorandum submitted by the Hon. Mr. Tanner and to his remarks in the Senate regarding the exemption from taxation under the Income War Tax Act, 1917, of amounts deducted from the salaries of civil servants pursuant to Part II of the Civil Service Superannuation and Retirement Act, the Department does not regard the Retirement Fund provided for by Part II of the Civil Service Superannuation and Retirement Act as an employee's Superannuation or Pension Fund or Plan within the meaning of subsection seven of section three of The Income War Tax Act, 1917. That being so, the British case referred to is in point.

The question, involving as it does the correct interpretation of said subsection seven of section three of The Income War Tax Act, 1917, is a legal one which can only be finally settled by the Courts. The Department believes its present practice to be in accordance with the law.

R. W. Breadner.
Commissioner of Taxation.

PENNY BANK BILL

FIRST READING

Bill 104, an Act to change the name of the Penny Bank of Toronto.—Hon. Mr. Dandurand.

INDUSTRIAL DISPUTES BILL

FIRST READING

Bill 84, an Act to amend the Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

MILITIA PENSION BILL

FIRST READING

Bill 118, an Act to amend the Militia Pension Act.—Hon. Mr. Dandurand.

FOREST RESERVES AND PARKS BILL

FIRST READING

Bill 82, an Act to amend the Dominion Forest Reserves and Parks Act.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS INSURANCE BILL

FIRST READING

Bill 116, an Act respecting the Canadian National Railways.—Hon. Mr. Dandurand.

OPIUM AND NARCOTIC DRUG BILL

FIRST READING

Bill 72, an Act to Prohibit the Improper Use of Opium and other Drugs.—Hon. Mr. Dandurand.

ANIMAL CONTAGIOUS DISEASES BILL

FIRST READING

Bill 115, an Act to amend the Animal Contagious Diseases Act.—Hon. Mr. Dandurand.

PRIVATE BILLS

THIRD READINGS

Bill 4, an Act respecting certain patents of Leonard Clayton Ridge.—Hon. Mr. Bennett.

Bill 40, an Act respecting a certain patent of Henry Matthew Wells and James Edward Southcombe.—Hon. Mr. McMeans.

Bill 47, an Act respecting a certain patent of Clarence P. Landreth.—Hon. Mr. McMeans.

Bill 49, an Act respecting a certain patent of Robert A. Campbell.—Hon. Mr. Reid.

Bill 50, an Act to incorporate The Protestant Federation of Patriotic Women of Canada.—Rt. Hon. Sir George Foster.

Bill 51, an Act respecting a certain patent of James M. Richardson.—Hon. Mr. McMeans.

Bill 53, an Act respecting Canadian Press Limited.—Hon. Smeaton White.

Bill 34, an Act respecting the Huron and Erie Mortgage Corporation as amended.—Hon. Mr. McLennan.

SECOND READING

Bill B4, an Act to incorporate "National Surety Company of Canada."—Hon. Mr. Casgrain.

DIVORCE BILLS

THIRD READINGS

Bill U3, an Act for the relief of Eliza Harvey Northgraves.—Hon. Mr. McCoig.

Bill V3, an Act for the relief of Olivette McMaster.—Hon. Mr. Bennett.

SECOND READINGS

Bill W3, an Act for the relief of Mahlon Beach.—Hon. G. V. White.

Bill X3, an Act for the relief of Alfred William Kelley.—Hon. Mr. Green.

Bill Y3, an Act for the relief of Wilmot Austin Pickell.—Hon. Mr. Green.

Bill Z3, an Act for the relief of Annie May Vogelman.—Hon. Mr. Ratz.

EUROPE AND THE LEAGUE OF NATIONS

DEBATE CONTINUED

The Senate resumed from April 17 the adjourned debate on the inquiry of Right Hon. Sir George E. Foster:

That he will call the attention of the Senate to conditions in Europe and the work of the League of Nations, and will ask the Government if it will lay on the Table the Report of the Canadian delegates to the third Assembly of the League of Nations.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I have to crave the indulgence of this House, because we have already had six excellent speeches on this inquiry. The mover, the right honourable member for Ottawa (Right Hon. Sir George E. Foster), who is always very eloquent, made a good case from his point of view. Then we had a remarkable speech by the member from Edmonton (Hon. Mr. Griesbach), who certainly created a strong and lasting impression on this House. After him we heard the member from Montarville (Hon. Mr. Beaubien), who spoke as usual with great eloquence and warmth and patriotism for France. The senior member for Halifax (Hon. Mr. Roche) followed, and after him we heard the ex-Minister of Labour (Hon. Mr. Robertson), who delivered a speech which gave food for thought to most of those who read or listened to it. Then we had the member for Granville (Hon. Mr. Chapais), who also made a very good exposé of the situation.

The reason why I am on my feet at this moment is because, perhaps in a rash moment, I thought I would like to answer the senior member for Halifax (Hon. Mr. Roche), who seemed to have so much pity for those poor Germans who were fed with only vegetable soup, while the Allies had all the delicacies of the world at their disposal. Some of the Allies had no less than two litres of wine every day, according to my honourable friend. Well, two litres of wine is a very large quantity, and if they had that much they would do very little fighting. I may say that his story about the two litres of wine reminds me very much of what Mark Twain said of the report of his death—that it was very much exaggerated.

To what the honourable Senator from Halifax said about the League of Nations I cannot take any exception, and I agree with a great deal of it. We all believe that he is absolutely right when he says it has no army, no navy, no treasury; but we also believe that, without money and without might it is very difficult for any human organization to enforce its judgment or decisions.

It was my good fortune the other day, and also my duty as Chairman of the Empire Parliamentary Association for Canada, to meet Sir Robert Cecil at the station in Montreal, and I heard the right honourable gentleman twice during that day, and saw a great deal of him, as I took him to various places. As you all know, he was here to advocate the League of Nations, and tell how good it was. He emphasized the fact that before any nation could declare war it would have to give three months' notice to the League of Nations, in order to allow them to arbitrate on the

matter; and after those 90 days they could not commence hostilities for six months, thus making a period of 9 months in all. Well, every one knows that if a country wanted to go to war it would never give its opponents 9 months' notice. It would be as though I should have a scrap with my friend from Portage La Prarie (Hon. Mr. Watson), and I would say, "In about 15 minutes I am going to strike you." It is not very likely I would do that. It seems to me that that provision is beyond anything we know of humanity, when we remember that all the wars have taken place on a mere proclamation of war. When Cavour wanted Napoleon III to declare war on Austria, and thus free some of the Italian provinces of its yoke, he sent an emissary to Paris, and Cavour, who was a very great genius, thought he had invented good reasons for declaring war; but when the envoy stated the reasons, Napoleon replied that they were no good. After all the reasons had been exhausted, the emissary had to return to Italy, Napoleon the Third himself telling him: "Go back and tell Cavour to write a stiff, not to say impertinent, note to Austria; then they will answer in the same tone, and that will be a reason for going to war."

The League of Nations is not a new thing, as I have said before in this House many times. There have been many Leagues of Nations. For instance, L'Abbé St. Pere in 1716 wrote no less than twenty volumes on that subject, but, as very few people would want to read so much, he wrote, twenty years afterwards, in 1736, a small book giving a sort of synopsis of the twenty volumes, and that is the one that I read. There was the Holy Alliance immediately after the fall of Napoleon; and when Napoleon was in Elba, in 1814 I think it was, Castlereagh and Metternich were in Vienna, planning to carve up France. When Talleyrand went there he was not given a vote, and was not even allowed to speak in that great conclave, that was discussing the affairs of his own country; so he simply remonstrated and said, "If you are going to carve up my country, at least let me listen to what you are going to do." While he was listening to that, the news came that the small man who had been proscribed, and who had been exiled, had left Elba with a small band and landed at Grace. When he landed there, only with the prestige of a name, those who were assembled included the King of Prussia, the Czar of Russia and all the crowned heads of Europe. They were living there very well at the expense of the Emperor of Austria, who thought the affair was rather costly, and was hoping that it would soon be at an end. However, Napoleon helped him out in paying the board bill, and the crowned heads scampered away to the four corners of Europe, as we all know. Then followed what is called the Hundred Days, and then came Waterloo, and after Waterloo all those same kings, at that time with a large majority of France, were all of one mind. They made a League, and they signed a treaty, and so on; but what did it amount to? Wars have gone on just the same. When those monarchs became frightened at Napoleon returning from Elba, they might have known it was not the same Napoleon, for, as Lord Rosebery shows in that wonderful book, "The Last Phase," Napoleon was not himself when he came back, because disease of every kind had undermined his constitution and his mind.

A great point, made especially by my right honourable friend from Ottawa (Right Hon. Sir George Foster), was that 52 nations had joined the League. Well, 52 nations is a great number, but of the real nations of this world there are only eight that are worth anything; the others exist through the courtesy of their neighbours, the big ones; and in those eight nations I count China. But three of those eight, namely, the United States, Russia and Germany, have not joined, and those three great nations have an immense influence.

When I went to hear Lord Robert Cecil I tried to be convinced, because I admit that a vast majority of people think the League of Nations is a great thing, although my poor old departed leader, Sir Wilfrid Laurier, had no confidence in it, and when I advocated it as a great thing he used to say: "It is a beautiful dream, but it will never come to anything." Well, his words are being realized this very day. What are the plenipotentiaries doing at Lausanne to-day? Why is the League of Nations not busy attending to what is passing at Lausanne and settling that affair? That is one of the things that should pertain specially to the League of Nations. It seems to me this is one thing the League of Nations could have done: they could have got busy before the occupation of the Ruhr. The country that is occupying the Ruhr to-day is a member of the League of Nations. So let us say no more about the League of Nations at present. I heard Admiral Sims say it would be a great moral force, but that it was to have an international army. The best judge in the world might give his judgment, but if he has no power to execute it, he might just as well be singing as giving judgment, for nobody would listen to him.

I may say at once that the special object of my speech to-night is to try to prove

to this House that Germany is far from being a poor country; but before doing that I would like to call attention to what is taking place there at the present time. In Germany to-day they are building ships very cheaply, but I have been told by an expert within the past 48 hours that the cost of the ships is not the main thing: it is the operation of them that is important. To-day the German people pay their sailors and all the officers in marks, and those new ships were built when ships were being sacrificed—for the Germans found it better to build new ships with all modern appliances, coal-saving devices, etc. According to what I am told by this expert—for I am not an expert in that matter—those new ships are being operated to-day at one-quarter the cost of operation of ships in the rest of the world. More than that, my informant, who is an agent for large lines, says that ship-owners in England are to-day actually thinking of putting their ships under the German flag in order to operate them economically, and also that this very summer German ships will come to Montreal and carry goods across the ocean cheaper than any others. To-day German ships are outbidding all others in offering contracts for ocean freight, and the shippers always come up and say: "The Germans will do it for so much, and we are willing to give you as much or perhaps a shade more, but this is the price we are offered."

Hon. Mr. TURRIFF: Will the honourable gentleman allow me a question?

Hon. Mr. CASGRAIN: Certainly.

Hon. Mr. TURRIFF: I think that after a statement of that kind you should give the name of the expert who gave that information.

Hon. Mr. CASGRAIN: I have no objection to give the name. I have no authority to give it, but I am willing to give the name: it is Mr. Harling, who is very well known in Montreal, and has been a very large shipping agent for years there. He is the one who told me. I don't know whether his name should go into Hansard without his permission, but personally I have no objection to giving his name.

A great deal has been said also about the way in which France is trying to collect the money. Well, two years ago, in a great conference, Marshall Foch said: "You will get nothing from Germany except what you go there and take yourself." I am afraid perhaps it is too late to do that. It might have been better to have done as the Germans themselves thought would be done—as Bismarck did in 1871. He went to France and dictated his terms. He said: "We will not stay here all the time; we will stay here until we are paid, and if you do not come and pay pretty soon we will start another war, which will be much more severe than the one we have just been through." Surely it is not for Germany to find fault if the methods that they themselves adopted are followed.

Before referring to the German waterways and the map which I have here, I want to mention one further point. The intensive industrial development of Germany was going on for many years before the war. I was advised to go to the Parliamentary Library and get books on that question, and I have read many such books. It is simply marvellous to think that one man, whose name we often hear mentioned now, Mr. Thyssen, mined out of his own properties more coal than the annual output of the whole province of Nova Scotia, and used every ton of it in his own works. And he was not as important a man as Krupp.

However, the greatest commercial traveller of the British Empire, according to Sir William Van Horne, was the Kaiser himself. Sir William Van Horne used to like to tell that when he went to the United States he was often taken for a German, on account of the "Van" before his name, which many took for "Von," and because in his personal appearance he looked very much like a German. He was on many boards on which a number of Germans were directors, some of whom were also directors of companies in Germany, and some of whom had personal intercourse with the Kaiser. Before venturing into a new enterprise at the instance of the German Government, or the Kaiser himself, they would always say: "But we do not want to invest all this money. You are organizing a great army and a great navy; there may be war at any time; we do not want to risk our money when war is coming on." And the Kaiser would give them all sorts of guarantees that there would be no war. He would say: "Never mind: I will bluff to the limit, but I will never, never make war." So these people invested their money in those various enterprises. Meanwhile the scientific people of Germany were going all over the world. It may be surprising to some members of this honourable House to know that Sir William Van Horne himself, the President of the Canadian Pacific Railway, learned from a report of the German Consul in Vancouver that there were lead mines along that railway; and it was in conversation with those German directors on various boards that he became aware that

the Kaiser had decided to invade South America with German rails. Just at that time there was a very great expansion of railway building in South America. At the same time Sir William Van Horne was building his road in Cuba. He inquired in the United States, and particularly from the United States Steel Corporation, at what price he could get rails delivered in Cuba. He got a price which he considered very low, but the Emperor of Germany was bound to get that trade and introduce German rails. The Emperor could not call on Krupp any more, because he had worked Krupp for all he could; so he sent word to some other ironmongers or to their companies, asking them to quote a price, no matter how low, which would compete with the United States in South America. The answer came back that it was absolutely impossible. The Emperor was piqued, and immediately asked for the names of all those directors, and had invitations sent to every one of them, and to their wives, their sons and daughters, their daughters-in-law, sons-in-law, etc., and had a gathering of about fifty in the Royal Palace. He gave plenty of time for preparation, so that those German ladies might get the proper gowns made to appear in his august presence. On that occasion, after the German wine had had its effect on everybody, he brought up the question and said to them that, as patriots, as lovers of the Fatherland, they should help the Fatherland by making an invasion of South America with German rails, stamped with the Imperial seal; for, honourable gentlemen, every rail manufactured in Germany at that time was tested by a Government engineer in every possible way. According to Sir William Van Horne the Germans were making a very good rail. It was perhaps not better than some made in the United States, but there was none better: it was as good as any. The Emperor said: "Now, where is the director who is opposed to this? Who will thwart my will? Who will prevent me from invading South America with these German rails?" Naturally no one spoke. Then he proposed a toast to the invasion of South America with German products, and added that for those who would do this for the Empire, and decorations, any position, any reward within the gift of the Emperor or the Government, would be at their disposal. The consequence was that they did invade South America, and I believe that to-day the greater part of the railways in South America are using German rails.

In this wonderful industrial development Germany was invading with her goods even England itself. Illustrated papers would show British Government offices, with the label "Made in Germany" on the inkstands, the pencils, the paper—on this, that and the other thing. When I had the pleasure, with the honourable member for Portage la Prairie (Hon. Mr. Watson), the honourable member for Calgary (Hon. Sir James Lougheed), and the honourable member for St. John (Hon. Mr. Daniel), to visit Newcastle-on-Tyne, we saw the famous shipyards of Harland and Wolfe, where the Mauretania was being constructed, and where we saw an immense floating drydock capable of taking in a dreadnaught of 32,000 tons, the biggest at that time. What did they show us that was most amazing? It was a crane that operated beautifully and could lift a very great weight—if I remember rightly, 140 tons. It was operated electrically. When we got near it, what did we see on it? "Made in Germany." Honourable gentlemen may remember that when it was my turn to speak that night at the banquet we had in Newcastle-on-Tyne, I said: "God forbid that I should interfere in your politics, but it does seem to me as a protectionist that there might be less unemployment here if that crane had been manufactured in England."

To-day manufacturing is proceeding throughout Germany. The Germans are not manufacturing so much for the outside world, but they are storing up all the goods they possibly can, and the time will come when they will throw off their masks and admit that they are wealthy. They want to control the commerce of the world again, and those goods will come out. In the meantime they are stocking up their own country.

Now I come to this waterways scheme, and I have here a map that I have taken the trouble to prepare, on which I have shown the 18 canals that are being built to-day. The work on some of them was inaugurated during the war. It was the Kaiser's great plan. The Mittel Europa Canal, the plan of which has since been only slightly altered, was to traverse Europe from west to east by means of German waterways which would unite the outlet of the Rhine and the Scheldt, as well as Pas-de-Calais, with the Adriatic by way of Trieste, with the Aegean Sea through Salonika, and with the Black Sea through Constantza. According to this plan, the canal was to go up the Rhine some 600 miles, and then down the Danube for 1,300 miles. According to this plan, Hamburg German, Rotterdam a vassal, Antwerp Germanized, Dunkirk subjected by means that have not explained, would have become powerful intakes of North American trade, which would thus be attracted towards Central Europe. The Rhine and the

Danube, amply prepared for commercial navigation, would constitute the central part of this system, which would take in the Elbe, the Main and the Neckar. Strassburg, with its port, would become a sort of gigantic "turntable," to use a vivid expression, of the Mittel Europa. Furthermore, Trieste, Austrian and consequently German, Salonika Greek and therefore Germanized through the family compact, Constantza Rumanian, but, having become a vassal, would all be connected with the North Sea ports.

That was the dream of the Kaiser. Thus, with the assistance of the Young Turk party, who were his allies, he would get Constantinople to watch the Straits, and he would have control of the Aegean Sea and Salonika for his family relations. Salonika was then in the hands of Greece. He would have control of the Pireus, through Queen Sophia, his own sister, and he himself, with his own personal property and Corfu, would have control of the Adriatic. Trieste, being Austrian, was naturally German also. So he would have control of the Adriatic in two places, and if he had had his way, he would have transformed the Mediterranean Sea into a German lake. Then, from Hamburg and the outlet of the Rhine, the route down to the Persian Gulf and then on towards India would be under German influence and controlled by German money, and there was the railway through Bagdad and through the Taurus Mountains, of which we have heard so much. But, unfortunately for Germany, luckily for the Allies, that Bagdad railway has changed hands and is now under the control of Great Britain. But in order that the Kaiser's scheme might materialize there was needed a victorious war. To understand properly the scheme of the Kaiser one must be familiar with the map of Germany. The Kaiser wanted to go from west to east, but all the great rivers of Germany—the Rhine, the Weser, the Elbe, the Oder—practically all run north and south; therefore it was necessary—and this is what is being done to-day—to cross from one valley into another and to ascend tremendous divides. The plan bewildered the engineers. I have shown this to some engineers, and they think it is impossible to go over such heights as I shall mention. I will not weary the House with full details, but will simply mention the means of the various canals that are to be built. For instance, there is a canal along the Neckar river, to join with the Danube. It is no mean canal. Its locks are from 600 feet to over 900 feet in length, and they rise with that canal to an altitude of 1,850 feet above sea level. No country has ever before attempted to carry on such a work. Continuing towards Ulm, on the Danube, the canal is to come down some 344 feet, by four successive locks, on each one of which there is a drop of 86½ feet, the gates being over 90 feet. Fancy a height of 90 feet. The gates would be one and a half times higher than this room. In the Panama Canal there is only one set of gates at either end, but in this instance there would be several, each having a lift of 86 feet. Such locks are unparalleled.

The Republic of Germany is still continuing these works, but the municipalities are being asked to subscribe, as are also the various provincial institutions, for they have provincial governments, although they are called by another name. Everybody who owed anything in Germany has been absolved of all mortgages. The right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) cited the instance of a couple who had invested 100,000 marks at 6 per cent to provide for their old age, and he stated that those poor people expected to have 6,000 gold marks, equivalent to about $1,500, on which they could live quite comfortably, but now they have lost everything. But the person who borrowed those 100,000 marks could pay them back with $1.43, and the interest would be 8½ cents. That is very pitiful. It is very bad for those people who invested their money, and in order to make a telling point and show how hard up they were, it was right for the right honourable gentleman to cite that case; but he did not say anything about the fellow who borrowed the money and who got off free. He did not tell us that that man was in that amount of money. That man may have built a fine house, or warehouse, or store with the money and may be enjoying the profits. However, human nature will be human nature, and when you are making a point you generally give one side, and though you do not do so intentionally, you forget about the other side. It is the same with all corporations, and all cities, towns, and villages. They are starting now with all debts wiped out and with a clean sheet. Fancy the German farmers free of debt. Any one of them who had a mortgage on his farm could pay it off with three or four dollars, at the price of the mark to-day. They are much better off than our farmers. I see here the honourable member for Assiniboia (Hon. Mr. Turriff). Would not the farmers in the Northwest be happy to be in a position like that of the German farmers, having all their mortgages wiped out?

Hon. Mr. TURRIFF: No; they would be a great deal worse off than they are to-day. And if Germany is so great, how is it that her money is worth nothing?

Hon. Mr. CASGRAIN: Why is her money worth nothing? I am very glad that question is brought up. This is just the whole scheme. I charge Germany with having wilfully committed the greatest international swindle that has ever been perpetrated since history was written. Germany knew from the very start that that money would not be redeemed. It was a frame-up from the start. The Germans went into the United States and sold marks all the way from 7 cents, 6 cents, 5 cents, down to 2 cents and 1½ cents. And what a sum of money was pulled out by that German paper, not only from the United States, but from Canada too, There are in Canada, and not far away from me. either, some people who bought marks. That was the greatest swindle ever perpetrated.

Now, coming again to the question of those canals, I will simply read the names. It will take but a few minutes.

1. Canal along Neckar from Mannheim to Plochingen, 130 miles in length, for barges of 1,200 tons. There are 27 locks, and these are partly built.

2. The Neckar-Danube canal. That is the one where the great feat is being accomplished. That is only 40 miles in length. It crosses the divide at an altitude of 1,850 feet. The actual figure—I have the specifications here—is 568 metres, and anyone can reduce that to feet. I may say I have taken the trouble to convert all these sums from gold marks into dollars, and all distances from metres to English feet, so that the figures may be better understood. I have in my hand all the details and specifications of this wonderful construction. It goes up from Plochingen for 845 feet, and down to Ulm on the Danube 344 feet. That is where those locks are, each with a drop of 86½ feet, and with those wonderful gates 90 feet high. That is the summit between the North sea and the Black sea. The original intention was to go by the Rhine, but since the war, Strassburg having passed over to France, they leave the Rhine at Mainz. That is on account of their not having won the war.

The third canal is from the Danube at Ulm to Lake Constance. That is to get the trade of Switzerland, and part of Bavaria. This goes up to a divide of 1,774 feet in height. Think of those heights—1,850 feet and 1,774 feet. Why would people spend their money like this unless they were anxious to spend it so someone else could not get it? That is the only reason why money would be squandered like that. When the Kaiser started to build this waterway he thought he would be victorious in the war, and that the indemnities he would get from the countries he conquered would pay for it. They are spending money now that does not belong to them. They should pay their debts first. This canal will carry ships of 1,900 tons into Switzerland. It is 67 miles in length, and will cost twenty-three millions of dollars. There is a drop of 330 feet down to lake Constance.

The fourth canal is the Rhine-Danube canal. It starts from the Rhine at a place called Mainz, and rises some 250 feet to Bamberg, and thence to Kelheim, which is on the Danube, and then by the Danube it goes down as far as the old limits between Austria and Germany, at a place called Passau. From Mayence to Passau there is a clear water course going over summit after summit of 526 miles in length. The divide there is 1,200 feet above sea level, and there are thirty-three power houses generating 244,000 horse power on that particular branch. I forgot to tell you, honourable gentlemen, that at every one of these locks there is a power-house, so that when there is water to spare, or during the winter months when there is no navigation—because in that country it freezes up just like it does here—the water can be used for industrial purposes. You may say: "In those great altitudes where do they get the water?" Those who had anything to do with the Georgian Bay canal will remember that, although there was only a divide of 122 feet still the cost of getting water to feed the canal at the top was some two or three million dollars. At these great altitudes immense reservoirs are being built from which water will be brought to feed these canals, and at the same time to increase the quantity of water in the rivers. There is a canal 60 miles in length to bring water from Meitingen to Forcheim. This is costing one hundred and forty millions of dollars. It begins between Ratisbonne and Passau.

The canal along the Mainz to Aschaftenburg, to carry barges of 1,500 tons, was inaugurated in 1921. The locks are of great length, and take three barges and the tug at the same time so that there may be no time wasted. This canal was opened amidst great enthusiasm. The $140,000,000 which it was to cost was subscribed twice over by the people near where the enterprise was undertaken.

The fifth canal, from Ulm to Kelheim, follows the bed of the Danube for only some 12 miles; for the rest of the distance, like our

canals on the St. Lawrence, it is now on one side of the river and now on the other. On that canal they are developing power to the tune of 250,000 horse-power. The cost of that part of the work is fifty-four millions of dollars. Besides that branch there is a special canal which will connect Augsburg and Munich, which will accommodate barges up to 1,200 tons, but there is provision to increase that capacity to 1,500 tons.

Number six is the Weser-Main canal. The Weser is a river which runs almost parallel with the Rhine, and is the first river east of the Rhine. Why are they using the Weser? It is because the Rhine has been internationalized, but the Weser is all German. They are drawing the traffic over the divide and are pouring it into the Weser so as to bring it to Bremen or Hamburg or Lubeck. The great thing to be accomplished by not using the Rhine is to cut out Rotterdam. By the Weser-Main canal they ascend 250 feet to an altitude of 1,000 feet above sea level, then they go down the Weser river. That canal will carry barges of 1,000 tons, and is costing, at pre-war prices, fifty-five millions of dollars, and to feed the Weser river nine large reservoirs are being built.

Canal No. 7 is the Rhine-Weser-Elbe canal, which was partly opened on July 17th, 1914. The section between Bevergen and Minden was opened in 1915, during the war, and the section from Minden to Hanover, in the fall of 1916. Another section, from Hanover to Magdeburg, a distance of over 100 miles, was begun in 1920. The work is progressing very rapidly. The locks are 730 feet in length, and will accommodate three barges and a tug at the same time. There are 130 miles of branch canals from Magdeburg to various other places, one particular branch to the potash mines, the whole costing eighty-five millions of dollars.

The eighth canal connects the Ems river and the Weser. This canal is also to cut out Rotterdam. It is also connected with Hamburg and Lebeck, which is on the Baltic. It is 60 miles in length and will carry 1,000-ton boats.

The ninth canal is called the Hansa canal, and takes the place of the old Mittel-land Kanal, and extends from Achim to Osterholz. It is 130 miles in length, and will carry 1,000-ton barges.

Number ten is the canal from Hamburg to Lubeck. It is some 90 miles in length and will accommodate barges of 1,000 tons. The peculiarity of this canal is the elevators, which are something like the lift-locks that we have on the Trent canal. The first lift is 109 feet in height, and the second 79 feet. That canal is costing twenty-three millions of dollars.

Number eleven is a canal from Leipzig to Torgau and Berlin. It is for 600-ton boats.

The twelfth canal is in the mining basin of Neiderlausitz, to the Elbe on one side, and to Berlin on the other.

Number thirteen is a second canal from the Neiderlausitz basin, leaving near Muhlberg on the Elbe, to the Oder, which is the last big river in eastern Germany. It is 160 miles in length, and is costing thirty-one millions of dollars.

Number fourteen is a canal to the Masuric lake. It is to serve eastern Prussia and to penetrate into Russia. It is a small canal, and at present is used only for the power which can be developed—not for navigation.

Number fifteen is in the Ruhr, and is a big canal—from Mulheim, near Colonge, to Hagen. It is 42 miles in length, will accommodate barges of 1,700 tons, and will develop 10,000 horse-power.

Number sixteen is a canal along the Lippe from Hamm to Wesel. This is a large canal, and will carry vessels of 1,700 tons.

Number seventeen also will carry vessels of 1,700 tons. This canal completes the circuit, joining with the Rhine—Horne canal, the Dortmund canal, and the Ems canal—all in the Ruhr. In the case of this canal, they could not possibly go over the top of the height of land, so between Horde and Schawerte they had to make a tunnel two miles in length for the canal to pass through. The honourable gentleman from Halifax (Hon. Mr. Roche) will surely not say that Germany is poor when she can build canals in tunnels.

The eighteenth canal is on the Main, extending from Weser-Main to Kassel, so that they have a string of waterways uniting the Elbe to the Oder, Tergau with Leipzic, the Elster with the Saale, and the Weser with the Saale, cutting Germany crosswise and lengthwise with a second lot of waterways. All these works would cost at pre-war prices five hundred millions of dollars.

I thank you, honourable gentlemen, for having listened so patiently and kindly to all these dry facts, many of which I have had to read. Remember that Germany is to-day starting with a clean sheet. The people have no bonds and no mortgages to pay; they have all been wiped out by the mark swindle. Germany to-day has a merchant marine which is causing great anxiety to England, and, according to an expert I saw in Montreal the other day, she is outbidding British commerce throughout the world. Germany is storing her goods, and making local sales; her taxes are only one-

third of those of England or France, but she is pleading poverty until she becomes strong enough to fight again, when she will say; "Now, we have the money; come and take it if you can."

Hon. Mr. DANDURAND: If no other honourable gentleman cares to express any opinion on this matter, I will move the adjournment of the debate until to-morrow.

The motion was agreed to, and the debate was adjourned.

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

THE SENATE

Thursday, April 26, 1923

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

Prayers and routine proceedings.

COLD STORAGE BILL

FIRST READING

Bill 9, an Act to amend the Cold Storage Act.—Hon. Mr. Dandurand.

FRUIT BILL

FIRST READING

Bill 11, an Act to regulate the Sale and Inspection of Fruit and Fruit Containers.—Hon. Mr. Dandurand.

PATENT BILL

FIRST READING

Bill 20, an Act to amend and consolidate the Acts relating to Patents of Invention.—Hon. Mr. Dandurand.

IRRIGATION BILL

FIRST READING

Bill 112, an Act to amend the Irrigation Act.—Hon. Mr. Dandurand.

ADMIRALTY BILL

FIRST READING

Bill 117, an Act to amend the Admiralty Act.—Hon. Mr. Dandurand.

PRIVATE BILL

FIRST READING

Bill 14, an Act to incorporate the Continental Assurance Co. of North America.—Hon. Mr. Crowe.

Hon. Mr. CASGRAIN.

POSITION OF WALTER DUNCAN

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. Is one Walter Duncan in the employ of the Postmaster General of Canada or in the employ of the Minister of Justice, and if so in what capacity?
2. Is the said Walter Duncan entitled to describe himself as Chief Federal Police Investigator and Special Representative of the Postmaster General of Canada, or by either of these designations?
3. (a) What is the salary of the said Walter Duncan? (b) and what allowances have been paid to him, or with respect to him, since January 1st of this year?
4. Upon what duty is the said Walter Duncan now engaged and for how long a time has he been so engaged?

Hon. Mr. DANDURAND:

1. Walter Duncan is employed as a Special Investigation Officer under the direction of the Department of Finance.
2. His services were loaned for a period to the Post-Office Department for special investigation work.
3. (a) $2,550. (b) None.
4. It is not considered to be in the public interest to disclose information concerning such investigations.

EXPRESS, RAILWAY AND TELEGRAPH EXPENDITURES

MOTION FOR RETURN

Hon. Mr. McDONALD moved:

That an Order of the Senate do issue for a Return showing what sums of money have been paid by the various departments of the Government for express charges, railway fares, and telegraph tolls, between January 1st, 1922, and December 31st, 1922, and to what railway, express and telegraph companies respectively were such sums paid.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Bill W3, an Act for the relief of Mahlon Beach.—Hon. G. V. White.

Bill X3, an Act for the relief of Alfred William Kelly.—Hon. Mr. Green.

Bill Y3, an Act for the relief of Wilmot Austin Pickell.—Hon. Mr. Green.

Bill Z3, an Act for the relief of Annie May Vogelman.—Hon. Mr. Ratz.

SECOND READINGS

Bill C4, an Act for the relief of Mabel Gertrude Johnston.—Hon. Mr. Bennett.

Bill D4, an Act for the relief of Wilfred Charles Brown.—Hon. Mr. Bennett.

Bill E4, an Act for the relief of Gertrude Andrews.—Hon. Mr. Ratz.

Bill F4, an Act for the relief of William Henry Davidson.—Hon. Mr. Bennett.

Bill G4, an Act for the relief of George R. Webb.—Hon. Mr. Hardy.

Bill H4, an Act for the relief of Katharine Bryans.—Hon. Mr. Blain.

EXPLOSIVES BILL

REFERRED TO COMMITTEE

On the Order:

Committee of the Whole House on Bill D, an Act to amend the Explosives Act.—Hon. Mr. Boyer.

Hon. Mr. BOYER: I thank my honourable colleague (Hon. W. B. Ross) for moving the second reading of this Bill, and I ask you, honourable gentlemen, instead of referring it to the Committee of the Whole House, to refer it to a special committee.

Hon. Mr. BEIQUE: The suggestion of the honourable member is that this Bill, instead of being referred to Committee of the Whole, be referred to the Banking and Commerce Committee, and I must say that I join in the request that is made. I think it would be but proper to hear some officials of the Department concerned in this matter, and possibly other parties interested, and I would support the motion that the Bill be first referred to the Committee on Banking and Commerce. I understand that the honourable member moves that this Order be discharged, and that the Bill be referred to that Committee.

The motion was agreed to.

EUROPE AND THE LEAGUE OF NATIONS

DEBATE CONCLUDED

The Senate resumed from yesterday the adjourned debate on the inquiry of Right Hon. Sir George E. Foster:

That he will call the attention of the Senate to conditions in Europe and the work of the League of Nations and will ask the Government if it will lay on the Table the Report of the Canadian delegates to the third Assembly of the League of Nations.

Hon. F. L. BEIQUE: Honourable gentlemen, with the permission of the honourable leader of the Government, and with the leave of the House, I would like, for the information of this honourable House, to read part of an editorial article which appeared on Monday last in the New York Times. I am sure we are all anxious to understand as fully as possible the difference of opinion between Mr. Bonar Law, as representing the British Government, and Mr. Poincaré, the head of the French Government, on the proposition which was made by Mr. Bonar Law at the Conference on the 2nd of January last. I think this article is a very good appreciation of the proposition as laid before the Conference by Mr. Bonar Law. I will content myself with reading the article without any comment:

The British Payment Plan

What was the British reparations plan? Briefly, it provides for scaling down the paper figure of Germany's reparations payments from 132 billion gold marks to a paper total of 67 billions, which, under the advantages placed at Germany's disposal, can be scaled down to an actual payment of only about 27 billions, of which not more than 20 billions is reparations, the remainder going for occupation costs and all other charges arising out of the treaty fulfillment. More specifically speaking, the Bonar Law proposal provides for the cancellation of the "C" bonds of Germany, amounting to 82 billion gold marks. As the actual value of these is probably hardly 10 per cent, of this paper value, the loss is not so great as it would seem. For the remaining 50 billions, provided for in the Class "A" and "B" bonds, it is proposed to issue a new series, known as "Bonds of the First Issue," to the amount of 50 billion gold marks. These are to bear no interest for the first four years, and for the next four years 4 per cent, and thereafter 5 per cent until maturity in 1953. The unpaid interest under this scheme is to be funded and new bonds to the total amount of this interest compounded may be issued in 1933. As this sum comes to about 17 billion gold marks, it brings the total paper value to 67 billions.

Here, however, as Premier Poincare pointed out when Mr. Bonar Law first submitted his proposal, there arises a serious difficulty. These "first series" bonds may be redeemed by Germany at the end of the year at 50, and thereafter at an increased cost each year. If, therefore, Germany avails herself of this redemption privilege, she may be quit of the "first series" bonds for 25 instead of for 50 billion gold marks. The second series of bonds could be redeemed for about two billions.

Inasmuch as the British proposal provides that only 80 per cent of the "first series" shall go to the reparations account, it means that Germany's total reparations payments would come to only 20 billion gold marks, or about $5,000,000,000. Of this France would get 51 per cent. Practically all of the cash realized on the second series would have to go for treaty charges and for the redemption of Belgian debt. This would mean that France would receive only about $2,600,000,000 with which to pay for damage in the devastated regions, estimated at between $8,000,000,000 and $11,000,000,000. Clearly, this is unacceptable to France.

The wisdom of Mr. Poincare's refusal to accept Bonar Law's plan is, from the French point of view, already being shown by the increasing sums which responsible German spokesmen are now suggesting as within Germany's paying capacity. The 20 billion gold marks mentioned by Rosenberg has been raised to 35, and there is every likelihood that when the actual negotiations are made Germany will agree to at least 50 billions. This sum is not beyond her capacity to pay, according to students of Germany's condition, provided she is willing to make an earnest effort to repair the wrongs committed by her.

The only word I desire to add is this, that I would have liked, if time had permitted me, to prepare some remarks which I would have been pleased to offer to this House in support of the League of Nations. I must say that I am a strong believer in the League, as is the right honourable member for Ottawa (Right Hon. Sir George E. Foster); and I am convinced that, whatever form it may ul-

timately take, it is a necessity if civilization is to be preserved. I hold, also, that it must not be judged by what it has accomplished up to this day, for it has been in existence only three years, and its record is a very valuable one.

I would have liked to deal, not with the economic side of the question, as the right honourable member has done, but with its political and moral phases, which are things quite different. I would have attempted to show that the interests of France and those of England are perfectly identical, and I am convinced that, if Mr. Bonar Law had had his way of thinking and of dealing with the matter, it would have meant the dismemberment of France within four years, and within twelve months thereafter the dismemberment of England also.

But these points have been made by members of this House, and I have no doubt will be made by the honourable leader of the House in a few moments in a much better way than I could do. Anyway, I had not time to prepare an address which would have been fair to both the members of this honourable House and to myself.

Hon. RAOUL DANDURAND: Honourable gentlemen, we must all be thankful to the right honourable gentleman, the junior member for Ottawa (Right Hon. Sir George E. Foster), for giving us the opportunity of expressing our views on international questions which affect this country of ours to a lesser degree than the countries of Europe, but to a sufficient degree to allow us to raise our voice occasionally so that it may be heard in the imperial hall in London, where most of these problems are discussed and settled.

This debate has been a very interesting one indeed. It bears on perhaps the most momentous event which has occurred since Armistice Day—the occupation of the Ruhr. Yet when examined in the abstract it can be reduced to this simple proposition: shall delay be granted to a defaulting debtor, with or without further security?

The Allies in the Treaty of Versailles exacted some security, and they took the left bank of the Rhine. But it has appeared, in the working out, that that security was insufficient to assure payment. I am somewhat astonished at the surprise expressed at the decision of the Allies to go into the Ruhr and take further security. The honourable gentleman from Granville (Hon. Mr. Chapais) has reminded us that already some further security was taken with the joint consent of all the Allies, namely, Dusseldorf, Duisburg and Ruhrort; and he added that the Ruhr entry had been foreseen and was threatened by the Allies jointly more than once within 24 months.

What surprises me is that some emotion should be created after four years since the Armistice. If that degree of emotion has appeared on the surface, I beg the honourable gentlemen to ask themselves what the emotion would be four years hence. How far already are we not—we members of this Senate—from the day when we passed unanimously a Bill which was moved by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) in May, 1918, which had for its object the denunciation of any Canadian trader who would henceforth deal in German goods! I have before me that little Bill, which had its third reading and was sent to the House of Commons, reading as follows:

> Every person who deals in goods, ware or merchandise which are, in whole or in part, the growth, product or manufacture of Germany or Austria, shall keep posted in letters easily legible over every outside entrance to his premises the words "Dealer in German Goods," and shall print the said words prominently in all his advertisements and stationery.

There are other clauses, but this gives the purport of the Bill. Yet there are people moving about the world who claim that the entry into the Ruhr will diminish their chances of trading with Germany.

Now I put this question: if that further guarantee had been included in the Treaty of Versailles, would there have been any special emotion created outside of Germany? The Allies take it now, after four years of sterile discussions, conferences, and protocols. Three of the four Allies insist upon it—why? Well, for two reasons: the first is a question of confidence, or lack of confidence, and the second is one of necessity.

France, Italy, and Belgium are convinced that Germany is a fraudulent bankrupt. If Germany was not acting in bad faith, would it not be her primary duty to offer that security, like any other debtor who seeks further delay? She has the security. She has not suffered—she admits it—by the presence of the Allies on the left side of the Rhine. She has not been hampered. The administration of her laws has continued. If she had been honestly disposed, what objection was there to her offering the Allies the River Ruhr valley in order to appease their suspicions? If she had done that, all the Allies would have gone in, and there would have been no suspicion of ulterior motives on the part of those who did go in. One must not forget that those three Allies urged, are still urging, and have been most anxious, to have Great Britain enter. Does not that dispel the idea of any hidden thought or ulterior motive?

My right honourable friend from Ottawa has suggested that the Anglo-Saxon world was opposed to further security being taken. I am not disposed to accept that statement of my right honourable friend. I believe, on the contrary, that a large part of the Anglo-Saxon world holds the same view as do Italy, France and Belgium. I will not ask my right honourable friend to travel very far; I will only ask him to look among his own friends and he will find that opinion reflected by his own party press. I have not personally gone to the reading room to ascertain the state of mind of all the press of Canada; I have simply taken the papers that came under my hand. I have seen the Montreal Gazette, the Mail and Empire, the Ottawa Journal, the Toronto Evening Telegram, the Montreal Standard, even the Orange Sentinel, standing firmly by the policy which the Allies decided upon on the 2nd of January last.

Now, I will give only two clippings out of very many that I have had from Canadian papers. The Montreal Gazette of January 11th said:

> Distrust of Germany is general; almost equally general is the sympathy which is felt for France. The weight of the German onslaught fell upon France, which paid a monstrous price in manhood and in property and industries destroyed. It was part of the German plan to cripple France economically, and the work was thoroughly done. Germany has shown no real disposition to undo that work. In these circumstances the determination of France to exact reparations to the limit of Germany's capacity is understandable, more than that, it is justified.

The Ottawa Journal of the 12th of January said:

> French Steel encircling the Ruhr may shock economists and pacifists; it excites nothing but sympathy and satisfaction in the breasts of allied millions. Germany, so far as all visible evidence goes, is an unregenerated, impenitent criminal.

I have not had opportunity of seeing many papers from England, but I have read the London Morning Post and the Daily Mail. The Morning Post said:

> We are willing to waive the prosperity conferred upon this country by the success of German Iron and Steel if thereby a little justice might be done to France.

The Daily Mail has had column upon column of letters under the heading, "In Honour Hand-in-Hand with France," and it has stood solidly from day to day in favour of the policy of the three Allies.

On the 11th February, as reported in the London Daily Mail, Lord Hardinge, of Penshurst, formerly Viceroy of India, and recently Ambassador to Paris, said:

> There is a very close connection between the question of the Ruhr and that of our National Debt of £8,000,000,000, for which Germany must and can only be held responsible—that Germany, which, by a process of fraud, has extinguished her own internal debt, and will make the commercial future of our country very difficult by successful competition, which she will be able to carry on with our trade unless a due amount of reparations is forcibly extracted from her.

May I read also the opinion of Rudyard Kipling, which appeared in the Montreal Standard of Saturday last? He said:

> This is the situation as I see it. The overwhelming majority of our people do not understand, and understand less as time goes on, why Germany, who prepared and launched the war, should not pay for it. Nor do they believe in the wonderful schemes put forward from time to time, whereby Germany is to be carefully nursed back to wealth and power, in the hope that when she is strong she may be moved to pay some part of her obligations.
>
> We have not had your experiences of the German, but we are not altogether imbecile. We observe also that these schemes are, for the most part, advocated by two types of mind—those which were most misguided before, during, and after the war, as to the nature and psychology of the Germans; and those who now openly or academically sympathize with every attack on such civilization as the war has left. From these observations we draw our own conclusions.
>
> We do not at all believe that Germany is disarmed, or that she will ever be disarmed without supervision infinitely more drastic than that which has been exercised in the past. We hold that it would have been better for the future if Britain had gone in side by side with France and Belgium to obtain the fullest reparation and security that was possible.

I said that besides the question of faith there was the question of necessity. Great Britain has its own home problems, and they are serious; her export trade has been curtailed, and she has her unemployed; she is yearning for stability and peace, but she has obtained her main objects, the foremost of which is security. Great Britain feels that she can carry on even if the Allies postpone their payments to her. France knows that she cannot carry on. With her it is a question of life and death: she is facing bankruptcy. With her it is the first law of nature, the law of self-preservation. Why has France acted? France has acted because her ordinary budget, which is composed of ordinary expenditures, and which is met by heavy taxation, still shows quite a large deficit. It is her extraordinary budget that frightens her. And that extraordinary budget is made of the advances on Germany's account. These advances are made to rehabilitate devastated regions. These devastated regions were the common battleground of the Allies, who met there to defend, not France, but themselves. These territories were devastated by the Allies as well as by Germany, while British and American territory and towns have remained free from injury.

Ninety-five billions of francs have been borrowed from the French people by the French Government. That represents a fraction over six billions of interest yearly, and only half of the repair of the damage has been

effected. France is to-day considering limiting her efforts to rebuilding industrial plants. She fears the effect on her credit and monetary system if she continues to borrow on account of Germany, with a date of payment which never materializes. Ninety-five billion francs have been borrowed by France from her own people, but that is not the whole story. The borrowing has had the effect of depreciating her currency to such an extent that it is equivalent to the confiscation of a large part of her national wealth.

I have stated that the battle-ground was not in England nor in the United States. Neither is the occupied territory. Let us see what that means and has meant to France. We may perhaps draw from it lessons and examples to hold up to Germany: it will make interesting reading to-day when we hear the wails of President Ebert because of incidents which have occurred in the Ruhr. As an illustration, I will cite but one Department, that of the Nord, with Lille as its principal centre. I think that the facts which I shall lay before this Chamber have never before been mentioned—that the methods by which payments were exacted by Germany, and the screws which were put upon the people who were held prisoners in the occupied territory, have never yet been held up to the gaze of the Canadian people.

The Hague Agreement of 1907, to which Germany was an assenting party, contained the following enactments:

> Article 46, paragraph 2: Private property cannot be confiscated.
>
> Article 47: Pillage is formally interdicted, etc.

From the beginning, Germany sets all legal restrictions aside and states in its proclamations that:

> To-day and henceforth there exists no prefecture nor French Government. There is but one will: it is that of Germany.
>
> You rely upon the Hague Convention. This is a matter for diplomats to discuss after the war. To-day the military authority has the first and the last word. You shall obey or your city will perish.

We shall see the German Commander in action at Lille, which had already considerably suffered when it opened its doors to the enemy. By the first of November Lille had been called upon to pay 1,300,000 francs. On that date, Governor General Von Heinrich asks a contribution of 8,000,000 francs in gold and silver, or Bank of France notes. The city makes a pressing appeal to the citizens to bring in their holdings and to accept in exchange municipal paper money, because the Germans threaten to take private property.

On the 10th of December, the surrounding municipalities—"les communes"—32 in number, are ordered to pay heavy contributions. They answer that the farmers have lost their all through the passing of the invading armies, and that the industries are closed for lack of raw materials. Von Heinrich answers as follows:

> You claim to have no money. All the same payment must be made. It will be forthcoming if you use your credit. One municipality may be unable, but you must unite and form a syndicate to raise a loan. If some municipality refuses to join, it will be impossible to deliver them provisions and coal.

The 32 mayors meet at Lille and refuse, on legal grounds, to form the suggested consortium. On the 23rd of January, Von Heinrich writes the mayor of St. André:

> You state that your people cannot do more—that the rich have fled.

Listen to the phrases that follow:

> The latter must have bank deposits: it is for your town to seize them. Nothing prevents you selling works of art and other stocks and valuables to redeem this war contribution in case you cannot find enough cash.

Then other threats follow. Many municipalities being in default are refused coal in midwinter; but this cruel act does not bring forth money where there is none.

Von Heinrich then turns again upon Lille. That city is asked to pay 1,500,000 francs per month, payable 300,000 francs every five days. If it defaults no coal or food will reach it. Lille has a population of 225,000.

How will Lille pay? Lille is not allowed to pay by issuing short notes or bonds; it must gather all that is to be found in French and German gold and silver, besides notes of La Banque de France to the extent of 50 per cent of the levy. The German authorities' edict states that the municipal notes and bonds are only accepted on account, and according to their par value with the German mark.

In less than six months Lille has been made to pay 17 millions in contributions, although partly in ruins and constantly bombarded. This means 100 francs per head of population, and besides she has answered requisitions for more than 200 millions.

In June, 1915, the Mayor informs Von Heinrich that no more specie can be found in the city. What answer does he receive? Listen:

> Nothing is changed as to your obligation. I will hold you and your population responsible if you default. It is for you to find the way to obey my command. One of the modes you can adopt is to get specie, through the intermediary of the German administration, from the banks in neutral countries.

On the 15th of July the Communes near Lille owe 20,000,000 francs, and the army, for

its maintainance, asks 11,000,000 more. The high command decrees that the whole population of the district will be jointly responsible. As a consequence orders are given for affixing seals upon all safes, vaults, and chests, of banks and trust companies. At the same time, the banks are asked to furnish a list of all their specie—gold, silver, and paper—their credits abroad, the detached bond coupons, and the next one undetached belonging to clients. By this procedure the individuals become responsible jointly and severally to the full extent of their holdings, real and moveable. Threatened with the opening of vaults and safes, and the total paralysis of all business transactions, the mayors of Lille, Roubaix, Tourcoing, Douai Valenciennes and Cambrai agree to guarantee all advances to be made by the banks to the Communes of the region.

In order to free themselves from the seizure, with seals affixed to all their assets, the banks succeed in negotiating a loan of 16,000,000 francs on the 19th of September, 1915, from la Société Générale de Belgique to pay the arrears due by the Communes or rural municipalities.

Ten days later, the 29th of September, Lille's monthly contribution is increased from 1,500,000 francs to 1,800,000, with this proviso:

> If payment is not made in the equivalent value of the mark a 5 per cent discount will be charged.

The municipal notes are thus officially depreciated.

On the 11th of September, at a time when citizens are imprisoned and carried in concentration camps, the Mayor of Lille is ordered to repair the theatre and to receive at his cost the German actors.

To meet German demands Lille, up to June, 1917, had obtained loans from its people of 300 millions of francs through the issue of municipal paper money. After 20 months of occupation Lille had suffered hundreds of millions of devastation through bombardment and the explosion of the powder magazine. She had been emptied of all her stocks through incessant requisitions. All her industries were stopped, and commerce as well. Four-fifths of the population become a charge upon the municipality, which is wholly dependent upon the enemy for its revictualling, and the contributions exacted are five times the total municipal budget.

In April, 1917, the Germans make a demand upon Lille of 24,500,000 francs, half of which are to be paid without any delay, a penalty of 400,000 francs being added for each day's delay, and the city being furthermore responsible for the communes in the Lille zone. Three months later, 33 millions are exacted to cover the maintainance of the army of occupation, payable within two months, with ten per cent added as a penalty for each day's delay. The Mayor answers that this last demand violates the convention of the Hague as well as the principles laid down by the German High Command, and all the laws of humanity; but, isolated from the exterior world and under the heel of the enemy, she will pay with the knife at her throat.

On the 1st of January, 1918, Lille is assessed for itself and the neighboring region 94 millions of francs, with a penalty of 10 per cent per day in case of delay, and is warned that if she again improperly criticizes this forced levy, or by fraud allows her protest to reach the outside world, the city will be deemed to have committed an act of hostility towards the power in authority, and will be punished with all the rigour of war.

The penalties, impositions, and contributions levied upon the occupied regions totalled over two billions and a half of francs, by the setting aside of all international laws. In violation of Article 53 of the Hague Convention, which states formally that only the specie belonging to the state can be seized, the Germans placed in every bank and trust corporation sequestrators who assumed full authority, their fees to be paid by the victims. Their attention was directed to buying foreign securities with the money of the depositors in order to create foreign credit for the German treasury. These credits, which enabled the enemy to prolong its resistance, cost Germany nothing, since it made repayment with the municipal "bons" or notes which it exacted as war contributions. And when they had drained all that they thought to be of value, down to the blankets and mattresses of the poor, they requisitioned the labor of human beings by carrying 10,000 old men, women, and girls over to Germany, as one would take so many head of cattle to market, under the pretext that the British fleet was blockading their ports and more farm labor was needed.

This is a very pale history of the Germans in occupied territory—in one city only. And, honourable gentleman, that money, stolen by the Germans, has not yet been reimbursed.

Lest we forget: allow me to read the following statement recently made by Premier Theunis of Belgium:

> We have gone into the Ruhr because our enemy left us no other alternative. We have gone there to obtain reparation and justice. Germany will only be reasonable when she recognizes that she is vanquished, definitely vanquished. This is the sentiment of the Belgian nation. Our troops will not falter. They

remember the atrocities of the Germans. They have not shaken off the nightmare which the numberless horrors and crimes of the Boche keep vividly before their eyes.

Here are official figures which will edify you. We have to take care of 17,016 war orphans. Of that figure 9,700 only are children of fallen soldiers at the front while 8,900 are those of fathers who were civilians shot down by the enemy.

The detailed record speaks as follows: At Dinant, on the 23rd of August 1914, the Germans shoot down in one afternoon 700 people, among whom are 73 women and 39 children; at Tamines, the next day, 600 are slain; at Andenne-sur-Meuse 300 victims; at Louvain, on the 23rd of August, 213 victims; at Aerschot, 150. In the small villages of the province of Luxembourg, near the French frontier, the slaughter increases in intensity: at Ethe, 350 people are shot, with 30 mothers and 20 children; at Tintignies, 128 victims; at Rossignol, 112. In these villages the people who are assassinated represent more than one-tenth of the population.

This is the action of a nation that had given its pledge to protect its peaceful and harmless little neighbor against agression!

What punishment can fit that crime?

The argument may be advanced that this was war time. Yes, war carried on by barbarians. Let us see what is the German demeanor in peace time. It is most interesting to read the Treaty of Bucharest, imposed by Germany in May, 1918. It is a very lengthy document, but I will summarize it concisely.

The Treaty of Bucharest, of course, tore from Rumania a province which had always been Rumanian territory, that of Dobrudja, and deprived that country of its only seaport, Constanza. The Treaty of Bucharest stipulated that the German armies would occupy Rumania until such time as Germany would be pleased to determine later. During the whole period of occupation, Germany would have a representative in each and every Department of the Rumanian Government, said representative being entitled to assume full control. As regards civil and military matters, the German jurisdiction would be the only one to obtain during the entire period of occupation—all costs to be borne by the Rumanian people and the right of requisitioning to be fully recognized. The Treaty of Bucharest forbade Rumania to keep under arms more than 32,000 men, and, moreover, laid down that all the male population of that country between the ages of 14 and 60 years could be compelled to do manual labour for the benefit of the occupants. Finally, according to the Treaty, the right to develop all the oil fields of Rumania would, for a period of 30 years, be vested solely in a German company, with the further right of making whatever use it wished of highways, stores, railways, postal and telegraph facilities. At the expiration of the thirty year period, the German company could extend such privileges for two further periods of thirty years each. All disputes would be laid before a tribunal, whose chief arbitrator would be appointed by the President of the Leipzig Court.

After this monstrous treaty had been drafted and only required to be signed, one of the Rumanian delegates, Mr. Pierre Missir, his strength and patience failing him, burst into tears.

"What ails you?" inquired one of the German plenipotentiaries.

"Why", answered Mr. Pierre Missir, "you want to reduce my country to slavery."

"Not at all, not at all," protested the German. "The peace that we offer you is a peace as betweeen friends. You will realize it some day."

"When?"

"Wait," said the German, "until you see the Treaty we are preparing for France and Great Britain: there will be nothing friendly about it."

"After we had signed the treaty," said Mr. Jean Bratiano, "we witnessed the methodical removal of the belongings of a whole nation. They applied the vacuum process scientifically on the whole surface of the kingdom. Wheat, petroleum, furniture, coal, rails, cars, cattle, agricultural instruments, telegraph wires, lumber, trees from the forests—they took everything. When they had stripped my rural property of the whole crop and of all the cattle and rolling stock it contained, they presented a claim for 60,000 francs to my farm manager because, according to the book records of the farm, in the good years the crop was worth that much more."

This is how the Germans understood a friendly peace. They went in and helped themselves and took everything.

Hon. Mr. CASGRAIN: And asked for more.

Hon. Mr. DANDURAND: And asked for more. It is quite evident that Germany will not pay voluntarily. I claim that not only was it necessary for the Allies to exercise pressure and take effective security, but that policy is the only means of re-establishing peace in Europe.

The last four years show clearly Germany's design. Mr. Frank H. Simonds, in the Review of Reviews of the present month, states the case admirably. I extract from his article the following points:

The purpose of the German attack upon France was to destroy the French nation, which was to be crushed by a single blow. Then Belgium and a large area of France was to be annexed. This plan failed owing to the defeat at the Marne. Germany then changed

her methods, while pursuing the same objective. She set out systematically to wreck all the industrial establishments of France.

She had lost the war in July, 1918, in so far as the war was a military affair. She had lost it absolutely so far as the United States and Great Britain were concerned. She could no longer close the seas to our ships, and she had to surrender her war fleet and her merchant marine, which had constituted a double challenge to the British. She had to abandon her colonies and to evacuate Belgium—the last menace to Great Britain.

But, with respect of France and Belgium, Germany had not lost the war in any but the military sense. She was still the victor, unless by the treaty of peace she was obliged to restore the industries which she had wrecked.

In the pursuit of her objective, Germany made herself officially bankrupt. She inflated her currency, she turned vast sums into domestic improvements, she permitted her industrialists to export a vast amount of capital. Finally, in the first days of the present year, a situation developed in which Germany was no longer able to pay. She was bankrupt fiscally, although none of her sources of wealth, none of her means of production, were in the slightest degree impaired.

At this moment she reached the decisive point. If she could obtain a long moratorium, during which no payment could be demanded —and she had made no contribution to French reconstruction up to that moment—no substantial contribution—then her strategy was successful. She had won the second phase of the war: she was in reality victorious, so far as France and Belgium were concerned. They were ruined, and behind her cover of a moratorium Germany could mobilize for the resumption of her war upon France.

Now, what was the German policy to be? If she restored what she had destroyed, she surrendered the victory she had achieved over France and Belgium by her policy of destruction. She could preserve that victory by evading payments in so far as she was able. If Germany chose the latter alternative—as she in fact did—what she really undertook was to continue the war by merely changing her methods. If she refused to heal the wounds she had inflicted upon France and Belgium, she kept them in such an enfeebled state that they would be unable to resist her when a favourable moment for a fresh attack arrived. From Armistice Day to the moment of the occupation of the Ruhr, Germany has waged war upon France and Belgium. She calculated that France would be crippled permanently if she were condemned to rebuild her own ruins.

The question then raised was whether France would accept defeat or resort to force ....Instead of bowing to German strategy, Poincaré followed the example of Joffre at the first battle of the Marne. At the moment when the German victory seemed beyond dispute, he counter-attacked. That counter-attack transformed the whole situation and opened a new form of warfare, just as the Marne riposte did.

This is not, honourable gentlemen, a thesis drawn from imagination. The facts are but too true. The Berlin Government has deliberately made itself bankrupt. It was all for profit: They were able to pay their debts by means of the printing press. They could even create credits abroad by selling to the innocent and the speculator their valueless paper. It might serve Germany well, and it had this supreme advantage, that it could not serve the enemy. Germany wanted a moratorium without further security. If granted it, what then? What would have been Germany's immediate policy? Was it not to Germany's interest to carry on along the same lines? Would she attempt to stabilize the mark at its present value, which is next to nothing? Where would that lead her? Could she hope to enhance it? Would it not have been a vain effort? Her paper money clearly was issued without any intention of redemption at par. In a single week in March 757 billions were issued.

Under those conditions how could Germany expect help from outside? This chaotic condition would have continued indefinitely if France had not pierced the abscess.

The London Daily Mail of the 4th of January said:

> If a moratorum is granted we are left without any guarantee whatever that Germany will meet its obligations in four years. The Germans have bluffed us in the past, They will do the same thing in the future. France wants guarantees. France is in the right.

My right honourable friend who initiated this debate (Right Hon. Sir George E. Foster) answered my query as to Germany's consent to allow financial control, that it did not express its entire disagreement.

What was Prime Minister Cuno's views on that question? His speech at Hamburg on the 31st of December was undoubtedly addressed to the Allies, who were to meet on the 2nd. of January, two days later. Here are his words:

> The final solution must give to the German people economic freedom and equality of treatment, and there must be an end of military occupation. Dusseldorf,

Duisburg, Rhurort must be evacuated. There must be an abandonment of policies of sanctions, reprisals, and all coercive measures.

Who speaks thus—the victor? No, the vanquished; why? Because he believes the Allies are divided. If the Allies were united he would give in. The reason is obvious: because it would mean might. That is the only law he understands.

Austria is being rehabilitated—why? Because it has recognized its utter helplessness and thrown itself upon the goodwill and mercy of the Allies. Not so with Germany. Insincere and arrogant, it has remained, since Armistice Day, to such a degree that everybody regretted at a certain juncture, and regrets to-day, that before the 11th of November a knockout blow was not delivered that would have brought her down to her knees, penitent or impenitent.

Germany must be compelled to admit that she lost the war. Only then will she begin to work out her salvation on orthodox lines. When she is brought to the same mood as Austria, she will likewise allow complete financial control. Only then will she be trusted by the outside world.

Her first step will be to recall and annul the trillions of marks issued at such an infinitesimal fraction of a centime that it is difficult to reckon it. A few millions of gold dollars would redeem them all at their market value. Only speculators would suffer. We are not interested in them. They are all over the world, I am told. Let us pass them by. When Germany has recalled all that nearly valueless paper, either by buying it at its present price, which is next to nothing, or by cancelling it, she will then start afresh with a new currency, backed by gold borrowed abroad. But no country in the world will advance gold to Germany without guarantees—and I believe nobody will advance gold to Germany without military guarantees. By military guarantees I mean guarantees like those we put into the hands of a bailiff when he goes to seize a person's goods. During the French Revolution we had the experience of assignats and mandats. They were not printed to as considerable an extent as we have seen in very many countries, yet they were sufficient to drive out of circulation in France all gold and silver. As my right. honourable friend (Right Hon. Sir George E Foster) has well said, bad money chases away good money. But when they became practically valueless, first the assignats were withdrawn and replaced by the mandats at one-quarter of their face value, and then the mandats started to slump, and when they had become nearly valueless, they too were withdrawn. What occurred next day? Silver and gold reappeared throughout France, as if by magic.

It has been urged that Germany will be unable to pay 132 billion gold marks assessed against her. At present that is doubtless true. But out of the three series of bonds—A, B, and C—only the two first have been issued, representing 50 billion gold marks, payable in annuities of 3 billion gold marks, equal to $707,000,000, or £145,607,000. Is that an amount which Germany is unable to meet? Great Britain's interest and sinking fund on its debt of £7,800,000,000 is more than double that figure. It is over £350,000,000. What is being asked of Germany is £145,607,000, or three billion gold marks a year, just about the sum voted by the German Reich for the Army and Navy in 1913 and in 1914 in its special and extraordinary budget. So I have read recently in an important review. Germany can pay, and will pay when she must.

The right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) recognized that what was uppermost in the minds of the peace delegates at Paris was the reparation of material damage done by the enemy, and that it was Mr. Lloyd George who succeeded in adding the pensions. It was the latter claim that had enabled many economists and financiers to say that the amount asked of Germany was too large. It is agreed on all hands that if any deductions are ever judged necessary they will bear on the pension item, which took second place in the estimation of the negotiators.

The reparations for damages wrought on the battlefields and in the occupied territory were to be made primarily in any case. These reparations were markedly unequal among the Allies. Once they were met, all the Allies came in under an even rule for the pensions to be paid. How came it that, when the Allies fixed the ratios to which they would be respectively entitled in the distribution of the instalments to be paid by the Germans, a preference was not naturally and logically allowed for these material damages, according to the ratio of damage suffered under that head?

The Dominion of Canada will surely be surprised to learn that it played a principal part in that decision, although not present at that conference. When the French Prime Minister, Mr. Millerand, who is now President of the Republic, returned to Paris and gave out to Parliament the conclusions arrived at, he was asked by a member of the Lower House why

a preference had not been obtained for the rebuilding of the devastated regions, and the Prime Minister answered that Mr. Lloyd George had refused it because the Dominions insisted upon receiving at once their share of the German payments. I do not know what justification Mr. Lloyd George had for that statement. I have searched in vain for such a mandate from Canada. Neither the Department of External Affairs nor the Right Honourable Sir Robert Borden nor his principal colleagues would stand sponsors for it.

Mr. Lloyd George seems to have shifted upon our shoulders the odium attaching to his own act—at all events, as far as Canada is concerned.

It has often been said that Canada should stand as an interpreter between Great Britain and the United States. Why not also between Great Britain and France?

It was Woodrow Wilson who said at Glasgow: "By coming together we saved the world. By keeping together, can we not ensure the peace of the world?" The United States could have been the cement which would have kept the Allies together. Europe needed a disinterested umpire. The great American republic could have insured the peace of the world. It had the unique opportunity in the course of time to render that unexampled service to humanity. That privilege and that duty were lost sight of in the turmoil of a party wrangle. If the United States had joined the Allies, and remained with them, the Greeks and Turks would have agreed to a compromise, which would have brought about peace in the Near East, and Germany would have been cowed into submission.

The absence of the American influence was most probably the reason or excuse for a reversion to the old policy of equilibrium called the balance of power. Great Britain, whose diplomacy has led the world successfully through so many crises, had the misfortune of lacking a seasoned statesman to help to guide Europe after the war. Mr. Bonar Law said of Mr. Lloyd George that he had been during the war a useful drummer, who had enthused the soldier and the civilian, but that the drummer was not good in a hospital. We all know how sick is Europe. The fundamental reason for Mr. Lloyd George's rejection, added Mr. Bonar Law, was that the people everywhere felt and said that under his rule, "we don't know where we are to-day, and cannot tell where we will be to-morrow." I believe that history will be more generous towards Mr. Lloyd George, and will grant him a higher place than that of a simple drummer. He will remain one of the outstanding figures in this gigantic drama. Unfortunately for him, his dictatorship did not end with the war. It soon became apparent that he had neither the training nor the instinct of the diplomat, nor according to many home critics, the character. What was the result of his leadership in peace time? Sir Gilbert Parker, M.P., though a friend, and up to recently a follower of Mr. Lloyd George, gave the answer when, speaking on the 2nd of March last before the Empire Club at Toronto, he made the affirmation that "after the war, Lloyd George alienated every country in Europe." I will not dilate upon his disastrous failure in his Near East policy. As far back as May 18, 1921, the London Morning Post, in a thoughtful article, raised the cry of alarm against the personal foreign policy of Mr. Lloyd George, on the occasion of the Upper Silesia crisis. I have tried in vain to summarize it: I must read it all:

France or Germany—Which?

For the sake of truth and plain dealing let us brush away all the nonsense which is being talked about the French "misunderstanding" in the Prime Minister's speech. The French are not fools, and there is no misunderstanding: they gathered from the speech what we gathered from it. And what we gathered from it was nothing less than this: That the Prime Minister is preparing to throw over the Entente with France and to sacrifice Poland to Germany. The Prime Minister deliberately used language about Poland which could not be interpreted in any other sense, and through Poland he struck no less deliberately at France. The crudeness and brutality of the speech left no room for misunderstanding. Not even a German could misunderstand it, and the Germans understand it in the same sense as the French. Therefore let us have no more hypocrisy in the matter, but discuss in plain language what the Prime Minister is doing. Let us begin by saying that there are only three courses open to this country in its foreign policy: (1) Isolation; (2) an entente or alliance with France; (3) an entente or alliance with Germany. As to the first course, it was possible when England after the victory of Waterloo had no serious rival in Europe; it became impossible with the growth of a German Empire which plainly threatened England. When it became impossible our statesmen made certain desperate and ignominious attempts to come to terms with Germany. These failing, they were forced to turn to France, and friendship with France implied friendship with Russia. It can hardly be said that the defeat of Germany makes isolation possible once more, because in the first place Germany was never thoroughly defeated; and, in the second place, Russia has fallen out of the European scheme. Germany is, at present, potentially and essentially, the greatest Power in Europe—by reason of her population, her great industrial system, and her position and means to exploit Russia. Therefore we have again to make the choice of only two alternatives—whether to make friends with Germany or keep friends with France.

Our policy, hitherto, as we need hardly explain, has been friendship with France. And friendship with France implied general support of French policy in Europe. France, we may say, is like a warrior who has crawled off a battlefield victorious,

but desperately wounded, leaving an enemy defeated but still strong and dangerous. And France, moreover, has left dead upon the battlefield—her best friend, Russia, whose weapons as she knows will be seized by her enemy. Therefore what France has done is to make of Poland an independent nation, which to some extent at least may take the place of Russia. France calculated that with the friendship of England and the support of Poland, she might be able to hold her own in the future, but certainly no more than hold her own. Such was her policy, a policy as well calculated to protect England as to defend France. A strong independent Poland is obviously a British interest as long as we take the side of France in the European concert. For Poland is a check on Prussian power in the East, and also Bolshevist power in Russia, and prevents these two coming together. It also opens an area for British trade which we could not hope to find in a German Poland. Therefore it was in the British interest to support France in her attempts to make of Poland a strong, independent Power. And such was the official British policy—accepted as everybody thought by Lord Curzon as Foreign Minister, and by the Coalition. Yet Mr. Lloyd George has from the very beginning openly and secretly worked against this policy, and has used every opportunity to weaken Poland, and thus defeat the policy of France. The case of Danzig, the historic port of Poland, which our Prime Minister insisted should go to the Germans, made the position clear even at the Paris Conference, and now his Whitsuntide speech leaves no shadow of doubt.

That being so, any person of intelligence—and the French are intelligent—must conclude that our Prime Minister's policy is to desert France and form an entente or alliance with Germany—a return, in fact, to the Haldane policy. And that is exactly our view of what Mr. Lloyd George is doing: he is throwing over France and he is taking up with Germany. There is no advantage in mincing words about it. Let us rather fairly consider whether it is a possible policy for England to pursue. And it seems to us, if we may say so, that it presents several insuperable difficulties. The first is that Germany is our chief industrial and commercial rival. She is at the present moment destroying British industry by an organised invasion of dumped goods. It is difficult to be friendly with a Power which is engaged in destroying our industries. In the second place, Germany is strongly suspected of using her hirelings, the Russian-Jewish Communists and their propaganda, for the continual disturbance of our industrial peace so as to make it impossible for us to recover from the effects of the war. In the third place, there is no doubt at all that Germany hates England. When the mask of peace was thrown aside the Germans, with their customary brutality, expressed their true feelings about us. They sang their Hymn of Hate. They vowed to destroy us utterly; they carried the war against us far beyond the field of battle into every sphere of life and into every part of the world, and it was then apparent to every intelligent man that these sentiments were their true sentiments, and that their plans for our destruction had been prepared long prior to the war. All these things being so makes an alliance with Germany very difficult. But there is one small circumstance—and Mr. Lloyd George may have forgotten it—which makes it impossible. And that is that the English people will have none of it. Lta Mr. Lloyd eorge frankly avow his purpose of an entente with Germany either in the House of Commons or on a public platform and he will soon see that we are right. Not even his popularity would survive a week.

I hold Mr. Lloyd George in a large measure responsible for Germany's attitude. She has felt all along that she had a friend at Court.

Hon. Mr. DANDURAND.

His speeches were placarded throughout Germany, and German workmen read the substance of them from the bill-boards in the public streets. And what do we behold since he has left office? In his articles to Mr. Hearst's yellow press, he reveals an extraordinary state of mind. The entry of the French in the Ruhr has stirred his soul to a greater depth than did the firing squad which shattered the noble breast of Edith Cavell and the torpedoes which sunk the Lusitania and the hospital ship the Llandovery Castle, with our nurses. Here are his words taken from the Montreal Star of January 20:

> France has once more jumped on the postrate form of Germany, and the sabots have come down with a thud that will sicken the heart of multitudes on both sides of the Altantic whose friendship for France stood the losses and griefs of a four years' war.

It is such language that has sickened the heart of all right-minded men throughout the world. Is it to be wondered at that the friends and Allies—Poland, Czecho-Slovakia, Rumania, Jugo-Slavia, Italy, France, and Belgium—who are keeping an anxious eye, by day and by night, upon an untamed enemy —Germany—and a fuming volcano—Russia —ceased looking towards London for direction and protection, and turned towards Paris? And, to add a ludicrous note to this tragedy, it was Mr. Lloyd George himself who was bitterly complaining, recently, that Great Britain was playing too meagre a roll in European affairs.

My right honourable friend (Right Hon. Sir George E. Foster) closed his eloquent oration with a suggestion that this question of reparation be left to the League of Nations for solution. It is a very easy matter to suggest this, but we would be moving in a vicious circle. The League of Nations can be seized of this matter if Germany will qualify to enter that League. But Germany is not a member of the League; and why is she not a member? Because she will not conform to the prescriptions of the first Article of the Covenant, which reads as follows:

> Any fully self-governing State, Dominion, or Colony not named in the Annex may become a member of the League if its admission is agreed to by two-thirds of the Assembly, provided that it shall give effective guarantees of its sincere intention to observe its international obligations, and shall accept such regulations as may be prescribed by the League, in regard to its military, naval and air forces and armaments.

Until Germany gives proof of a change of heart and mind, France, Belgium, and most of the Allies will justly refuse to sit in the League of Nations with their fraudulent and defaulting debtor.

Since Canada has entered world-politics by joining the League of Nations, and since London diplomacy will react on this country, it is our right and duty to express our opinion on matters which vitally interest us, and to state with emphasis that it is our ardent hope that Great Britain and France, the two countries from which we spring, will go forth, hand in hand, towards that goal which we hope to be in sight—Peace based on Justice.

These views I believe to be those of a large majority in Canada.

The only official statement I bring to this House is that the papers asked for by the right honourable gentleman were laid on the Table of the Senate on the 1st of February last.

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

THE SENATE

Friday, April 27, 1923.

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

Prayers and routine proceedings.

POSITION OF WALTER DUNCAN

UNSATISFACTORY ANSWER

Hon. Mr. GRIESBACH: A few days ago I put several questions on the Order Paper and yesterday I received a reply. What I complain about is the nature of the reply, which does not at all answer two of the questions. My first question was:

Is one Walter Duncan in the employ of the Postmaster General of Canada or in the employ of the Minister of Justice, and if so in what capacity?

The answer given is:

Walter Duncan is employed as a special investigation officer under the direction of the Department of Finance.

In my question I asked simply for yes or no. If there are qualifying observations that the Government cares to offer, they might follow, but I must ask for an answer to my question.

In regard to the second question:

Is the said Walter Duncan entitled to describe himself as Chief Federal Police Investigator and Special Representative of the Postmaster General of Canada, or by either of these designations?

The answer given is:

His services were loaned for a period to the Post Office Department for special investigation work.

Again I say I should have an answer—yes or no. If there are any qualifying observations, they might follow.

So I now give notice that I will repeat these two questions:

1. Is one Walter Duncan in the employ of the Postmaster General of Canada or in the employ of the Minister of Justice, and if so in what capacity?
2. Is the said Walter Duncan entitled to describe himself as Chief Federal Police Investigator and Special Representative of the Postmaster General of Canada, or by either of these designations?

The hon. the SPEAKER: I have not had time to look up the rule, but I would point out to the honourable gentleman that he has to accept the answer made by the Minister.

Hon. Mr. CASGRAIN: Without comment.

The Hon. THE SPEAKER: If the honourable gentleman is not satisfied, there is nothing he can do. The answer having already been given, I do not think this notice can be placed on the Order Paper.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, with all due deference to what His Honour the Speaker has just observed, while there is a rule to that effect, yet there must be an answer to the questions. That is to say, the member asking a question must accept the answer of the Government, provided it is an answer to the question he has asked; but where there is an evasion of the question by the answer given, it is quite clear that it does not come within the rule. Members of this House are entitled to inquire of the Government respecting any subject that may come within the purview of the administration of government, and the object of well-established parliamentary practice would be defeated if the Government could escape responsibility by an evasive answer. Now, my honourable friend from Edmonton (Hon. Mr. Griesbach) has submitted two questions which can be answered simply by yes or no, and he is entitled to that answer. If the Government says yes, though the proper answer would be no, the honourable gentleman must accept the reply. But the Government cannot evade or shift responsibility by dealing with some other subject or dealing with some other Department than that concerned in the question which has been asked. I think that members of this Chamber should insist upon parliamentary practice being observed, because it is quite manifest that the business of Parliament cannot be transacted unless proper information is given to members of Parliament who ask questions upon public subjects, to which they are entitled to a satisfactory answer.

Hon. Mr. CASGRAIN: Honourable gentlemen, I thought the honourable leader of the Opposition, in making his criticism, would

give the solution. It is a very simple solution. If the honourable member from Edmonton is not satisfied with the answer, all he has to do is to give notice that he will call attention to the unsatisfactory answer given on a certain date by the Government. Then the matter will come up for discussion, and he may say all he likes.

Hon. Sir JAMES LOUGHEED: What about the Government, may I ask my honourable friend? That does not secure the answer.

Hon. Mr. CASGRAIN: When the discussion takes place the Government will have to answer.

Hon. Sir JAMES LOUGHEED: Not necessarily.

Hon. Mr. DANDURAND: Honourable gentlemen, I confess that, as I had not the questions and answers before me when the honourable member from Edmonton (Hon. Mr. Griesbach), rose to express dissatisfaction with the answers, I could not well challenge his statement. The impression I gathered was that the answer was not an absolutely clear answer to the question, except by implication. The honourable gentleman asked whether Walter Duncan is in the employ of the Postmaster General of Canada or in the employ of the Minister of Justice. The answer is that he is in the employ of the Finance Department. Well, I think that is a complete answer to that first question.

Hon. W. B. ROSS: No.

Hon. Sir JAMES LOUGHEED: No. The honourable gentleman asks if Duncan is in the employ of the Post Office Department.

Hon. Mr. DANDURAND: The answer is that he is employed by the Finance Department, but that his services have been loaned to the Post Office Department.

Hon. Sir JAMES LOUGHEED: Then he is not in the employ. My honourable friend will pardon me if I illustrate the situation in this way. An officer of the Government represents to the public that he occupies a particular office. Then, surely it is the right of a member of Parliament to ask the Government if that officer occupies the particular position which he represents himself as filling. If he is not filling that particular position, but is in some other, why should not the Government say that he does not occupy a position in the Department mentioned, but he does in another Department. There should be no distinction between the clarity of an answer given by the Government to a question by a member of Parliament and the clarity of an answer given in the witness box by a witness under examination for the purpose of securing evidence of facts. The cases are clearly parallel, and the same rule that is observed in a judicial tribunal, it seems to me, should be observed in Parliament.

Hon. Mr. DANDURAND: I simply want to show on the face of the answer that there was no deliberate evasion of the question. Before stressing that point I may say that I inquired two or three times why an answer was not forthcoming. It was one of those questions that affected more than one Department; so the Departments had to be circularized. It was not a question that was to be addressed simply to the Postmaster General. It went to the Department of Justice, and apparently also to the Finance Department. Now, what is the question?

Is one Walter Duncan in the employ of the Postmaster General of Canada or in the employ of the Minister of Justice, and if so in what capacity?

The answer, it seems to me, should fully satisfy the honourable Senator who put the question. He was wrong as to the Department in which Duncan was employed, because the answer is:

Walter Duncan is employed as a special investigation officer under the direction of the Department of Finance.

Hon. Sir JAMES LOUGHEED: No, that is not an answer.

Hon. Mr. DANDURAND: What is the second question?

Is the said Walter Duncan entitled to describe himself as Chief Federal Police Investigator and Special Representative of the Postmaster General of Canada, or by either of these designations?

The answer is:

His services were loaned for a period to the Post Office Department for special investigation work.

Hon. Sir JAMES LOUGHEED: That is not an answer.

Hon. Mr. DANDURAND: Apparently this answer came from the Finance Department, the Department that has that gentleman under its charge. Of course, I recognize that the particular question, "Is he entitled to describe himself as Chief Federal Police Investigator and Special Representative of the Postmaster General of Canada," is one which would have to be dealt with by the Postmaster General, the Acting Postmaster General, the Deputy Postmaster General or the Acting Deputy Postmaster General, who would tell us what kind of credentials were given to that investigator when he went to the places which my honourable friend (Hon. Mr. Griesbach) represents.

Hon. Sir JAMES LOUGHEED: They can surely say yes or no to that question.

Hon. Mr. DANDURAND: But apparently the question was answered by the Finance Department, and all that the Finance Department could say was that the title of that person in that Department was "Special Investigation Officer," and that it had lent that Special Investigation Officer to the Postmaster General. Did the Postmaster General give him a higher title? I do not know.

Hon. Sir JAMES LOUGHEED: That is what we want to find out.

Hon. Mr. DANDURAND: That is for me to ascertain.

Hon. Mr. GRIESBACH: That is all I want to know. If the honourable gentleman does not know, notwithstanding that the question is fully answered, then he will understand my unfortunate position, because I do not know. And that is what I want to know.

Hon. Mr. DANDURAND: So that we need not discuss the point taken by His Honour the Speaker. I will endeavour to obtain the real high-sounding title given to that gentleman when he left the Post Office Department.

Hon. Mr. GRIESBACH: I am more particularly interested in the high-sounding title he gives himself.

Hon. Mr. DANDURAND: Where did he give it?

Hon. Mr. GRIESBACH: In certain proceedings in court.

THE SHAUGHNESSY BUILDING, MONTREAL

INQUIRY

Hon. Mr. BLAIN inquired of the Government:

1. Has the Government entered into negotiations for the purchase of the Shaughnessy Building, Montreal?
2. If so, at what stage do the negotiations now stand?

Hon. Mr. DANDURAND: To the first question, the answer is no. An offer has been received in the Department for the sale of the building, but no action has been taken upon the offer.

GOVERNMENTAL PRIVATE CARS AND MOTOR CARS

INQUIRY FOR RETURN

Hon. Mr. FOWLER: I would like to ask the Leader of the Government how he is making out with the return in answer to my motion.

Hon. Mr. DANDURAND: I inquired personally of the Secretary of State in regard to this matter, and he informed me that he had quite a number of answers from various departments, and that he was hoping to get the balance of them shortly. I asked him to kindly press the delinquents.

Hon. Sir JAMES LOUGHEED: Why not take it in instalments?

Hon. Mr. FOWLER: No, I want it all together.

COST OF THE CIVIL SERVICE

INQUIRY FOR RETURN

Hon. Mr. BRADBURY: I desire to call the attention of the leader of the House to the fact that on the 13th of April a motion was passed for a return showing:

The total cost of the Civil Service for the year ending March 1st, 1919, and for the year ending March 31st, 1922. By the Civil Service is meant all the Government employees affected by the provisions of the Civil Service Act, 1919, and its amendments.

This motion was made because it seemed impossible to get a proper answer to an inquiry which I had previously put on the Order Paper. I would like to ask the leader of the Government if there is any possibility of getting this information and getting it correctly.

Hon. Mr. DANDURAND: I will inquire, press, and pray.

Hon. Mr. BRADBURY: I would recommend the honourable gentleman to do considerable praying, because I think it is necessary.

DIVORCE BILLS

FIRST READINGS

Bill J4, an Act for the relief of George Austin Trow.—Hon. Mr. Ratz.

Bill K4, an Act for the relief of Ethel Joan Buchan.—Hon. Mr. Turriff.

Bill L4, an Act for the relief of Louisa Wemp.—Hon. Mr. Turriff.

THIRD READINGS

Bill C4, an Act for the relief of Mabel Gertrude Johnston.—Hon. Mr. Bennett.

Bill D4, an Act for the relief of Wilfrid Charles Brown.—Hon. Mr. Bennett.

Bill E4, an Act for the relief of Gertrude Andrews.—Hon. Mr. Ratz.

Bill F4, an Act for the relief of William Henry Davidson.—Hon. Mr. Bennett.

Bill G4, an Act for the relief of George R. Webb.—Hon. Mr. Hardy.

Bill H4, an Act for the relief of Katharine Bryans.—Hon. Mr. Blain.

PRIVATE BILLS

THIRD READINGS

Bill 33, an Act repecting The Canadian Niagara Bridge Company.—Hon. Mr. Lynch-Staunton.

Bill 37, an Act to incorporate Buffalo and Fort Erie Public Bridge Company.—Hon. Mr. Pardee.

Bill 39, an Act respecting The Rutland and Noyan Railway Company.—Hon. Mr. Beique.

OPIUM AND NARCOTIC DRUG BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 72, an Act to prohibit the Improper Use of Opium and other Drugs.

He said: The purpose of this Bill is principally to consolidate previous legislation for the suppression of the traffic in narcotic drugs. Legislation was first enacted in 1908, and subsequent legislation was enacted in 1911, 1919, 1920, 1921 and 1922. At present the legislation is somewhat confusing, and the purpose of this legislation is to make the interpretation of these different statutes clearer and easier for those charged with the administration of this law.

I may say that Section 24 gave us considerable trouble last Session. Although it was passed by the other House, it was eliminated in this House. The Minister thinks it is important that he should again test the opinion of Parliament, more especially of this Chamber, and we shall have to discuss the question seriously and thoroughly when the Bill comes before us in Committee.

Hon. Mr. McMEANS: I would like to ask the honourable gentleman if he can explain section 24 of the Bill. It is a very peculiar section. The Act provides two different tribunals before which offences can be tried. If a man is tried before a judge, he is liable to seven years' imprisonment in the penitentiary, but if he is tried before a magistrate, the greatest penalty he can get is eighteen months and a fine of $1,000. Vice versa, if he is tried before a judge he may be sentenced to only one day in jail, but if he is tried before a summary court, he cannot get less than six months' imprisonment and a fine of $200.

I desire to draw the attention of the leader of the Government to this section, and to ask him whether he would not consider it better to re-draft it. It is contradictory, and does not seem to be reasonable.

Hon. Mr. DANDURAND: I might say that the only attention I gave to this Act was as to the modifications suggested to the existing Acts, but I will examine into the questions which my honourable friend raises in order to be able to answer him when we go into Committee.

Hon. Mr. McMEANS: I would like to draw the attention of the leader of the Government to the question of taking away the right of appeal. In my opinion, the appeal should not be limited. When the question came up in this House last Session it was very fully and thoroughly argued that it was dangerous to take from any British subject the right of appeal, especially when the penalties are so extremely severe as they are in this Act. When anyone is accused of an offence under this Act, he is presumed to be guilty unless he can prove himself innocent, the onus being on the accused. It may be that the offence of carrying drugs is so serious that it may be right to make such a provision, but I hold that it is dangerous to take away the right of appeal. It is even more so since the Privy Council, in a recent case, decided that a writ of certiorari shall not lie in any case by way of appeal, if the magistrate or the convicting inferior judge has any jurisdiction whatsoever. All that needs to be done is to show that the inferior court has jurisdiction, and there cannot be any appeal under any circumstances.

To illustrate what I mean, let me give an instance that happened a short time ago. A man bought a farm in a wooded portion of the province of Manitoba, and took possession of it. In a very short time he was visited by revenue officers of the Dominion, who searched the place and found in an old stable a portion of a still. The man was immediately brought before a magistrate. He had no counsel, not thinking there was any necessity for one, and he was fined $700. Half of the fine went to the informer, who turned out to be the man who had sold him the farm, and knew where the old still was. The accused in that case had no remedy whatever; the magistrate had jurisdiction, and there was no appeal, and the accused had to pay the fine of $700, half of which went to the informer. I think the right of appeal is a very important matter.

Section 24 of this Bill provides that an appeal shall lie where the case is tried by two justices. As none of these cases are tried by two justices, this is simply a way of getting around the question. The principal thing is the trial, and it is a summary matter. I would also point out that if the accused is tried by a judge of a superior court he can have a case reserved for the Court of Appeal and thus obtain the benefit of an appeal, but

if he is tried by a magistrate, who is an inferior judge, there is no appeal. Now I think the reverse of that should be the law—that if you are going to take away the right of appeal at all, it should be in cases where the accused is tried by a judge who knows something about these matters. But when he is tried in an inferior court by a magistrate, who probably is not at all versed in matters of law, you take away his right of appeal. That is absurd; I cannot understand why it should be done. I have explained once or twice before that the magistrates throughout Western Canada are appointed by the local Government and hold their positions at the will of the Government, and, being very often inexperienced, they do as they are told by the Crown prosecutor. Another point is that those magistrates get no fees unless there is a conviction. Now, that is not the kind of court in which to try a man accused of a crime which has very serious consequences attached to it.

Hon. Mr. DANDURAND: Do I understand that the magistrate only gets a fee if there is a conviction?

Hon. Mr. McMEANS: I am speaking of the magistrates outside of cities and towns. In the larger courts they get a salary but in most cases in rural districts I think they are paid entirely by fees, and I am quite sure that if they do not make a conviction they do not get the fee.

Hon. Mr. FOWLER: That is true.

Hon. Mr. McMEANS: So my honourable friend will see the seriousness of taking away the right of appeal. Where a competent judge tries the case there is an appeal, but where an incompetent judge tries it you take away the right to appeal. Of course, I am speaking in a limited sense as to incompetence.

Hon. W. B. ROSS: I would like to ask the honourable leader of the Government if, before this comes up in Committee of the Whole, he would consider taking out section 24, and in place of it inserting what is now the side-note to that section. That side-note is perfectly intelligible, and an ordinary man on reading it can see what it means. I think it is very much simpler and better than section 24 itself, which is a sort of omnibus section, and it would take a lawyer of ten years standing to understand just what it means. It is better to make the side-note the section.

Hon. Sir JAMES LOUGHEED: And make the other the marginal note?

Hon. Mr. ROSS: Yes.

Hon. Mr. DANDURAND: I may say that I will move an amendment to section 14. I will ask to strike out the words in line 3 after the word "establish", and make it read in this way:

> Where a charge is laid under either paragraphs (a), (b), (d) or (e) of section four of this Act, the onus shall be upon the accused to establish that he had lawful authority to commit the act complained of, or that he had a license from the Minister authorizing such act.

I think that the clause as it stands is too much of a wrench of the principle that the accused is to be held innocent until he is found guilty.

Hon. Mr. BELCOURT: My honourable friend in his statement mentioned that the different statutes which are now being consolidated were those of 1911, 1919, 1920, 1921 and 1922; but 1919 is not mentioned in section 27 providing for the repeal. What is the reason that one is left out?

Hon. Mr. DANDURAND: I will ascertain why the statute of 1919 has been left out.

Hon. Sir JAMES LOUGHEED: I should like to ask my honourable friend what his views are on the abolition of appeal. It is a very drastic step to wipe out at one fell swoop a remedy of this kind, which is accorded practically throughout the whole of our jurisprudence. We should have some pronouncement upon that subject before the vote is taken upon the principle of the Bill.

Hon. Mr. DANDURAND: That question does not affect the principle of the revision. We are revising the whole of the Act, and there is no objection to that. When we go into Committee, we may decide to strike out the clause.

Hon. W. B. ROSS: But is not section 24 new?

Hon. Mr. DANDURAND: It is a new section, and designed, in the view of the Department, to limit the right of appeal to a stated case on a point of law with respect to offences under paragraphs (a), (b) and (e) of section 4 of the Act, which deals with persons importing, having in possession without license, or selling to a minor (drug smugglers or pedlars), except where the case is tried before two justices of the peace. So that it will be seen that the appeal is done away with in special cases only. The effect of this section is to prevent an appeal on the facts. A similar provision exists in the Criminal Code with regard to disorderly houses. This section is made necessary through the fact that the

right of appeal is being greatly abused, as it is the common practice of these drug peddlers to serve notice of appeal, as a matter of course, in the hope that Crown witnesses may disappear or that some technicality may be found in the wording of the charge, etc. A similar section was incorporated in the Act at the last Session, and was passed by the House of Commons, but struck out by the Senate.

I did not discuss this feature of the Act with the Minister who has presented this Bill, but it was stated that the drug traffic seemed to be concentrated in two large cities. Montreal was mentioned, but I do not know whether Toronto is the other one.

Hon. Mr. WATSON: Vancouver.

Hon. Mr. DANDURAND: Then it would be Montreal and Vancouver. The trouble is that vendors in those two centers are arrested in considerable numbers, but they do not seem to be deterred by the penalties imposed, and the importation continues.

It was the Minister or some member of the House of Commons who said that, inasmuch as this traffic was concentrated in those two cities, it was hardly likely that the point raised by my honourable friend from Manitoba (Hon. Mr. McMeans), that some magistrate might err on the facts, would arise, in view of the fact that these cases are tried by magistrates of standing who have had a number of years' experience at the Bar, who rank fairly high in their profession, and who know the law and can appreciate the facts. I saw that argument put up in favour of this amendment. Of course, I realize that the Senate will have to alter its opinion, as registered last year, in order to accept this clause, and I know in advance that strong reasons will have to be given to the Senate to induce it to do so.

Hon. W. B. ROSS: I would suggest to the honourable gentleman whether it would not be wise for him to consider an alternative to abolishing the appeal. To abolish appeals would mean that we are not living in a really free country. There are courts here, for the purpose of hearing grievances, and if a man thinks he has a grievance it is a very high-handed proceeding to take away from him the right of appeal. I can understand, on the other hand, that a certain class of people might abuse the privilege. The way to deal with that is to leave the right of appeal, but to attach conditions to it, as is done in civil cases. The right used to be abused, and then the civil laws provided that if a man was going to take an appeal, he must give security in order to get a stay of proceedings. In this peculiar class of cases, dealing with drugs, it might be provided that in order to get his appeal the accused should pay the amount of his fine into court, or something of that kind. I think it would be wise for the Government to have some alternative to submit to us in substitution for the abolition of the right to appeal.

Hon. Sir JAMES LOUGHEED: In reply to what my honourable friend has said, the difficulty I see is that an appeal will be allowed upon a stated case upon a question of law. This would not meet the difficulty which will confront the public in the administration of this Act. In most cases the question will centre upon the possession of the drug in question, and we very well know that numbers of persons will be haled before the courts under this Act for knowingly having possession of the drug. Then the question will arise as to whether they knowingly had possession. Devices will be resorted to, as they are to-day, for the purpose of placing drugs of this kind in the possession of innocent holders. Under an appeal dealing simply with a question of law, or upon a stated case, the facts involved would not be presented in court; consequently the accused would have no redress, although he might be perfectly innocent of wrongful possession.

It seems to me that what the Government should work out is an accelerated form of appeal, by which the appeal would have to be brought within a stipulated time, and by which provision would also be made that the court should hear and dispose of the appeal. The difficulty can easily be overcome in that way. The objection in the past has been that appeals have been delayed to such an extent as to impede the course of justice. That would be easily overcome by prescribing that the appeal should be brought within a specified time, and that the judge or court or tribunal to which the appeal is made should be required to hear and dispose of it.

Hon. Mr. FOWLER: I think that the person applying for an appeal should give security not only for the costs of the application, and the appeal, but also for the fine, so that he could not slide out in the meantime.

Hon. Mr. PARDEE: How would it be if the sentence covered both fine and imprisonment? How would you work that out?

Hon. Mr. FOWLER: Hold the accused in custody until the appeal is settled.

Hon. Mr. WILLOUGHBY: We all recognize what it means to appeal, and to be held on appeal. I rise mainly in reference to the instructions that have been given to the leader of the Government to the effect that these offences are mainly committed in cities such as Montreal, Vancouver, and Toronto. That may be true, but I know there are a great many prosecutions in small places in the West for offences under this Act. I personally know of one case in which a plant was put upon a Chinaman, with the alleged connivance of the police of that particular place. The right of appeal existed and it was proven that the Chinaman in whose possession the opium was found had not wrongfully brought it there but it had been planted there for the purpose of trapping him. That man was absolutely hopelessly convicted, and would have remained so but for the right of appeal. I do not know whether opium circulates in the East so much as in the West near the Pacific coast, but I know that trials for offences against the Opium Act are quite common throughout the West. Perhaps we do not hear so much about them because we do not always succeed in getting convictions, but they are not confined to the larger cities in which magistrates preside who have had long experience in conducting cases. If that were so, perhaps there would be no great abuse. The other objection pointed out by the honourable gentleman from Winnipeg (Hon. Mr. McMeans), that under the decision of the Privy Council questions of fact cannot be investigated on a certiorari proceeding, makes it all the more important that the liberty of everybody, including that of the Chinaman, who is the usual trafficker in these drugs, should be protected.

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

FOREST RESERVES AND PARKS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 82, an Act to amend the Dominion Forest Reserves and Parks Act.

He said: This Bill amends the Dominion Forest Reserves and Parks Act, and describes anew a certain number of forest reserves. The statement which is made by the Department will explain the reason for this redescription of those forest reserves. In the schedule a new description of each of the 39 reserves is included, although there is no change proposed in the areas comprising many of those reserves. The rewriting of the schedule was approved owing to the fact that the original description in the 1911 Act was made by the metes and bounds system, which is a very cumbersome and complicated method, and also in view of the fact that in the numerous amendments of the original Act the lands added or withdrawn have been described by section, township, and range. The result is that it is a very difficult matter for anyone not familiar with the Act and all its amendments to determine the lands which are included in forest reserves. In the schedule which accompanies this Bill, each reserve has been described by section, township, and range, all previous withdrawals or additions having been taken into consideration and provision having been made for such alterations as are proposed in the present Bill.

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

INDUSTRIAL DISPUTES INVESTIGATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 84, an Act to amend the Industrial Disputes Investigation Act, 1907.

He said: Honourable gentlemen, one of the objects of this Bill is to facilitate the application of employers or employees for a Board of Investigation. Heretofore it has been difficult to affirm that negotiations had taken place and that all efforts to effect a settlement by negotiation had failed. For instance, a demand would be made by a committee of employees for an increase of wages, or for some other object, and there would be no answer. Under the present amendment the necessary declaration can be made by stating that it has been impossible to secure a conference or enter into negotiations.

Clause 2 has for its purpose to make clearer the object of section 57 of the Act. It determines upon whom rests the responsibility for making the application for a board of conciliation and investigation. The responsibility must rest somewhere. It also maintains the principle that the situation as between employer and employees shall not be changed before the dispute has been finally dealt with by the board. The party responsible for a proposed change, if opposed, is under obligation to ask for a board.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, just one word before the Bill is read the second time. Take section 2, for instance. It is a very blind piece of work to find out what is meant by that.

Here you are amending "section 57 of the Act, as amended by section 5 of Chapter 29 of the Statutes of 1910, and as further amended by section 5 of Chapter 29 of the Statutes of 1920." After all this, you go on to say that it is further amended by sticking in a phrase here, a phrase there, and a phrase in another place. No Philadelphia lawyer that I know of could make himself equal to this thing. Why is it that when we are amending a statute we do not simply put in black and white before the Chamber what the law will be when the statute is amended?

Hon. Sir JAMES LOUGHEED: We have a rule on that.

Hon. Mr. DANDURAND: My honourable friend will find just what he asks for on the accompanying page.

Right Hon. Sir GEORGE E. FOSTER: There is no accompanying page with this.

Hon. Sir JAMES LOUGHEED: In my copy of the Bill the extra page is blank.

Hon. Mr. BELCOURT: Nothing in mine.

Hon. Mr. DANDURAND: My right honourable friend has before him the Bill as it passed the House of Commons. I happen to have the Bill as it was introduced for first reading, and printed with it is section 57, showing the additions in italics.

Hon. Sir JAMES LOUGHEED: Have we not the Belcourt regulation in force?

Hon. Mr. DANDURAND: We could perhaps insist upon it, but if my honourable friends will look into their files of Bills as introduced, they will see section 57 reproduced, with the intended changes shown in italics.

Hon. Mr. BELCOURT: There must have been two or three different printings of this Bill. Section 57 is not given in my copy.

Hon. Mr. DANDURAND: The copy my honourable friend has is very likely the Bill as passed by the House of Commons.

Hon. Mr. BELCOURT: I frequently took occasion, when my honourable friend opposite (Hon. Sir James Lougheed) was leading the House, to find serious fault that something of that sort had not been done.

Hon. Sir JAMES LOUGHEED: And you remedied the shortcoming very effectively.

Hon. Mr. BELCOURT: The result was that we adopted a rule.

Hon. Sir JAMES LOUGHEED: It has worked very satisfactorily.

Hon. Mr. BELCOURT: It has done exactly what my right honourable friend (Right Hon. Sir George E. Foster) asks. Now that there has been a change and the responsibility has shifted, I intend to carry on, and I ask that my honourable friend who now has the responsibility of leading this House will see to it that the rule is observed. In the case of every Bill that comes up to this House, if the regulation is not complied with I am going to ask that the Bill be not considered.

Hon. Mr. DANDURAND: I knew that it had been complied with to some extent, when I had the Bill in my hands. My honourable friend has the Bill as passed by the House of Commons, and I have it as introduced there.

Hon. Mr. BELCOURT: I know, but the rule we made was not for the House of Commons, but for this House.

Hon. Sir JAMES LOUGHEED: Furthermore, the law as it stands should be shown with the Bill in the form in which it receives its third reading, because on the first or the second reading in the House of Commons the Bill might be very materially changed.

Hon. Mr. DANDURAND: There might be amendments.

Right Hon. Sir GEORGE E. FOSTER: Besides, my honourable friend (Hon. Mr. Dandurand) is rather pledged. This same matter was considered last year, and the honourable leader on the Government side pledged himself, I think, to see to it that the rule was observed. That was my understanding. I am going to stand behind my honourable friend (Hon. Mr. Belcourt) who has just affirmed his determination to see that the rule of the Senate is carried out, because it is in the interest of good legislation. I am not a lawyer, and it is a sort of dunderhead piece of work for me to get into my head what is meant by all these things. So I think the Government, in bringing in measures, should make it as easy as possible for a man who is not a lawyer to understand what he is being asked to support.

Hon. Mr. BELCOURT: The responsibility is on some officer of this House who has not observed the rule, and I think it is about time that we should know just who it is that is not willing to have this rule observed.

The Hon. the SPEAKER: I think it is only right that I should point out to honourable gentlemen that in the case of Bills coming from the House of Commons, unless we have them reprinted, we have no con-

trol over the form in which they are presented to us. We canot insist that the House of Commons shall have them printed in a certain way. We might have them reprinted for our special benefit. Otherwise I do not know exactly how we are going to control the matter.

Right Hon. Sir JAMES LOUGHEED: I remember now that the hnourable leader of the House promised that at the beginning of this Session he would arrange for a committee of the Senate and a committee of the House of Commons, who, by agreement with each other, would have the Bills sent up to us from the House of Commons in the proper form. Then we would not need a double printing, and we would be saved all this altercation. My honourable friend has not carried out that intention.

Hon. Mr. BELCOURT: If we are going to have the rule apply only to those Bills which are introduced in this House, we might just as well dispense with the rule now, because the Bills introduced here first are only one in a hundred. If the other House does not carry out the rule there, it is futile. I say it should be carried out. No Bill should be introduced into this House unless it complies with our rules.

Hon. Mr. DANDURAND: If we went to the source of the trouble we would start by amending the form of the Bills that come from the other House. If honourable gentlemen will look at this Bill, for instance, they will see the second clause to read thus:

Section fifty-seven of the said Act, as amended by Section five of Chapter twenty-nine of the Statutes of 1910, and as further amended by Section five of Chapter twenty-nine of the Statutes of 1920, is further amended by inserting after the word "intended"—

Well, we would have to strike out that clause entirely and follow a practice which would be much better, by stating: "Section fifty-seven is repealed and the following is substituted therefor."

Hon. Sir JAMES LOUGHEED: Yes, the law as proposed.

Hon. Mr. DANDURAND: Of course, that would not give us complete satisfaction.

Hon. Mr. BELCOURT: That would not be observing the rule.

Hon. Mr. DANDURAND: Because it would have to be indicated in italics or in some way what were the changes that we were introducing in section 57.

Hon. Mr. BELCOURT: My honourable friend has forgotten the rule. The rule required, if I am right, that the section or sections of the Act to be amended or repealed should be printed in full on the page opposite. That is my recollection of the rule.

Hon. Mr. DANDURAND: Then the Minister of Labour, in the other Chamber, was not so far off our rule when he introduced the Bill in the House of Commons.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: However, we did not receive the Bill in the same form when it came from the House of Commons after its third reading there. The correct form was followed in printing the Bill as read the first time, but of course that is not satisfactory, because we do not know to what extent the Bill may have been amended in Committee. Annotations should have been printed on the side.

Hon. Sir JAMES LOUGHEED: The form now before us necessarily had to be struck off for distribution in the Senate, after the Bill had passed the House of Commons. Consequently the Printing Bureau had the other page, showing the present law, and all they had to do was to include it with the form in which the Bill passed the third reading.

Hon. Mr. BELCOURT: The rule seems to have been complied with in the other House.

Hon. Sir JAMES LOUGHEED: The Printing Bureau simply neglected to print it. That is all.

Hon. Mr. BELCOURT: I suppose that the fault lies at the Printing Bureau.

Hon. Sir JAMES LOUGHEED: Before the Bill is read the second time, can my honourable friend say, how long, under section 2, shall the employer have to continue, for instance, the existing wages before he is permitted to depart therefrom? As I understand, the purpose of the new provision is that an employer shall not be permitted to put into force reduced rates of wages after an application for a concilliation board is made. How long shall the matter remain in suspense? It seems to me that is an important point. Apparently all control of his employees, is under the Bill, taken out of the hands of the employer until the award is made.

Hon. Mr. BELCOURT: Is it possible to make any hard and fast rule? Will not the case depend very much upon the local conditions, etc.? I do not see how you could very well fix a definite period of time. I do not think you could have a general rule.

Sir JAMES LOUGHEED: But it is imperative, apparently, that the employer shall not put in force a lower rate of wages than obtained at the time the application was made. Now, there must be some limitation based on that; otherwise the proceedings might drag on for an unlimited time, during which the employer has no control over his employees so far as payment of wages is concerned.

Hon. Mr. BELCOURT: My objection is to the fixing of a uniform period of time during which the existing rate of wages cannot be changed. I do not see how it would be possible to make one rule for all.

Hon. Sir JAMES LOUGHEED: But should not the period of time be limited?

Hon. Mr. BELCOURT: Possibly.

Hon. Mr. DANDURAND: The change is not a considerable one, as my honourable friend will see if he reads section 57 of the present Act.

Hon. Sir JAMES LOUGHEED: But I have not that section.

Hon. Mr. DANDURAND: Would he not find it in his file?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: I will read it, and we shall see what are the changes. I shall indicate them as I proceed.

Section 57. Employers and employees shall give at least thirty days' notice of an intended—

The amendment inserts the words "or desired"

—change affecting conditions of employment with respect to wages or hours; and in the event of such intended—

And there are inserted the words "or desired"—

—change resulting in a dispute—

The new words are: "it shall be unlawful for the employer to make effective a proposed change in wages or hours or for the employees to go on strike"—

—until the dispute has been finally dealt with by a Board, and a copy of its report has been delivered through the Registrar to both the parties affected;

The new words are: "the application for the appointment of a Board shall be made by the employers or employees proposing the change in wages or hours." Now, the old Act continues:

Neither of those parties shall alter the conditions of employment with respect to wages or hours, or on account of the dispute do or be concerned in doing, directly or indirectly, anything in the nature of a lockout or strike, or a suspension or discontinuance of employment or work, but the relationship of employer and employee shall continue uninterrupted by the dispute, or anything arising out of the dispute; but if, in the opinion of the Board, either party uses this or any other provision of this Act for the purpose of unjustly maintaining a given condition of affairs through delay, and the Board so reports to the Minister, such party shall be guilty of an offence, and liable to the same penalties as are imposed for a violation of the next preceding section.

So that the only change is the addition of the words "or desired," and the words: "it shall be unlawful for the employer to make effective a proposed change in wages or hours or for the employees to go on strike."

Hon. Sir JAMES LOUGHEED: That is new, is it not?

Hon. Mr. DANDURAND: That is new. But, as the honourable gentleman will notice, the rest of the section shows that the status quo shall be maintained.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND: So this amendment simply makes it clearer that it shall be unlawful to alter the situation.

Hon. Mr. FOWLER: That does not affect the point raised by the honourable leader of the Opposition, that there should be a specified time for the determination of the question before the Board, and the matter should not be allowed to drift. There should be specified a certain number of days or weeks or months, as I understand from my honourable friend (Hon. Sir James Lougheed), so that the static position may not be allowed to remain too long.

Hon. Mr. DANDURAND: That point seems to have been taken into consideration in the last proviso of the old Act, which is not being altered, but which may be considered when we go into Committee:

But if, in the opinion of the Board, either party uses this or any other provision of this Act for the purpose of unjustly maintining a given condition of affairs through delay, and the Board so reports to the Minister, such party shall be guilty of an offence, and liable to the same penalties as are imposed for a violation of the next preceding section.

This may be insufficient.

Hon. Mr. FOWLER: It seems to me it is an inefficient provision.

Hon. Sir JAMES LOUGHEED: I do not see how price fixing or tendering or anything of that kind can be done in the meantime, unless the employer knows when the present rate of wage is to expire. For instance, it seems to me that it would be impossible for a manufacturer to assume that he would be justified in fixing a lower price for his product, because with a vague provision of that

kind hanging over his head he would be unable to arrive at a definite conclusion that a reduced wage would come into effect at a definite time.

Hon. Mr. DANDURAND: If the employer desires to fix a price for his goods on a given wage, and if he intends within a certain time to reduce the wage, undoubtedly he had better settle that point first and give notice that he intends to reduce on a certain date.

Hon. Sir JAMES LOUGHEED: Apparently he cannot do it.

Hon. Mr. DANDURAND: He will give notice. But if it is resisted, he has to ask for a Board and has to await the decision of the Board. Of course, when the decision takes place, he is free to proceed and disregard the order.

Hon. Sir JAMES LOUGHEED: It may tie him up for a year or more.

Hon. Mr. FOWLER: It says the Board may make representations to the Minister. There does not seem to be any difficulty in providing for that.

Hon. Mr. DANDURAND: We may discuss that when we go into Committee.

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

PENNY BANK BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 104, an Act to change the name of the Penny Bank of Toronto.

He said: Honourable gentlemen, that is the only change there is in the Bill.

Hon. Sir JAMES LOUGHEED: It is a small change act.

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

ANIMAL CONTAGIOUS DISEASES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 115, an Act to amend the Animal Contagious Diseases Act.

He said: Honourable gentlemen, last year we altered the scale of compensation to be given for a certain class of animals. This year the Minister of Agriculture suggests that the animals—

Right Hon. Sir GEORGE E. FOSTER:— are not worth so much, and that he will pay less.

Hon. Mr. DANDURAND: Yes, for pure-bred animals.

Hon. Mr. FOWLER: Is that the only change?

Hon. Mr. DANDURAND: Last year we dealt with the other class.

Hon. Mr. BELCOURT: This is an example of the incurable disease of our legislatures of manufacturing legislation by the barrel. We changed the Act last year; we change it this year; I supose we will change it next year.

Hon. Mr. DANDURAND: The value of the animals was raised because of the prices that prevailed during the war. Since the war, prices have gradually gone down. Last year we reduced the compensation to be given for a certain class of animals, but we left the pure-bred animals aside. This year the Minister suggests that the compensation for pure-bred animals be reduced from $200 to $150. Furthermore, when the Act came into force, the owners of animals that had been ordered killed on the basis of the preceding scale, presented themselves for payment, and were offered the amount that had come into effect in the last days of June. There are not many such cases, but the Minister provides for the situation, and asks leave to pay them the amount which had been agreed upon between them and the Department when the animals were ordered slaughtered.

Hon. Sir JAMES LOUGHEED: This is only a maximum, I suppose.

Hon. Mr. FOWLER: It is the maximum and the minimum as well.

Hon. Sir JAMES LOUGHEED: Does not an inquiry and valuation take place?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: Not at all. The owner is paid according to the statute, so much for a grade animal and so much for a pure-bred.

Hon. Sir JAMES LOUGHEED: Many of these animals are not worth that amount.

Hon. Mr. FOWLER: By reason of the conduct of the veterinaries in charge, a great deal of hardship is worked upon the farming community who are engaged in producing milk and butter. The amount which may be paid for pure-breds is sufficient, but the amount paid for grade cattle is not sufficient and does not begin to remunerate the man who, unfortunately, has had his cattle slaughtered. I think it would be well for the gen-

tlemen who are promoting this kind of legislation to go into the country and make a more particular study of conditions. Men engaged in the production of milk and butter are engaged in an arduous occupation which requires time and constant attention, because a cow has to be milked twice a day, Sundays as well as week days. That is the reason why mixed farming or dairy farming is not as popular as it otherwise would be. Many of these veterinaries go onto a man's farm, clothed with a little brief authority, and, to show their authority, they make it extremely awkward and nasty for the owner.

The farmers recognize that it is necessary to protect public health. They do not want to have cattle that are diseased, and they do not want the disease spread, through the use of milk, to human beings. Everything depends on the way in which an Act of this sort is administered.

I protest against cutting down the price of the animal. Here is a farmer with a herd of perhaps twenty cows; he is supplying milk to some town; a veterinary comes along and condemns half of his herd. The result is that this man is put to very great inconvenience and loss, because he has to replace his herd in order to keep his trade; and, by the conditions imposed, before he can use in his herd an animal that he has purchased, that animal must be examined and passed by a veterinary. Furthermore, he cannot introduce that animal into his herd until two months have passed, during which it must be kept segregated from the herd, and during those two months he cannot sell the product of that animal. At the end of the two months there is a fresh examination, and the animal has to pass another test before she can be taken into the herd. The result is that while the amount granted might be sufficient compensation for the individual animal that is slaughtered, yet when you come to consider the tremendous expense and inconvenience put upon the dairyman by reason of one or two animals being taken from his herd, the compensation is not sufficient. I think the amount allowed for grade animals is $40—I am not quite certain as to that. While $40 might, under certain circumstances, replace an animal, yet, in view of the tests that have to be passed at the beginning of the two months, and at the end of the period, and in view of the fact that the person from whom the animal is purchased will not agree to sell the animal except at a high price if he has to take the risk of it being found diseased and killed, I do not think it is sufficient.

These are conditions which bear heavily on the farmer, particularly the dairy farmer. I speak with knowledge of the facts, because I come from a dairying county. I say it is ill-advised on the part of the Government to cut down these prices.

So far as the distinction between pure-bred and grade animals is concerned, it may be that the amount of $150 is sufficient, because there is not as great a difference between a pure-bred animals and a grade animal as there used to be: grade animals have come up in quality and fineness of breeding. I trust the Government will restore the amount for the grade animals to what it was.

Hon. Mr. BELCOURT: I think my honourable friend is right in some respects, but he should not forget that this is a law of exception, a law of derogation: the farmer is the only individual who is paid for the loss of something which turns bad on his hands. If my honourable friend or myself engaged in any sort of business and something of that kind happened to us, we would get no compensation. That, surely must be taken into consideration when fixing the compensation to the farmer. I do think that in this respect the farmer is getting an advantage that nobody else gets.

Hon. Mr. FOWLER: And is placed under a handicap which nobody else is placed under.

Hon. Mr. DANDURAND: That is why he is treated somewhat paternally.

Hon. Mr. FOWLER: Treat him to the full.

Hon. Mr. DANDURAND: Here is the Act which is being amended:

> The Minister may order a compensation to be paid to the owners of animals slaughtered under the provisions of this Act; and in all cases the value of the animal for which compensation is ordered shall be determined by the Minister or by some person appointed by him but, except as hereafter provided, such value shall not exceed, in the case of grade animals, one hundred and fifty dollars for each horse, sixty dollars for each head of cattle, and fifteen dollars for each pig or sheep—

Hon. Mr. FOWLER: Sixty dollars has been reduced.

Hon. Mr. DANDURAND: Those figures were reduced last year.

> —and in the case of pure-bred animals, three hundred dollars for each horse, two hundred dollars for each head of cattle, and fifty dollars for each pig or sheep.

We are reducing the figure from $200 to $150.

Hon. Mr. BRADBURY: That is the maximum, is it not?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BELCOURT: Before the Bill has its second reading, I want to object to the way it has been proceeded with. We have just had an example of what happens from not complying with the rule. My honourable friend (Hon. Mr. Dandurand) had to send out for the statute. I think some of us should rise on every occasion and protest.

Hon. Mr. FOWLER: My honourable friend has given the impression that the amount paid for a grade cow is now sixty dollars. It is not.

Hon. Mr. DANDURAND: I have just read the Act of last year. This Bill simply deals with section 1 of Chapter 7 of the Statutes of 1922. It says:

Section 1 of Chapter 7 of the Statutes of 1922, an Act to amend the Animal Contagious Diseases Act, is amended by striking out the words "two hundred dollars for each head of cattle," in the eighteenth line thereof, and substituting therefor the words, "one hundred and fifty dollars for each head of cattle."

This concerns only the pure-bred cattle.

Hon. Mr. FOWLER: I understood it was $40 now. Sixty dollars would be good compensation for the ordinary cow.

Hon. Mr. DANDURAND: If it is the pleasure of the Senate, we will now take the second reading of the Bill, and we will see that it is reprinted, with the clauses of the Act to be amended.

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

CANADIAN NATIONAL RAILWAYS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 116, an Act respecting the Canadian National Railways.

He said: Honourable gentlemen are doubtless aware that the present administration of the National Railways has decided to insure the properties of the railways itself. In order to do so, and conform with the clauses of the deeds of trust made for the protection of the bondholders, this Act is introduced so as to allow the new system to operate, and to replace the obligations under which those various railways were of insuring their properties to the full value. I move the second reading of the Bill.

Hon. Sir JAMES LOUGHEED: It means that the Government is to become the insurer, not the railways—that is to say, the Government becomes the guarantor and takes the place of the insurance company, not the railway?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: I am very much in favour of this proceeding and this Bill. I think that, having so tremendous an amount of property, the Canadian National Railways ought to be their own insurers. But I want to express the hope that this will not mean the addition of a large staff of employees, because in my opinion there are now altogether too many connected with the Canadian National Railways System. I trust that the present employees will be able to carry on the business of insurance without making great additions to the staff.

Hon. Mr. McMEANS: May I ask the honourable gentleman how many men he thinks are over-employed at the present time?

Hon. Mr. FOWLER: Well, I should think about a third more than there ought to be.

Hon. Mr. McMEANS: I am informed that it is more than 50 per cent.

Hon. Mr. FOWLER: I am always conservative in my statements.

Hon. Mr. DANDURAND: I have no official data, but I would surmise that in the amalgamation of those two large systems the new head must have had very much difficulty in reducing the staff to the orthodox figure.

Hon. Mr. FOWLER: Considerable difficulty? They increased it.

Hon. Mr. DANDURAND: That I do not know.

Hon. Mr. FOWLER: Those are the facts.

Hon. Mr. DANDURAND: But I would surmise that quite a number of the old servants of those railways are being carried for a number of years without having to give a full day's work. If the service is overmanned I think it is a timely suggestion to make that, if a new department is created, even the present number of men will be found sufficient to meet the exigencies of the service.

Hon. Sir JAMES LOUGHEED: Why should my honourable friend say, if a new department is organized or established? This change should result in a manifest reduction of staff. There must be a very large staff to-day looking after the insurance on the property of the two systems, or of the one system as now consolidated. It seems to me that if the Government becomes the insurer, it is going to do away entirely with all the routine of insurance policies, and all that kind of thing, which necessarily would attach to the present system. I do not appre-

hend that under this system the Government will issue a policy such as is issued by the different companies. It seems to me that immediately this new plan is adopted it should result very largely in wiping out the present staff.

Hon. Mr. FOWLER: I am glad that my honourable friend is so confiding in his nature. Why, this will be made the excuse for at least two vice-presidents—two more. There must be a regiment of them now. I should expect two more at least.

Hon. Mr. TANNER: Am I correct in understanding that the Intercolonial Railway carries its own insurance?

Hon. Mr. DANDURAND: Under this.

Hon. Mr. TANNER: I thought my honourable friend was under the impression that the Intercolonial carried its own.

Right Hon. Sir GEORGE E. FOSTER: I think you are quite right.

Hon. Sir JAMES LOUGHEED: Perhaps, when the Bill goes before the Committee, my honourable friend can give us some further information as to the system that will be adopted in carrying out this new policy.

Hon. Mr. DANDURAND: I will furnish any information.

Hon. Sir JAMES LOUGHEED: I would like information in this regard: if loss is incurred, will that loss be paid by the Government, or by the National system of railways? It will be observed that the Government is the insurer. By parity of reasoning the Government would pay the loss. Is any premium to be exacted from the railways, in view of the Government being the guarantor, and making good the loss, as premiums are paid to-day by the railway companies?

Hon. Mr. DANDURAND: I do not understand the scheme to be as explained by my honourable friend. The Governor in Council will give the necessary guarantee to the Trust companies who have the trust deeds, but in looking after those trust deeds, I take it for granted that the railway company itself—that is to say, the National Railways—will see to setting aside out of their receipts a certain amount yearly.

Hon. Sir JAMES LOUGHEED: There is nothing to indicate that, and this is going to make a manifest difference in the net results of the operation of the railways. To-day they are of course paying very substantial premiums upon all policies carried. Do they propose to carry similar amounts to an insurance fund, or are they simply going to rely upon the Government to pay the loss?

Hon. Mr. DANDURAND: I take it for granted that they will create an insurance fund of their own.

Hon. Sir JAMES LOUGHEED: We should like to have that information.

Hon. Mr. BELCOURT: The Government will pay the premiums on the insurance which has been assigned to the holders of the bonds.

Hon. Sir JAMES LOUGHEED: No, they will not pay the premiums; they will pay the loss if any should occur. The Bill is entirely silent as to premiums and as to establishing a fund for the purpose of meeting any losses.

Hon. Mr. BENNETT: Will the Bill be applicable also to the vessels held by the Government?

Hon. Mr. DANDURAND: It semes to me the Bill only covers the Canadian National Railways. I am not ready to say that within those expressions are included the steamers that are being operated by the Canadian National Board.

Hon. Mr. FOWLER: I would not favour at all the idea that the Government should be its own insurer in regard to the steamers. I think they had better insure with the insurance companies.

Hon. Mr. PARDEE: Why?

Hon. Mr. FOWLER: It is safer.

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

MILITIA PENSION BILL

SECOND READING

On the Order for the second reading of Bill 118, an Act to amend the Militia Pension Act:

Hon. Mr. DANDURAND: I have asked the honourable gentleman from Edmonton (Hon. Mr. Griesbach) to kindly take charge of this Bill and explain it, and carry it through this Chamber, and he has very agreeably consented, so that I will have him move the second reading.

Hon. Mr. McMEANS: Has he joined the Government lately?

Hon. Mr. DANDURAND: I have informed my honourable friend who sits opposite that I may ask him in his turn to handle some of the Bills with which he is more familiar than I am.

Hon. Sir JAMES LOUGHEED: You will have to be very discriminating as to the Bills you give me.

Hon. Mr. GRIESBACH, in moving the second reading of the Bill, said: Honourable gentlemen, this Bill is to amend the Militia Pension Act, so that a non-commissioned officer or a man having been pensioned out of service as an officer may enter the public service of Canada and receive for his services such salary as he may receive, together with his full pension. At present the Act simply provides that an officer pensioned under the Militia Pension Act shall, if he enters the public service, relinquish his pension during the time that he is in the public service.

It is discovered that as a result of the war certain non-commissioned officers and men have risen from the ranks of lieutenant, captain, major, and so on, and have been pensioned from the service as officers, with the result that if they enter the public service they must relinquish their pension. Their position then is that, having been pensioned as officers, they are worse off, than would have been if pensioned as non-commissioned officers. If they had refused to accept promotion in the field, if offered to them, or if they had been pensioned as non-commissioned officers, their position would have been very much better than it was as pensioned offiecrs.

The amendment now proposed is that any non-commissioned officer or man pensioned under this Act, as an officer, who served in the late war outside of Canada or the United States—that is, overseas—shall, while in the public service, receive such salary as he may receive, plus such portion of his pension as will be necessary to make up the amount of pay and allowances upon which he was pensioned. That is, if he was allowed certain pay and allowances at the time he was pensioned, he may receive that portion of his pension which will make up his salary from the public service to the amount for which he was pensioned. In other words, the Act seeks to put officers who have risen from the ranks, notably in the course of war, upon the same terms as non-commissioned officers and men pensioned under the Act.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I should like to make a few observations on this Bill, inasmuch as I have on other occasions taken exception to the invidious privileges which are extended to certain officers under the Pension Act. The assumption is that when a man is pensioned the Government has given him full recognition for all the services which he has rendered. That is practically a matter of contract between himself and the state, as evidenced by the Act of which he takes advantage. The Government having thus satisfied the demands which he is entitled to make upon the state, he thereupon seeks further to improve his position by entering the public service and accepting whatever salary may be attached to that civilian position. Now, if he desires to change his position from that of a pensioner, and is fortunate enough to get a civilian position with a substantial salary attached to it, he should be called upon to elect whether he will remain a pensioner or become a salaried officer of the Government. The principle is well recognized under the Superannuation Act, and under the Pension Act as it is to-day, that if a man accepts a civil position he forgoes his pension. For instance, if any officer of a department of the public service who is to-day superannuated should accept a position in the public service, he cannot draw his superannuation and his salary: he must do the one or the other.

Hon. Mr. FOWLER: I think my honourable friend is wrong about the pension. I know the Collector of Customs in Brockville draws his pension as well as his salary.

Hon. Sir JAMES LOUGHEED: Well, he is not an officer.

Hon. Mr. FOWLER: He was an officer in the Air Force.

Hon. Mr. GRIESBACH: Does my honourable friend not see the difference between the military service and the civil service in this respect—that from the beginning of his service to the end, a man in military service is required to measure up to a certain standard of physical fitness, but at no time in his civil service is he required to measure up to such a standard? Now, are you going to bar him from civil service because he is not fit for military service?

Hon. Sir JAMES LOUGHEED: He has already been dealt with by receiving the recognition to which he is entitled, and he is then given the additional advantage of occupying the position of a civilian, which position should be filled, under ordinary circumstances, by another. so that he has two advantages given to him. I understand the purpose of this Bill to be that if the civil salary does not reach that which he enjoyed in the field at the time he was pensioned, he shall draw his pension up to the extent of the full allowance which he would enjoy if on active service.

I have taken the position for some years that the principle that enters into the Militia Act is entirely different from that which enters into the Civil Service Act. We have appointed a Civil Service Commission that pronounces upon salaries. Unfortunately, it seems to me, in behalf of harmony in the public service, and to avoid the jealousy which exists between different departments, the Civil Service Commission has nothing to do with regulating the salary of an employee of the Militia Department, although he is apparently of the Civil Service. If it is desirable to increase his salary he is given an increase in rank, and the pay of his rank at once places him in a superior position.

Hon. Mr. BELCOURT: May I ask my honourable friend if that applies also to the payment of a pension in the Militia Department?

Hon. Sir JAMES LOUGHEED: Yes, in contemplation of the pension being paid to him at a particular time, his efforts are directed along the line of attaining as high a rank as he can, or receiving as high rank as possible from those who control the distinctions of rank in that Department.

Hon. Mr. BELCOURT: What I meant was, if they have in the Militia Department an Act applicable to providing pensions in that Department different from the one outside?

Hon. Sir JAMES LOUGHEED: They have an Act which is applicable alone to the Militia Department, and naturally the object of the beneficiaries of that Act is to attain the highest rank possible, which is given them upon the discretion of their officers.

Hon. Mr. GRIESBACH: I must correct the honourable gentleman, because he is making a statement which does not hold water. The rank of an officer in any employment at Ottawa has nothing at all to do with his pay. It makes no difference what rank the man has: it is the appointment that he holds that determines the pay he receives. So far as units of the permanent force, which are away from headquarters, are concerned, they are based on establishment, which calls for one lieutenant colonel, so many majors, so many captains, etc., and that number cannot be exceeded: you cannot have more of those people in any one unit than the establishment calls for.

Hon. Sir JAMES LOUGHEED: But it will be manifest that the officers dealt with in this Bill and under the Pension Act, when in the field, sought increased rank for the purpose of increased pay, and according to that increased rank which they received they would receive increased pension.

Hon. Mr. GRIESBACH: How can any individual seek increased rank in the field?—because there again you have establishment. Does the honourable gentleman suggest that a man should not have ambition for increased rank, or that by some skullduggery he should receive increased rank?

Hon. Sir JAMES LOUGHEED: I mean neither of those things. It is commendable for a man to seek the highest rank he can attain, but the fact is that as he reaches higher rank he secures a higher pension.

There is another feature of the Pension Act which differs entirely from the principle which we apply to civilians, and that is the section dealing with allowances. I would defy any honourable gentlemen here, except perhaps my honourable friend from Edmonton (Hon. Mr. Griesbach), who is familiar with all the allowances under the military system, to say what a man is entitled to.

Hon. Mr. GRIESBACH: I could tell you right now. That is a very interesting point. It is very simple. Any officer who has pay attaching to his appointment has a consolidated amount, without any allowance at all. That is the case in all staff employment from coast to coast. Take the appointment of General Officer commanding a district, such as we have at Winnipeg, Calgary, Victoria, etc. Such officers draw $6,000, no more and no less. There are no allowances of any sort for them. The only allowances that are drawn are allowances within units, which involve questions of housing, light, fuel, and rations. Where those things can be provided by the Government, they are provided in kind. Where they cannot be provided, for various reasons, the Government pays a specified sum. Instead of rations, for instance, they pay 80 cents a day or thereabouts.

Hon. Mr. FOWLER: Does that apply only to men who were in France, or does it apply to all the Militia?

Hon. Mr. GRIESBACH: I am talking about home service.

Hon. Mr. FOWLER: I understand what you are saying now, but does this Bill apply only to men who served in France?

Hon. Sir JAMES LOUGHEED: Oh, no.

Hon. Mr. GRIESBACH: The Bill really applies, I think, almost exclusively to men who at the outbreak of the war were non-commissioned officers or men in the permanent force, and who went to France, and were

pensioned under a military pension on their return. This is not the general pension legislation of the Government. This is the old Military Pension Act of 1907, or 1908, or thereabouts, and it is designed to deal with persons who were non-commissioned officers or men prior to the war, but who during the war were commisisoned, having gained their commissions for efficiency in the field, and were pensioned on their return to Canada in the rank of officers. They find that had they been pensioned as they were before the war they would have been better off. That is to say, if they were pensioned as non-commissioned officers or men they would not have their pensions stopped during public service, but now they find as officers that their pensions are stopped. The number of such officers cannot be considerable; only a very small number of men are involved. I think it was stated in another place that the number was four.

Hon. Sir JAMES LOUGHEED: Is my honourable friend accurate in saying that? I know he intends to be, but does he not observe that it is proposed to repeal subsection 11 of section 4 of Chapter 42 of the Revised Statutes of Canada, 1906, as amended by Chapter 28 of the Statutes of 1907? The Act must therefore be fairly sweeping in its application. Furthermore, it does not apply exclusively to those who obtained their commissions on the field. It deals with all officers who served.

Hon. Mr. GRIESBACH: Yes, but the only persons who can qualify for a pension under this Militia Pension Act were necessarily officers, non-commissioned officers, and men of the permanent force. Now the officers of the permanent force are pensioned on reaching the age of 60 or thereabouts—

Hon. Sir JAMES LOUGHEED: Can my honourable friend state the number of men who are occupying civilian positions?

Hon. Mr. GRIESBACH: I cannot.

Hon. Sir JAMES LOUGHEED: If the limitation is of the character mentioned, I would raise no objection to it, but if the amendment is to apply to the large class of men who would come under the law since 1906, then it would be very much more sweeping than is indicated by my honourable friend. It seems to me that when this matter goes to Committee we should have information as to the number of men of whom it does apply: we should have the information as to the number of those men who occupy civilian positions, and the salaries attached to these positions, and the differenec which it would make in the payments.

Then, there is another feature of the Bill, covering those persons who have received a pension in anticipation of the passing of this measure, which must have been discussed for some years past. Pensions have apparently been paid to the beneficiaries on this basis, and it is provided that where the amounts have been paid, the Government should not look for reimbursement. That is one provision.

Hon. Mr. GRIESBACH: Yes.

Hon. Sir JAMES LOUGHEED: Then we should have before us information as to the extent to which that overpayment has been made, because otherwise one cannot form any conception as to whether it is little or much. If it is a very substantial sum, I doubt the desirability of legislation of this kind, because the principle is always recognized in every other branch of the Public Service that if an overpayment has been made to a public servant he should reimburse the Government. Here it is proposed to forego that right, and before doing so we should have some very fair idea as to the amount we are going to to sacrifice.

Hon. Mr. FOWLER: If this Bill applies only to men who saw service in France—

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. FOWLER:—I would be in favour of it; but if it applies to men who sat in their offices here in Ottawa during the war, I would not.

Hon. Mr. GRIESBACH: It specifically applies to men who served in France.

Hon. Mr. FOWLER: That is all right.

Hon. Mr. GRIESBACH: And the Bill is intended to give relief. I can give you the case of a man in this building who was in the permanent force of Canada as a private prior to the war. He went to the war and rose by successive steps to the rank of captain. He was wounded and discharged from service. He got his pension in the rank of captain. He is now employed in the other House, but he finds, after having been there for some time, that his pension ceases at once.

Hon. Sir JAMES LOUGHEED: How would his pension compare with his present salary?

Hon. Mr. GRIESBACH: The pension was $40 a month. He is now employed as secretary or doorkeeper to the Speaker of the

Commons. I do not know what his salary is. He retired with the rank of Captain, and his pension is stopped because he is an officer. Another man, employed at another job, was pensioned off the permanent force at the end of the war, on account of having reached the age limit for non-commissioned officers. He receives his pension and his pay as well. These two men were comrades prior to the war. One distinguished himself rather more than the other, but pays for the distinction which he gained by losing his pension. The other man, who has kept the same rank all the way through, enjoys his pension and also his pay. Now, the purpose of this Bill is to put two such men on the same footing as civilians, and it can apply only to men of this type.

Hon. Sir JAMES LOUGHEED: Does that apply likewise to some of the disabled men? I may say to my honourable friend that if the Bill is limited to that class, I have no objection to it; but if it applies to the general staff of officers in the Militia, I do object to it.

Hon. Mr. GRIESBACH: If the honourable gentleman will read the Bill he will see the application of it; and if he will add to the reading of it what knowledge he may have of the organization of our military forces, he will see how it affects them. It is rather difficult to explain precisely its effect; but I would say that an officer who has been pensioned at the expiration of his term of service is not likely to be employed by the Government, because he is 60 or 65 years of age. I know of a very few. Young fellows who entered the permanent force at the age of 18 say, 20 or 25 years ago, are now about 40 or 45. They have earned their pension, and have also earned their officers' rank, and they find themselves labouring under certain disadvantages as compared with the other men. One has only to discuss the matter with such officers to see how unjust is the situation. The purpose of this Bill is to put them all on the same footing. I think it will apply to a comparatively limited class of men who served in France, and who gained their rank on active service.

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

PRIVATE BILL

SECOND READING

Bill A4, an Act respecting the Northern Trusts Company.—Hon. Mr. McMeans.

The Senate adjourned until Tuesday, May 1, at 8 p.m.

THE SENATE

Tuesday, May 1, 1923

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

Prayers and routine proceedings.

LIVE STOCK BILL

FIRST READING

Bill 10, an Act to amend and consolidate the Acts respecting Live Stock.—Hon. Mr. Dandurand.

SEEDS BILL

FIRST READING

Bill 12, an Act respecting the Testing, Inspection, and Sale of Seeds.—Hon. Mr. Dandurand.

TRADE MARK AND DESIGN BILL

FIRST READING

Bill 21, an Act to amend the Trade Mark and Design Act.—Hon. Mr. Dandurand.

CRIMINAL CODE BILL

FIRST READING

Bill 102, an Act to amend the Criminal Code.—Hon. Mr. Dandurand.

PRIVATE BILL

FIRST READING

Bill O4, an Act respecting the Subsidiary High Court, Ancient Order of Foresters, in the Dominion of Canada.—Hon. Mr. McCoig.

DIVORCE BILLS

FIRST READINGS

Bill M4, an Act for the relief of Edgar Lindsay.—Hon. Mr. Reid.

Bill N4, an Act for the relief of Charles Marigoli Hare.—Hon. Mr. Green.

Bill P4, an Act for the relief of Esther Levin.—Hon. Mr. McCoig.

Bill Q4, an Act for the relief of Hilda Marguerite Watt Black.—Hon. Mr. Robertson.

C.N.R. OFFICE BUILDING, TORONTO

INQUIRY

Hon. Mr. BLAIN inquired of the Government:

Is there any truth in the report made in the press. Friday, 23rd March, 1923, that the Canadian National Railways is to erect a large office building at the corner of King and Yonge Streets, Toronto.

Hon. Mr. DANDURAND: Report in question was unauthorized. Alterations to ground floor of present building, in which Grand Trunk ticket office has for years been located, are being undertaken with a view to doubling present facilities.

C.N.R. AND GOVERNMENT MERCHANT MARINE INSURANCE

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. How was the amount of $327,046,561 for which the Canadian National Railways and the Canadian Government Merchant Marine were insured arrived at?
2. How much of the above amount was for the Canadian Government Merchant Marine?
3. For what terms was the above insurance?
4. What were the claims paid, if any?
5. Were any parts of the Grand Trunk System included in this amount of $327,046,561?
6. If said insurance was placed on a competitive basis what was the difference with the regular rates?

Hon. Mr. DANDURAND:

1. The amount of $327,046,561 represents the insurable value of the properties of the Canadian National Railways, including the Grand Trunk and the Canadian Government Merchant Marine.

2. $41,156,812.

3. Fire insurance under schedule placed at three-year basis and marine policies for one year.

4. Fire claims $418,624; Marine claims $681,035 for year 1922.

5. Grand Trunk Railway System insurance amounting to $94,080,646 is included in the $327,000,000.

6. Impossible to give tariff rates for each risk. Schedule is placed on a blanket rate covering the whole. Schedule, specific and fund rates, shown on attached statements from Hansard of April 23rd.

CANADIAN NATIONAL RAILWAYS

MEMORANDUM RE INSURANCE

—	Name of brokers	Name of firms carrying insurance	Rates
RAILWAYS			
Canadian Northern Railway System.	Toronto Insurance & Vessel Agency.	Western Ins. Co. who reinsured with the following:— Globe & Rutgers London Guarantee & Accident. British American Insurance. Commercial Insurance Co... General of Perth Norwich Union Ins. Co. Royal Assurance Co. Home Insurance Company.. Fireman's Fund Hartford Insurance Co. St. Lawrence Underwriters.. Pennsylvania Insurance Co..	See Statement attached.*
Grand Trunk Pacific Railway.....	Hare & MacKenzie.	Union Insurance Co. Lloyd's London Cornhill Insurance Co.	See Statement attached.*
Grand Trunk Railway System....	Dale & Company...	Globe & Rutgers Alliance Assurance Co. Motor Union Insurance Co.. London Guarantee & Accident Co. London & Lancashire Fire.. Union Society of Canton.... Western Assurance Co. United British Ins. Company. Northern Assurance Co. Liverpool London & Globe Ins.	See Statement attached.*
MARINE			
Canadian Government Merchant Marine.	Willis Faber & Co..	Various English Insurance Companies and a small percentage with American Companies.	See Statement attached.*
Grand Trunk Pacific Coast Steamships.	Hare & MacKenzie.	Various English Insurance Companies.	See Statement attached.*
Canadian Northern Railway Floating Equipment.	Willis Faber & Co. Toronto Insurance & Vessel Agency Dale & Company	Various English Insurance Companies.	See Statement attached.*
Grand Trunk Railway Floating Equipment.	Willis Faber & Co. Dale & Company. Hare & MacKenzie	Various English Insurance Companies.	See Statement attached.*

* See next page.

CANADIAN NATIONAL RAILWAYS
MEMORANDUM RELATIVE TO INSURANCE

—	Total Insurance	Premium for Year 1922	Rate
CANADIAN NORTHERN RAILWAY SYSTEM	$ cts.	$ cts.	
Schedule	112,246,238 00	493,616 00	0·44
Specific Insurance	7,736,314 00	75,638 00	0·98
Fund	34,629,591 00	74,362 00	0·21
Total	154,612,143 00	643,616 00	0·42
GRAND TRUNK PACIFIC RAILWAY			
Schedule	23,002,600 00	99,876 00	0·43
Specific Insurance	3,211,780 00	10,176 00	0·32
Fund	7,793,830 00	20,491 00	0·26
	34,008,210 00	130,543 00	0·38
GRAND TRUNK RAILWAY SYSTEM			
Schedule	29,991,931 00	263,715 00	0·88
Specific Insurance	10,249,500 00	25,250 00	0·25
Fund	49,912,207 00	48,153 50	0·09
	90,153,638 00	337,118 50	0·37
Canadian Government Merchant Marine Ltd	41,155,812 00	1,318,448 00	3·20
Grand Trunk Pacific Coast Steamship Co	2,024,750 00	97,487 00	4·81
Canadian Northern Ry. Floating Equipment	1,165,000 00	24,923 00	2·14
Grand Trunk Ry. Floating Equipment—			
Underwriters	3,200,000 00	73,008 50	2·28
Fund	75,000 00	937 50	1·24
Total	47,620,562 00	1,514,804 00	3·18
Grand total	326,394,533 00	2,626,081 50	0·80

C. N. R. CAPITAL ACCOUNT

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. How much was charged to capital on the Canadian National Railways during the last year?
2. What proportion of a new tie was charged to capital account on Canadian National Railways during the same time?
3. How much was the capital increased by new ties—if such a charge was made?
4. How much by rolling stock?
5. How much by new structures?

Hon. Mr. DANDURAND:

1. $18,697,709.02.

2. No proportion of the replacement tie is charged to Capital Account, but the total cost of new ties in new construction work is all charged to Capital.

3. $380,351.50 (included in Road Expenditures below).

4. $2,004,224.56.

5. $16,693,484.46 (Road Expenditures).

PRIVATE BILL

THIRD READING

Bill 46, An Act respecting The Community General Hospital, Alms House and Seminary of Learning of the Sisters of Charity at Ottawa. —Hon. Mr. McCoig.

COLD STORAGE BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 9, an Act to amend the Cold Storage Act.

He said: Honourable gentlemen, this is a very short Bill, which does not need any lengthy explanation:

Section 2 of the Cold Storage Act, Chapter 6 of the Statutes of 1907, as amended by Chapter 8 of the Statutes of 1909, is hereby repealed and the following is substituted therefor:

Here is the clause as it stands in the Statute of 1907 as amended by the Statute of 1909, the amendment changing only three words in a short section:

The Governor in Council may enter into contracts with any persons for the construction, equipment and maintenance in good and efficient working order, of public cold storage warehouses equipped with mechanical refrigeration, in Canada, and suitable for the preservation of any food products.

The Act as it stood in 1907 said: "for the preservation of all food products." The three

words, "all food products," were replaced in 1909 by the words, "any food products." The form of the 1907 clause had been interpreted as necessitating the opening of a cold storage for all food products, whereas some cold storages were being built specially for certain food products—fish, for instance. Therefore the word "all" was eliminated and replaced by "any."

Hon. Sir JAMES LOUGHEED: How about the persons? With whom may the contract be made?

Hon. Mr. DANDURAND: I am simply stating the Statute which is being amended. This section 2 of Chapter 6 of 1907 is sought to be replaced by the following provision:

The Governor in Council may enter into contracts with properly constituted co-operative societies, or associations, for the construction, equipment, and maintenance, in good and efficient working order, of public cold storage warehouses equipped with mechanical refrigeration, in Canada, and suitable for the preservation of any food product.

Hon. Sir JAMES LOUGHEED: You have omitted "municipalities."

Hon. Mr. DANDURAND: I am sorry. I was looking at the Bill as read the first time in the House of Commons.

Hon. Sir JAMES LOUGHEED: Will you again read the present Act, as to the parties with whom the Government may contract? As I understand, the present Act is limited to persons.

Hon. Mr. BELCOURT: "Any persons."

Hon. Sir JAMES LOUGHEED: Yes. The question is as to what interpretation is going to be given to "persons."

Hon. Mr. DANDURAND: I may say, honourable gentlemen, that I called in the official who is specially charged with the administration of this Act, Mr. Ruddick, and we discussed the Bill as introduced in the House of Commons. I find, however, that it has been amended in the Commons. Therefore I will not move the second reading of the Bill, but will examine it in the light of the amendment which has been made to it.

Hon. Sir JAMES LOUGHEED: May I be permitted to point out again an omission? This has been so often repeated that I am almost ashamed to direct the attention of the Senate to it. I was waiting for my honourable friend from Ottawa (Hon. Mr. Belcourt) to rise in his place and call attention to the herculean efforts he has made from time to time to have the law as it obtains at present printed upon the opposite page. In looking over many of the Bills that have come down to the Senate within the last few days, I have observed that there are several important Bills —consolidations or amendments—and the Senate is placed in a very embarrassed position in not knowing what the changes in the law are to be. I have not examined the matter sufficiently well to say whether the Commons have had the existing Statute printed on the opposite page with the form of the Bill for first and second readings. Does my honourable friend the leader of the House know whether that is the case or not? My honourable friend directed attention the other day to the fact that in the form for first reading the law at present in force is printed upon the opposite page, the proposed amendments being thus shown.

Hon. Mr. BELCOURT: That is, in the Commons?

Hon. Sir JAMES LOUGHEED: In the Commons.

Hon. Mr. DANDURAND: That was done in one instance, but I am not sure that it was done in very many.

Hon. Sir JAMES LOUGHEED: But in none of the third reading forms that have come to the Senate does that appear. It seems to me that if the Commons have adopted the practice of showing the existing law in the forms for first and second readings, it would be very easy to do likewise in the third-reading form. Manifestly it is of no advantage to the Senate until the Bill comes down to us as read finally in the Commons. In order to give proper consideration to the many amendments which are made to legislation, and particularly where there is a consolidation of important Acts, it is very desirable that the fullest information should be given to the Senate, and in the most convenient form. Only in this way, in my judgment, can it be done satisfactorily.

Hon. Mr. DANDURAND: It was done in that way in the case of the Industrial Disputes Investigation Bill, under the special superintendence of the Minister of Labour. I do not find that it has been done in the case of other Bills introduced in the House of Commons. I intend trying to obtain in the present week an agreement with the House of Commons for the appointment of a joint-committee to examine into this question, as well as to consider the better distribution of work between the two Chambers, and some other matters of interest to both.

Hon. Mr. BELCOURT: Honourable gentlemen, there are seven or eight Bills on the Order Paper for second reading, and it seems to me that if the second reading of these Bills

were postponed no time would be lost. I think we should lose more time at present groping in the dark than we should if we waited until the rule is complied with. I suggest to my honourable friend the leader of the House that perhaps we had better defer the second reading of these Bills until we have before us the necessary material to enable us to see what are the proposed changes.

Hon. Mr. DANDURAND: These Bills come from the Commons. We must deal with our own Bills ourselves and see to the application of our own rule. If we insist that these Bills shall conform to the rule that we passed, and which only applies to legislation initiated in this Chamber, we shall necessarily have delays when these Bills come to our officers, in seeing that the existing Act in each instance is printed on the opposite page.

Hon. Mr. BELCOURT: May I point out to my honourable friend that the House of Commons has adopted the principle?

Hon. Mr. DANDURAND: In one Bill only.

Hon. Mr. BELCOURT: We had a Bill the other day in which our rule was observed by the Commons. Evidently they are disposed to adopt our rule and act on it; why not in all cases? I think more time will be lost in endeavouring to find out just what is proposed to be amended or repealed than if we postponed the second readings of these Bills until they were in such form that we could at once see what the meaning of each Bill was.

Hon. Mr. DANDURAND: I may say that a Bill of some importance, the Patent Bill, is on the Orders of the Day for this evening, and the Deputy Minister who has charge of the Bill has had printed for the members of the Senate a memorandum giving an explanation of the changes in the various clauses as they appear. As to the resolution of the Senate, it is in the form of a report from a Special Committee appointed to consider and report upon a method of printing Senate Bills. That Committee reported as follows:

The Special Committee appointed to consider and report upon the method of printing Senate Bills, beg leave to make their First Report as follows:

Your Committee recommend that all Bills which propose to amend or repeal any existing Statute shall when first printed, have in parallel columns the sections of the Act proposed to be repealed or amended, and the sections as it is proposed to amend them, showing in brackets the words to be deleted in the existing Act, and showing in brackets the words to be added by said amendmnt.

All of which is rspectfully submitted.

N. A. Belcourt, Chairman.

That report was adopted.

Hon. Mr. BELCOURT.

Hon. Mr. BELCOURT: And generally acted upon.

Hon. Mr. DANDURAND: It must be acted upon for Bills initiated in this Chamber, but not for those that come from the other Chamber.

Hon. Mr. LYNCH-STAUNTON: The report does not say so. It was not intended to be limited only to this Chamber, and does not say so.

Hon. Mr. DANDURAND: Well, of course the Bills from the House of Commons that do not conform to our rule would have to be suspended for a time in order that our officers should make them conform to the regulation.

Hon. Mr. LYNCH-STAUNTON: What is the objection to having a memorandum prepared by our law officer for each Bill, so that we may know what we are doing?

Hon. Mr. DANDURAND: There is none There will be some difficulty in the last days of the Session, that is all.

Hon. Mr. LYNCH-STAUNTON: We have plenty of time here.

Hon. Mr. BELCOURT: I understand that when a Bill passes the House of Commons it is again sent to the Printing Bureau and is reprinted as passed by the House of Commons. Now, why at that moment our rule should not be observed I cannot understand. The rule was not limited to Bills originating in this House: it applied to every Bill that came before us, and there is no reason why, when a Bill is passed by the Commons and sent to the Bureau for reprinting, our rule should not be complied with.

Hon. Sir JAMES LOUGHEED: My honourable friend will observe at the same time that the form that comes to us has been especially printed for the Senate. For instance, take this Bill 9, an Act to amend the Cold Storage Act. This form was printed specially for the Senate. It had never been distributed in the House of Commons, and therefore when the third-reading form from the Commons goes to the Printing Bureau, that is the time to print on the opposite page the law at it is at present.

Hon. Mr. LYNCH-STAUNTON: What is the objection to our officer asking at the House of Commons that all Bills which are to be sent to the Printing Bureau should be first sent to him, and should be by him transmitted to the Bureau? Then he could have printed any parts that we desired.

Hon. Mr. DANDURAND: I believe that if the officer of the Senate would meet with the officer of the Commons our rule could very well be accepted by the Commons, as it would help the Ministers in promoting their own legislation in the other Chamber. It is simply a question of an order going out from the Commons to the same effect as the report which I have just read.

Hon. Mr. LYNCH-STAUNTON: Why not direct our officer to do so?

Hon. Mr. BEIQUE: I think that the suggestion of the honourable leader of the Government is very proper. Our rule, as it was read by the honourable gentleman, concerns only the Senate:

Your Committee recommend that all Bills which propose to amend or repeal existing statutes shall, when first printed, etc.

This is a rule only for this House. We cannot make any rule for the Commons.

Hon. Mr. LYNCH-STAUNTON: We do not want to.

Hon. Mr. BEIQUE: The proper way is, as suggested by the honourable leader, to have a joint committee, and try to get the Commons to agree with us that Bills shall be printed in such a way as to give the desired information. If that cannot be done, of course this House will be at liberty to ask that a memorandum be printed or that the Bill be reprinted.

Hon. Mr. BELCOURT: That is what we did.

Hon. Sir JAMES LOUGHEED: But I would point out to my honourable friend from De Salaberry (Hon. Mr. Béique) that the Commons is not, in my judgment, interested in the regulation or resolution of the Senate, because immediately the third reading is given to the Bill in the Commons they are through with it, and it goes to the Printing Bureau for the purpose of being printed for the Senate.

Hon. Mr. BEIQUE: No, I think the honourable gentleman is mistaken. This Bill, for instance, was not printed for this House.

Hon. Sir JAMES LOUGHEED: Certainly. If my honourable friend will look at the back of the Bill he will observe that it is endorsed: "As passed by the House of Commons, 28th April, 1923." Now, it is manifest that this form of printing never appeared before the Commons, but was put on by the Bureau for distribution in the Senate in order to show that the Bill had passed its third reading in the Commons. When a Bill goes to the Printing Bureau for the purpose of being printed for distribution in the Senate, that is the time to print on the opposite page the law as it is in force.

Hon. Mr. LYNCH-STAUNTON: We have been trying to have this done ever since I have been in the Senate, and I think the only way to bring it about is for us to refuse to consider a Bill on the second reading until this rule is complied with.

Hon. Mr. BEIQUE: It is true, as the honourable gentleman has stated, that this Bill was printed as amended. But there are a number of Bills that have not been amended: they are passed by the Commons as printed originally, and sent over here in that original form. But whether they are sent as originally printed, or reprinted for the Senate, it is done by the House of Commons and their officers, and not by any officers of this honourable House.

Hon. Sir JAMES LOUGHEED: Well, our officers can intervene at that point and have this done.

Hon. Mr. BELCOURT: As Chairman of the Committee which adopted that resolution, I have a very distinct recollection that it was the unanimous opinion of that Special Committee that all Bills when introduced into this House, whether originating here or coming to us from the House of Commons, should comply with that resolution.

Hon. Mr. LYNCH-STAUNTON: That was the intention.

Hon. Mr. BELCOURT: I do not see why the resolution cannot be complied with. When a Bill passes the House of Commons why is it not sent here before being sent to the Bureau, in order that our officers may see to the fulfilment of the resolution of this House? I see no reason why that is not done, and if the House of Commons does not choose to follow the example and adopt a rule similar to ours, are we going to abandon the rule?

Hon. Mr. BEIQUE: No.

Hon. Mr. BELCOURT: That is what it means. I have been trying for six years at every Session to have this thing done, and I have failed entirely.

Hon. Sir JAMES LOUGHEED: Cannot my honourable friend the leader of the House take it up with the Government?

Hon. W. B. ROSS: I do not see why the leader of the House should take this matter up with the other House. This is a legislative assembly, it is independent, and it has its own

rules, and we say there are certain things that must be done about Bills. If that is not done, why should we consider them?

Hon. Mr. DANDURAND: I move that this Order be discharged, and placed on the Order Paper for tomorrow.

The motion was agreed to.

FRUIT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 11, an Act to regulate the Sale and Inspection of Fruit and Fruit Containers.

He said: This Bill has for its object the consolidation of the legislation which has been made since 1901, when the Fruit Marks Act was passed. Amendments were made in 1907, 1908, 1913, 1918, and 1920. These amendments are included in this revision, but there are also a number of amendments made which are not indicated on the face of the Bill. I would like to have the opinion of the honourable senior member for Ottawa as to whether this Bill as now presented conforms to his rule,

Hon. Sir JAMES LOUGHEED: It cannot because it does not show the changes in the law.

Hon. Mr. BELCOURT: I do not know just exactly what my honourable friend means. This is a new Act altogether.

Hon. Mr. DANDURAND: It is a consolidation of an Act passed in 1901 and amended five or six times since then; and there are other amendments which we shall find as we go along.

Hon. Mr. BELCOURT: My honourable friend has got hold of an extreme case, and it is perhape one in which it is difficult to carry out the rule in its entirety. If we had printed on the opposite page everything contained in those different Acts which is now being repealed or replaced by this one, there would be no difficulty.

Hon. Sir JAMES LOUGHEED: Let us deal with this as with a new Act entirely.

Hon. Mr. BELCOURT: This is an exceptional case altogether, and I do not think it is a reason for giving up the rule or questioning the plausibilty or usefulness of the rule which we adopted.

Hon. Mr. DANDURAND: Then I will proceed. This legislation was asked for last year by the various fruit growers' organizations throughout Canada, and agreed to by the different interests involved, including the growers and packers of fruit, the wholesale dealers, and all parties directly concerned in the fruit industry.

The principal changes deal with the size of the container. Our berry containers are only about four-fifths of the size of the American containers, and our exports to the United States have to be presented on that market in smaller containers than the United States containers, and are at a disadvanage. A request was also made for a package of apples containing one-half of a barrel. Those in the trade said that many sales could be made of half a barrel when a full barrel could not be sold. It is therefore proposed to make provision for a container equal to the contents of half a barrel. None of these changes will take place arbitrarily until 1924. All material now cut awaiting manufacture into containers of the present size may be used in the meantime if so desired.

The Bill will provide for a new grading of apples.

Hon. Sir JAMES LOUGHEED: While my honourable friend is dealing with containers, can he say what is the container for half a barrel? Is that known as a box of apples?

Hon. Mr. DANDURAND: My honourable friend in Committee will strike the clause which describes and defines it.

Hon. Mr. BELCOURT: Does my honourable friend intend to have this Bill referred to a special Committee, or to have it dealt with here?

Hon. Mr. DANDURAND: It will go to the Committee of the Whole if no special reason is shown for different treatment.

Hon. Mr. BELCOURT: You do not intend to hear evidence?

Hon. Mr. DANDURAND: No. Our apple growers have found that apples graded as No. 1 and No. 2 are regarded as inferior when competing with fruit labelled "fancy" and "extra fancy," as it is styled in the United States. Accordingly, it is proposed to make a new grade for some of our fruits, particularly apples, and also to have new-sized containers so that they will compete favourably on the American market when any of our apples are shipped over there.

The new provisions of the Bill were agreed to by a conference that met in Ottawa last February.

Hon. Mr. ROBERTSON: May I ask the honourable leader of the Government whether it is the intention to change the size of con-

tainers, that is to say, berry boxes, so that every box of strawberries or other small fruits purchased will contain a less quantity than heretofore?

Hon. Mr. DANDURAND: Yes, in some cases.

Hon. Sir JAMES LOUGHEED: I understand the American conainer is larger than the Canadian.

Hon. Mr. DANDURAND: These questions will come up as we go through the Bill in Committee.

Hon. Mr. ROBERTSON: It would seem to me that that is a matter of principle, as to whether or not this Parliament is going to enact legislation whereby the consuming public will be called upon to pay probably the same price for a smaller quantity of food. That is not a matter of detail, but rather should be dealt with as a matter of principle.

Hon. Sir JAMES LOUGHEED: Did not my honourable friend say the American container of berries was larger than the Canadian container, and that this Bill had for its purpose the bringing of the Canadian container up to the American size?

Hon. Mr. DANDURAND: Yes, in some cases.

Hon. Mr. BRADBURY: That has been one of the great drawbacks in the city of Ottawa, and it has affected every city in the Dominion. The American container is nearly one-third larger than the Canadian, and the consequence is that merchants get these American boxes in here, and if there are dishonest dealers, as perhaps there are, they empty the fruit into the Canadian boxes, and thus Canadians are forced to pay the same price for the small or medium box that they would pay for a larger box. So I hope that this Bill will make provision that the Canadian box will be the same size as the American box.

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

PATENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 20, an Act to amend and consolidate the Acts relating to Patents of Invention.

He said: Honourable gentlemen, this is an Act which consolidates the Acts relating to patents of invention, and makes some material changes in those acts. There has been no revision, and, apart from certain amendments made necessary by circumstances arising out of the late war, no substantial amendment of the Patent Law for about twenty years. In the administration of the law during that period the Patent Office has found that certain amendments are desirable, and there has been an insistent and general demand that they should be made. The most important of these amendments which are set forth in the present Bill are in connection with the provisions relating to the manufacture and importation of the patented invention—clauses 40 and 41.

It is thought that these proposed amendments will improve the present law in this regard, and will enable Canada to carry out her intention of adhering to the International Convention for the Protection of Industrial Property by removing some slight repugnancy between our law and the Articles of the Convention which has been a bar to our adherence. In many of the principal countries of the world which have adhered to this Convention, Canadians are under great disability in comparison with the citizens or subjects of these countries in obtaining patents and registering trade marks and industrial designs. On adhering to the Convention, in all these countries, Canadians will be on an equal footing with their citizens or subjects.

Some new provisions will be submitted which, if enacted, will transfer to the Patent Office the right to revive lapsed patents, which right heretofore has been exercised only by Parliament. The few remaining amendments deal principally with the practice or procedure of the Patent Office They are not of general interest, but are considered necessary by patent practitioners and officials of the Patent Office. Sections 38, 39, 40 and 44 of the Act are repealed, and replaced by clauses 40 and 41.

Hon. Sir JAMES LOUGHEED: Can my honourable friend say what they deal with?

Hon. Mr. DANDURAND: Clause 38 of the Act requires the patentee, on pain of nullity of his patent, to manufacture within two years of the granting of the patent, and to manufacture continuously, whether there be a demand or not; and it prohibits the importation of the invention after the expiration of one year from the granting of the patent. Under sections 39 and 40 of the Act, the Commissioner may grant a limited extension for importation and manufacture. Section 44 was introduced in 1903 to dispense with the obligation of manufacturing in special cases, and to force the patentee to give to anyone apply-

ing a license to manufacture for his own use or to offer for sale.

New clause 40 is on the lines of old clause 44; but in certain cases the patentee may be ordered to supply the article himself on pain of forfeiture of the patent.

Clause 41 is so drafted as to remove the objection to our adhering to the International Congress for the Protection of Industrial Property. Under section 38 of the Act we prohibited importation after one year on pain of forfeiture. Clause 41 of the Bill provides that if the patentee supplies mainly by bringing an article from abroad, after three years, on complaint of any interested party, the patent can be revoked.

There is quite a difference. This measure is far less stringent than the old Act. When we go more fully into it there will be a memorandum distributed to the members of the Senate showing the changes that are being made.

Hon. Mr. REID: There are two other changes which the leader of the Government has not mentioned, and which I think are important. I would like honourable gentlemen to consider them so that when the Bill again comes before the Senate they will be able to say whether there is anything in my contention.

Under the Act of 1906, a patent, having expired by reason of the non-payment of the fee, for instance, became void, and the public had the right to use the patented article thereafter unless the patentee came to Paliament and obtained an extension. If he came to Parliament for an extension, then, of course, he had to submit evidence to show that no one in the meantime had used the patent—and Parliament renewed patents many times under such circumstances. But there has been a change made, which I think is important. Here is the new law:

> Where any patent has become void under the terms of the Patent Act, Chapter 69, Revised Statutes of Canada, 1906, in consequence of the non-payment of fees or failure to construct or manufacture, or because of the importation of the patented invention—

Here is the change:

> —the patentee may within two years from the date of such voidance apply to the Commissioner for an order for the restoration and revival of the patent.
>
> (2) The Commissioner, after hearing the patentee and any other interested parties on such application, of which hearing due notice shall be given by publication in the Canada Gazette and the Canadian Patent Office Record or any other official publication of the Patent Office, and after considering all the circumstances of the case, may make an order either restoring and reviving the patent or dismissing the application.

That means that the patentee can come forward to the Commissioner two years after the patent has expired for any of the different reasons mentioned.

Hon. Mr. DANDURAND: Within two years.

Hon. Mr. REID: The only possible notice that any individual or corporation using the patent would have that an application was being made to have it revived, would be this publication in the Canada Gazette and the Canadian Patent Office Record. Very few people see the Canada Gazette, and, so far as I remember at the moment, I never saw the Canadian Patent Office Record. It does seem to me that it would be much better to leave the law as it is. Vested rights may be involved: some person may believe that the patent has expired, and may start manufacturing.

Hon. Mr. BELCOURT: That is provided for in subsection 5.

Hon. Mr. REID: Subsection 5 to a certain extent covers the objection; but it does strike me that two years is a very long time within which a person may renew his patent. Patentees usually come to Parliament at the first Session after the expiration of the patent; and we are taking out of the hands of Parliament for two years the power to restore it.

There is another clause of the Bill which, although not so vital, is worthy of consideration. In the Act of 1906 power was given to the Commissioner to administer the Act. Clause 5 of this Bill says:

> The Commissioner shall exercise the powers conferred and perform the duties imposed upon him by this Act subjetct to the Minister.

As I understand the old Act, the Commissioner was the official who had charge of the Patent Act, and he was the mediator, as it were, between the applicant and the Government. As I understand this Bill, the Minister is really the Commissioner. Perhaps I am wrong. I merely mention this matter along with the other, so that both may be further considered.

Hon. Mr. BELCOURT: There is no change there.

Hon. Mr. DANDURAND: I should perhaps tell my honourable friend that the change which is effected by this Act is made principally because of the repeated requests of the Senate. The Senate thought that the Bills which have been coming before it from year to year could be dealt with more intelligently by the Commissioner himself, because he could go more deeply into the matter. I

think this is in compliance with the wishes of the Committee of the Senate which has had charge of these Bills in the past.

Hon. Sir JAMES LOUGHEED: Will my honourable friend be good enough to say from whence he got the impression that the Senate was desirous of abdicating its authority, so to speak, or its functions in this matter, and having them exercised by a commissioner? I have followed with considerable interest all applications for renewals of patents that have come before the Senate from Session to Session, and I have never heard the opinion expressed that the functions of Parliament should be exercised by a commissioner, and the authority vested in a departmental officer. I think good sound public policy would be violated in permitting a patentee, after he had allowed his patent to lapse through negligence on his part, to treat the matter so lightly as to think that he had the opportunity of foregoing the making of an application to Parliament, and making it a departmental matter. I am very much opposed to a provision of that kind in the Act.

My honourable friend pointed out in his preliminary explanation that it is proposed to put Canadians on a parity with other nationalities in regard to the benefits of patents, but he omitted to say whether it was the patentee or the public who was to receive the benefits. My honourable friend must not overlook the fact that the policy of the law has been to grant extraordinary rights to patentees; but the public have to be considered as well as patentees, and it seems to me that it is the public that should be protected in all legislation dealing with patents. The extraordinary rights given to a patentee should be regarded by him with every appreciation; consequently he should safeguard them in every possible way and not permit his rights to fall into default. We have to watch the interests of the public; we can trust a patentee, it seems to me, to protect his own rights and to safeguard his patent; but while that is being done, the interest of the public should not be overlooked, and they should not be saddled with the extraordinary charges and costs which are very frequently—in fact, almost invariably—extracted by the patentee for the use of the article which he may produce from time to time.

Hon. Mr. BELCOURT: For myself, I cannot quote anyone as saying at any time that Parliament should get rid of this function and hand it over to the Department; but on frequent occasions, in the Committee especially, I have heard members say that these patent Bills were gone through in a very perfunctory way, and that after all they were more a departmental matter than a legislative one. I think my honourable friend will agree that the Commissioner of Patents, who is always present when these Bills are discussed in Committee, is invariably called upon, and that his decision invariably goes with the Committee.

Hon. Sir JAMES LOUGHEED: Or the Committee goes with his decision.

Hon. Mr. BELCOURT: He is asked what he thinks, and what he thinks the Committee does. So, after all, we are only providing here for doing what many members say might just as well be done by the Commissioner.

Hon. Mr. REID: I cannot see yet that subsection 5 of section 47 fully clears away the objection which I raised. For instance, some person might commence the manufacture of an article, and the patentee, seeing that it was likely to be a success, but not being willing to go into the manufacture himself, could hold up the party manufacturing after a lot of money had been expended. I remember that when these patent Bills came before the Committee of the other House, great care was taken to see that all interested parties were there and evidence was taken, and the application was not granted unless it was made within a very short time after the patent had expired, and a good case was made out. Perhaps the payment of the fees had been overlooked for a week or ten days, or the person holding the patent had died. But under this Bill any patentee can let the matter run on for two years and can then cause a great deal of trouble. We are delegating our powers to a Commissioner for two years. Surely we have time in Parliament to protect the public interest in cases in which patents have ceased to exist and application has been made to have them renewed.

Hon. Mr. DANDURAND: My honourable friend is surprised at my statement that the Senate has often expressed the opinion that this matter should be delegated to the Department. I know that such an opinion has been voiced in this Chamber half-a-dozen times, and I think that if it were worth while I could lay my hand upon such statements, which have hardly ever been contradicted. I do not say for I do not remember, that the Standing Committee in charge of these matters has ever made a special recommendation but the Commissioner charged with the administration of the Patent Act, who has frequently been at meetings of that Committee, has become convinced that it is simply an im-

position upon this Chamber and upon the Committee to bring before them Bills such as we have constantly been asked to pass. And what has been the reason alleged in nine cases out of ten? That the patentee was sick; that he was away; that his agent had died; that his agent in Ottawa had been entrusted with the duty of handing in the renewal fee and the letter had been mislaid. Any kind of reason to justify or excuse non-payment of the renewal fee has been invariably accepted by this Chamber. I cannot remember a case within the last 25 years in which the Senate has refused an extension to the patentee. It became quite clear in the minds of those having to do with the administration of this Act, and the exercise of certain power by Parliament in connection with it, that the matter could be as well attended to by the Department. My honourable friend says that this proposed measure would abridge our power. If my honourable friend wants to continue in the old groove he is welcome to do so. To many of us it seemed an imposition upon patentees to oblige them to spend a few hundred dollars in coming to Parliament when a trip to Ottawa and an interview with the Commissioner to explain the situation would settle the matter.

Hon. Sir JAMES LOUGHEED: But it was their own fault.

Hon. Mr. DANDURAND: But apparently it was not a fault which entailed a very heavy punishment, since the Bills were allowed to pass both Chambers. Why put those persons to all that trouble? There are protective clauses, which will be administered as carefully by the Department as they have been by us. I have often wondered why Parliament concerned itself unnecessarily with details when the Department was there to attend to such matters. The question is one upon which there may be two opinions, and it is of no particular consequence, but it seems to me a move in the right direction to entrust to a high official the duty of attending to details.

My honourable friend has said that in bringing Canada under the International Convention for the Protection of Industrial Properties we seem to be thinking of the patentee rather than of Canada. Of course, my honourable friend has no responsibility for the Bill which is before this Chamber; but with his permission I will read a statement which will show him that there is some advantage to Canada in joining in the International Convention for the Protection of Industrial Properties:

Hon. Mr. DANDURAND.

This Convention was created in Paris in 1883 by a number of the leading countries. Great Britain and the United States were not among the original members but joined a few years later, and to-day with the exception of Canada, Russia, China and some of the South American republics, all of the countries of the world of any importance belong.

The spirit of the Convention is shown in Article 2 thereof which provides that: "The subjects or citizens of each of the contracting countries shall in all the other countries of the Union, as regards patents, utility models, industrial designs or models, trade-marks and trade names, indications of origin, and the suppression of unfair competition, enjoy the advantages that their respective laws now grant, or may hereafter grant, to their own subjects or citizens."

According to the terms of the Convention, Canada can adhere only by having her adhesion signified by Great Britain to the Swiss Government which is the channel of communication for all the contracting countries.

In 1900 on the Report of the Minister of Agriculture, a Minute of Council was approved requesting Her Majesty to signify Canada's adherence. The reasons therefore were fully set forth in the Minute of Council—

—a copy of which can be laid before this Chamber.

In addition to these reasons which still exist, there is now the further and almost imperative reason that a number of the principal countries of the world, namely: Japan, Belgium, some Scandinavian countries, Brazil, Germany and Cuba are absolutely refusing to register Canadian trade marks to the very great detriment of Canadian trade in these countries the ground of the refusal being that Canada does not belong to the Union.

A copy of the Minute of Council of 1900 having been transmitted to the Colonial Office, a reply was received therefrom to the effect that before Canada would be in a position to comply with some of the Articles of the Convention, a number of amendments would have to be made in her laws. With one exception the amendments presented no difficulty and would have been made at once and Canada's adhesion would then have been effected. The exception was in regard to the importation provision of the Canadian Patent Act, Section 38, paragraph (b), which prohibits importation of the patented invention after one year from the grant of the patent on pain of nullity of the patent. Article 5 of the Convention provides that the introduction by the patentee into the country where the patent has been granted of objects manufactured in any of the countries of the Union shall not entail forfeiture.

There is consequently a direct conflict which must be removed by amendment of our Act to enable us to comply with the Convention.

The reason for our strict provision is that as roughly 75 per cent of our patents are granted to U. S. citizens, it was feared that without such provision these patentees would flood our country with the inventions manufactured at their home plants to the injury of our manufacturing interests.

While the manufacturers were extremely anxious to get the benefit of the Convention, they considered the necessary modification of the importation provision of our Act would be too dear a price to pay and at their request the matter was dropped.

In 1920 a Bill was drafted by the undersigned—

That is to say, by Mr. O'Halloran—

—for the general revision of the Patent Act which had not been revised since 1903 and as there appeared to be a general desire for adherence to the Union a clause was inserted to be substituted for our importa-

tion provision which had stood in the way of our adherence for twenty years. The substituted clause while not so stringent as our present provision was considered to be a sufficient safeguard of our manufacturing interests. It was taken from the British Patent Act, and provided that if the Canadian demand for the invention was at any time supplied by manufacture exclusively or mainly outside of Canada, the patent might be revoked.

As Great Britain is in the Union, there was no question about the substituted clause being in harmony with the Convention.

This Bill, after being approved by the law officers of the Canadian Manufacturers Association and by the representatives of other interests generally affected, was introduced in 1920; but, owing to more pressing matters taking up the time of Parliament, it did not get beyond first reading.

The Bill was introduced again in 1921 after being again considered and approved by the law officers of the Canadian Manufacturers' Association and others, but, before it was given second reading, one or two sections of the Canadian Manufacturers' Association and a few individual manufacturers expressed to the Government a doubt as to the effect of the substituted importation clause on their interests and asked that the Bill be postponed until the following Session. The Bill was withdrawn, and no further action has been taken.

The Trade Mark and Design Act requires amendment also to be consistent with the Convention as the Act at present permits only resident Canadians to register industrial designs. Foreigners have the same rights as resident Canadians in obtaining patents and registering trade marks and there is no reason why they should not have the same rights as to industrial designs. A Bill amending the Trade Mark and Design Act in this direction was also introduced in 1921, but was withdrawn with the Patent Bill.

So my honourable friend apparently at one time stood jointly responsible with his colleagues for introducing this very Bill.

Hon. Sir JAMES LOUGHEED: We did not put it through, though.

Hon. Mr. DANDURAND: It was advanced one step. The present Bill has passed the House of Commons.

Hon. Mr. BELCOURT: You killed it with faint praise.

Hon. Mr. DANDURAND (reading):

The Government has passed a Minute of Council again requesting the British authorities to signify Canada's adherence to the Convention, and is submitting the two Bills substantially in the form in which they were introduced in 1920-21 for the approval of Parliament in order to remove the obstacle to our adherence hereinbefore referred to and make the same effective.

The clauses inserted in the Patent Bill for this purpose are 40 and 41.

The principal advantages to be derived from joining the Union are briefly as follows—

And I would draw my honourable friend's attention to these reasons which must have found favour with him a couple of years ago.

A Canadian will have in filing an application for a patent in other Union countries after filing and application at home for the same invention, a right of priority for the period of twelve months.

This means that a foreign application filed at any time within twelve months from the Canadian application will be given the date of filing of the Canadian application and will have the same force and effect as if filed on that date. Consequently nothing done in the meantime such as publication or public use or sale of the invention will prevent the grant of the patent.

At present a Canadian patent is published in the Canadian Patent Office Record simultaneously with its grant. Such publication, before the filing of an application in most foreign countries, is an absolute bar to the grant of the patent.

In regard to trade marks and industrial designs, there will be similar right of priority for the period of four months.

In most of the foreign countries at present the Canadian applicant for a patent is at a great disadvantage if his application is found to be in conflict with a co-pending application for the same invention. In the United States, for instance, in such a case the Canadian is not permitted to offer evidence of the date of the invention prior to the date of his disclosure of the invention within the United States, while the U. S. applicant, in order to show priority of invention, may go back without limitation to the date of the conception of the idea. This means that the U. S. applicant wins out in practically every case. On joining the Union the Canadian would be on the same footing as the U. S. applicant.

Provided they comply with local laws regarding the working of their patents, Canadians would have the right of exporting to all Union countries their inventions manufactured at home without invalidating their patents. Canadians would have the same rights as citizens or subjects in obtaining patents and registering trade marks and designs in all Union countries.

The International Office of the Union is at Berne, and is superintended by the Swiss Government. The Canadian contribution towards its maintenance would be between five and seven hundred dollars annually.

The net annual revenue of the Canadian Patent Office to-day is about quarter of a million dollars.

When we go into Committee, we may cover further ground.

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

IRRIGATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 112, An Act to amend the Irrigation Act.

He said: Honourable gentlemen, I have here a memorandum signed by Mr. H. H. Rowatt:

Section 7 of the Irrigation Act provides that no grant shall be made by the Crown in such terms as to vest in the grantee any exclusive or other property or interest in or any exclusive right or privilege with respect to any river, stream, watercourse, lake, creek, spring, ravine, canyon, lagoon, swamp, marsh or other body of water, or any exclusive or perpetual property, interest or privilege in the land forming the bed or shore thereof.

Under Section 37 of the Dominion Lands Act regulations have been established for the leasing of mining rights, and the Deputy Minister of Justice holds that such leases are grants of land, and that the issue of a mining lease comprising a submerged area is a violation of the provisions of Section 7 of the Irrigation Act.

As mining locations leased under the provisions of the regulations frequently comprise an area of 1,920 acres it is practically certain that almost every location so leased includes within its boundaries water areas as defined by Section 7 of the Irrigation Act.

It was suggested that legislation be introduced which would admit of lands defined as water areas in the said Act being leased for mining purposes, and made retroactive, and Mr. Chisholm of the Department of Justice, after consultation with his Deputy Minister has submitted the attached draft amendment to Section 7 of the Irrigation Act, designed to overcome this violation.

I will read the Act, which is very simple.

Hon. Sir JAMES LOUGHEED:: We have it before us.

Hon. Mr. DANDURAND: I may say that there is no controversy or claim in the Department with regard to the Act.

Hon. Mr. DANIEL: Why is the Bill made retroactive?

Hon. Mr. DANDURAND: The proposed clause says:

and this proviso shall be deemed to have come into operation on the twenty-third day of July, one thousand eight hundred and ninety-four.

I would surmise—it is simply an inference I draw—that the purpose is to cover such leases of submerged areas in connection with mining rights as would seem to run counter to the prohibition which it is sought to raise.

Hon. Mr. BELCOURT: I understood my honourable friend to state that no such leases had been issued.

Hon. Mr. DANDURAND: No; I said that there is at present no controversy with the Department, or no special case which the Department has in view. No trouble has arisen.

Hon. Mr. REID: Honourable gentlemen, this Bill is introduced for the purpose of legalizing some lease or leases. Perhaps the honourable leader of the Government would give us, when we go into Committee on this Bill, a list of leases that have been issued since 1894. There must have been a good many leases granted in the last 27 or 28 years. The purpose of introducing this Bill must be to legalize some particular mining lease or leases. I should think that if we are going to legalize some lease or leases that have been given we should at all events be provided with a list of them before we pass this Bill.

Hon. Mr. DANDURAND: My honourable friend may have noticed this part of my statement:

As mining locations leased under the provisions of the regulations frequently comprise an area of 1,920 acres it is practically certain that almost every location so leased includes within its boundaries water areas as defined by section 7 of the Irrigation Act.

So that undoubtedly the reason for making the legislation retroactive was to make certain that all those leases would be regularized. As to obtaining a lease, it may suffice to inform this Chamber that there is no complaint from any quarter, no claim in the Department, and no controversy at the present time.

Hon. Mr. REID: Do I understand the honourable leader of the Government to say that they are bringing in a Bill to legalize leases that have been issued, and that no question of their legality has been raised in any shape or form?

Hon. Mr. DANDURAND: During the last 27 years. That is the information I have from the Department.

Hon. Mr. REID: Well, it does seem strange to me that after 27 years, without anyone raising the question, the Department of Justice should bring this question forward now. Has the Department raised the question?

Hon. Sir JAMES LOUGHEED: Their attention may not have been directed to it. This evidently has been the practice since 1894, and it is only recently that their attention has been drawn to the infirmity in the lease.

Hon. Mr. REID: I would like to be informed of the reason why the Department of Justice has taken this matter up and asked for a Bill of this kind. It strikes me that someone owning a lease must have made an application to the Department. Therefore I would like to have the matter explained when the Bill comes before the Committee.

Hon. Mr. DANDURAND: I will have a statement from the Department as to the number of leases that this will cover.

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

PRIVATE BILL

SECOND READING

Bill I4, an Act to incorporate Continental Assurance Company of North America.—Hon Mr. Crowe.

INDUSTRIAL DISPUTES INVESTIGATION BILL

CONSIDERATION IN COMMITTEE POSTPONED

Hon. Mr. DANDURAND moved that the House go into Committee on Bill 84, an Act to amend The Industrial Disputes Investigation Act, 1907.

Hon. Mr. BELCOURT: This is a very important Bill, and when we had it up the other day we asked for the printing of the sections which are being repealed. For my part, I do not understand the meaning of the Bill at all, unless I have before me the old sections, and it seems to me that no time is to be gained by attempting to go on with it in its present shape.

While I am on my feet may I revert to the question of the resolution adopted by this house in regard to the printing, along with the Bill, of the old provisions which are being repealed? I have received, as I am sure other members have, a pamphlet issued by someone, I do not know whom, called "Consolidation of Naturalization Acts, 1914 and 1920, including provisions of Bill 85." In this pamphlet the rule which was adopted by this Senate has been fully carried out, the measure as now proposed being printed in different type from sections which are being repealed or amended. Anyone examining this will see how much more convenient it would be to follow the discussion with this memorandum. Somebody else evidently thinks exactly as we do, and has supplied the House with the means of intelligently following that Bill. Why it has not been carried out in our Bills I cannot see.

Hon. Mr. CURRY: I agree with the honourable member for Ottawa (Hon. Mr. Belcourt), that we should have the original Bill printed before we go into Committee of the the Whole. This is a very important matter, and one in which I am specially interested, and I will say that this Bill in its present form is Greek to me, and unless we can have the other to show what these changes mean, we are simply working in the dark.

Hon. Mr. ROBERTSON: I see no objection to the matter standing in order that the Act may be reprinted as suggested; but I would point out that this Bill is now before this House without any amendment introduced in the House of Commons, and that with the first reading of the Bill it was printed with the amendments and changes in italics, and that is before us, if you refer to it.

Hon. Mr. DANDURAND: And distributed in this Chamber.

Hon. Mr. ROBERTSON: Yes.

Hon. Sir JAMES LOUGHEED: It is not on my file: I have been looking for it.

Hon. Mr. DANDURAND: I may say that up to a certain time, which I cannot exactly give, we had a special file of the Bills that were introduced in the Commons, but that practice was discontinued, and the Commons Bills were simply put into our postal boxes for us, and received and examined. It was felt that some confusion resulted from maintaining one file with Bills as introduced in the Commons, and another with Bills as passed through the Commons; yet we are still receiving those Bills as introduced in the Commons, and last week, when moving the second reading, I happened to have the Bill as introduced in the Commons and on the opposite page was printed the clause of the present Act.

Hon. Sir JAMES LOUGHEED: It is not on our files, though.

Hon. Mr. DANDURAND: It is not on our files, but it is distributed to us, and we could retain these Bills as they originated in the Commons. I admit that very often they are of very little importance, because the Bills may be changed in Committee in the Commons, but in this instance there has been no change, and the old Act which it is sought to amend is to be found on the next page.

Hon. Mr. BELCOURT: A copy of that Bill has just been handed to me by my honourable friend from De Salaberry (Hon. Mr. Béique), with a copy of the old Act printed on the opposite page.

Hon. Mr. BEIQUE: There are several copies which could be distributed, and they would answer the purpose.

Hon. Mr. DANDURAND: I am ready to proceed with the Bill. It is not very late. I fully explained the Bill on the second reading. The Deputy Minister is here to give through me, any explanation that may be required.

Hon. Sir JAMES LOUGHEED: Let it stand until to-morrow.

Hon. Mr. DANDURAND: I will move that the Order be discharged, and placed on the Order Paper for to-morrow.

The motion was agreed to.

PENNY BANK BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand the Senate went into Committee on Bill 104, an Act to change the name of the Penny Bank of Toronto.

Hon. Mr. Blain in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

DIVORCE BILL

FIRST READING

Bill R4, an Act for the relief of Abigail Aileen Beryl McCrea Tull.—Hon. Mr. Ratz.

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

THE SENATE

Wednesday, May 2, 1923.

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

Prayers and routine proceedings.

FRENCH CONVENTION BILL

FIRST READING

Bill 23, an Act respecting a certain Convention of Commerce between His Majesty and the President of the French Republic.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND moved that the Bill be placed on the Order Paper for second reading on Tuesday next.

The motion was agreed to.

Right Hon. Sir GEORGE E. FOSTER: May I ask a question of my honourable friend? The second reading has been set for Tuesday next. Shall we be under the impression that the Bill will really be taken up on that day? I think it is important that we should know, because some of us have possible engagements, and, as this is a very important Bill, I am prepared, so far as I am concerned, to be present on that day and go on with it. But can my honourable friend give us an assurance that it will really be taken up then, or will it be boosted to some future time?

Hon. Mr. DANDURAND: That inquiry raises the question as to what decision we may have to make to-morrow regarding the adjournment of the Senate. There occurs next week a holiday which cuts the week in two. On Thursday, the 10th, I am officially informed, the Commons will not sit. I have therefore been asked if we could not adjourn to the Monday following, and sit then for a full week, or until we have cleared the Order Paper. I understand the Budget is not to be delivered before next week, and, as that holiday intervenes which will break the week in two, I shall leave it to the Senate to consider the question until to-morrow and to decide then as to adjournment. Of course, if we come back on Tuesday of next week, I see nothing to prevent this Treaty being taken up.

C.N.R. LINES IN UNITED STATES

INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What are the lines, operated by the Canadian National Railways, in the United States of America, that have shown a deficit, if any, during the last year?
2. If deficits, what were the amounts for each line approximately, during the same time?

Hon. Mr. DANDURAND:

Grand Trunk western lines.. ..	$1,175,341 83
Grand Trunk New England lines.	1,398,600 35
Duluth, Winnipeg, and Pacific Railway..	332,871 39
	$2,906,813 57

Although the American Lines show a deficit, the Management point out that the Canadian National—Canadian lines receive from and deliver to the American lines heavy through traffic, which results in considerable earnings to the Canadian lines, as follows:

Canadian lines—Earnings on traffic interchanged—

	G.T. New England lines	G.T. Western lines
From above lines	$ 1,185,157 00	$ 8,547,335 00
To above lines.	3,192,216 00	4,230,660 00
	$ 4,377,373 00	$12,777,995 00

Total interchange, excluding Duluth, Winnipeg and Pacific Railway, figures for which are not yet available.. .. .. $17,155,368 00

C.N.R. TICKET OFFICE IN TORONTO

DISCUSSION AND INQUIRY

Hon. GEORGE LYNCH-STAUNTON rose in accordance with the following notice:

That he will call the attention of the Senate and enquire of the Government:

Has the Canadian National Railways offered one million dollars or any other sum (and if so, what is the other sum?) for the northwest corner of Yonge and King streets, Toronto, and have they taken or do they propose to take proceedings to expropriate said land for a site for a ticket office, and if so, what is the estimated cost of the land and building to be erected thereon?

He said: Honourable gentlemen, I placed this notice on the Order Paper not so much to gain the information, for I think I have most of it at present, but to draw to the attention of the Senate what, in my humble judgment is a very important matter. Rumour has it, and the answer given yesterday to the question of the honourable gentleman from Peel (Hon. Mr. Blain) proves, that the Canadian National Railways have purchased the northwest corner of King and Yonge streets in the city of Toronto for a ticket office: and, as I read that answer, it is not intended to use that property for any other purpose than the selling of tickets. The purchase price, I am informed, is $1,100,000.

Hon. Mr. DANDURAND: But the honourable gentleman is informed also that there is no fixed figure, because the matter is referred to the Exchequer Court.

Hon. Mr. LYNCH-STAUNTON: I understand that the railway company offered a million dollars for this property and that the Imperial Bank, the owner, declined to sell at that price, disputing the right of the railway company to expropriate this land, and that the question has been referred to the Exchequer Court. But I am informed that the railway company have since increased their offer to $1,100,000.

On this property there is a small building of about four stories in height. Four years ago the Imperial Bank paid $700,000 for the property; so that at $1,100,000 there is a neat profit to the Bank of $400,000. A few days ago I sent a letter to the Toronto Globe protesting against this purchase, and, in a full column editorial as to why it should be purchased, the only reason given was that the Canadian National Railways could not afford to have the Canadian Pacific Railways occupying an office on the best corner in Toronto without themselves having an office on the other corner. In other words, it is vital to the Canadian National Railways to "keep up with the Joneses."

I do not think it is vital to the Canadian National Railways to keep up with the Joneses, and any person who knows Toronto, knows that the centre of trade is very rapidly shifting north on Yonge street from the corner of King street, and that King street from Yonge to Bay is becoming a financial centre and trade is disappearing from that locality. Furthermore, the Canadian National Railways have a large property which was formerly owned by the Canadian Northern Railway, just opposite the King Edward Hotel, the principal hotel of Toronto, and only two blocks distant from the proposed ticket office. I may say in passing that for some years the Grand Trunk Railway had its ticket office in the building which it is now proposed to purchase.

Assuming for the moment, which I do not grant, that it is desirable to have a ticket office in that locality, there is another reason why this property should not be purchased. This morning when I opened my mail I found in it a letter which I think will be interesting to the Senate, if I may be permitted to read it. It is as follows:

> Dear Senator,—With reference to the Globe's answer to your letter criticising the C.N.R. for paying over $1,100,000 for a site at the corner of Yonge and King Streets, Toronto. It says they could not let the C.P.R. have the strategic advantage of location in a city where so much of their traffic starts. Why did the C.N.R. not buy the old Traders' Bank Building now known as the Bank of Hamilton, instead? It is right in the heart of the city, on Yonge Street immediately beside the C.P.R. Building. It is plenty big enough to house all the C.N.R. groups in Toronto, and then leave some space to rent. It contains over 77,000 square feet, is 14 stories high, well built, and has the best battery of elevators in Toronto. It has been in the market for some years, and the Royal Bank, although looking for $1,000,000 for it and the Nordheimer Building (6 stories) annex on Colborne Street, which goes with it to preserve its light, would doubtless take less. Think of it: the C.N.R. pays $1,100,000 for a small site on which they will have to spend another $1,000,000 to put a tall building, when they could buy a beautiful office building all complete, with a 6 storey annex, right alongside the C.P.R., for less than $1,000,000. Why was this overlooked?

Then the writer makes some remarks which are perhaps a little derogatory to the management, and which I will not read. The building which he pictures was the show building of Toronto until the Canadian Pacific Railway built one two or three stories higher. That building is within eighty feet of the corner of King Street, and is absolutely up-to-date in construction and equipment, and has the handsomest interior of any office building in the city. Around the corner of Colborne street is the Nordheimer Annex. Not only could the Canadian National Railways put their ticket office in this building, but they could house all their offices, for which I am told they have a very large rent roll in Toronto. They could buy that property, with a frontage of 80 feet on Yonge street by a depth of 100 feet on Colborne, including the Annex, for less money than they have offered for the corner of King and Yonge. When I protested against the purchase I was not aware of these facts, which I have heard from this gentleman only this morning. It seems to me that this trying to keep up with the Joneses is going to be quite too expensive for this country. The Grand Trunk Railway Company, which was managed by a board of

directors in England, undertook a few years ago to imitate the Canadian Pacific: they put up a series of hotels throughout this country which cost us now in deficits $750,000 a year; they undertook to build the most expensively-built railroad on this continent in order that they might keep up with the Joneses: the result was that they put their company into bankruptcy.

Now I come to the policy of building ticket offices, as if they were grocery stores, to catch the passing trade on the street. The American railways have given over that kind of extravagance; they are consolidating the ticket offices of the rival roads in one building wherever they can possibly do it; they are placing their uptown offices on cheap properties in obscure streets. They know that the worst paying part of the business of a railway campany is the ticket business, and that the overhead on that part of the business should be kept as low as possible. The New York Central Railway is taking its ticket office out of the Central Station and is placing it elsewhere, because it can get a good rental for the property. If I were czar of this country I would make the railroads sell their tickets at the terminal stations in each city, and nowhere else. I think that a man who will stand for a ground rent of $60,000 or $70,000 a year for a ticket office for the catch business which he will get should be in some other business than railroading.

There is another point of view. I am interested in this question simply and solely as a Canadian citizen. I have no interest in any railway in Canada, directly or indirectly, except the Canadian Nationals, in which I am interested as a citizen, and I think that the public interest of Canada should be most carefully considered. The transportation systems of Canada are its lifeblood, and it is only by reducing expenses as far as we possibly can, by practising the strictest economy, that we can ever hope to give the people of this country reasonable freight rates for the transportation of their products from one end of Canada to the other. The Canadian National Railways ought to be considered quite apart from any question of sentiment; they should be considered entirely from a business point of view, especially by the Management. We have a billion dollars of debt hanging over these railroads, and we are adding to that debt every year at the rate of from sixty to seventy millions.

Hon. Mr. CASGRAIN: Of deficit?

Hon. Mr. LYNCH-STAUNTON: Of a deficit. In ten years we shall have another billion dollars of debt on those roads, and only by a miracle can that catastrophe be prevented. The Management of these roads should consider day and night wherein they can reduce expenditures rather than increase them.

Friends of public ownership are always on the lookout for signs of hostility on the part of those who are not advocates of that policy. As for me, I am not an enemy of public ownership. I am not a convert to public ownership, but I voted tremblingly for the acquisition of these roads by this country, and as a citizen of this country I know that it is the most vital and important project that we have on hand if we desire the development and prosperity of Canada. The greatest enemy that this railroad has is not the man who is opposed to public ownership: it is the public ownership partisan and advocate—and why? Beacuse public ownership advocates are like politicians: politicians will always support their own party, right or wrong. That is a general statement, and there are exceptions to every rule; but if you look in the press you will never see any criticism whatever by public ownership advocates of those who have charge of our public utilities. As I said in my letter to the Globe, the managers of our public utilities can commit murder and get away with it so far as the advocates of public ownership are concerned. If public ownership is to succeed, its friends should always be on the lookout to see that no mistakes which can be avoided are committed, and not all the time be patting their managers on the back and defending everything they do—good, bad, and indifferent—as they are doing.

The taxation through which this railway is supported is on all the people of this country. A great many of those public-ownership people seem to think that the taxation is only on the rich; but, as I heard a big corporation lawyer once say in New York, "When they tax us, we always manage to put the taxation where it belongs, that is to say, on the people who use the utility."

Look at our taxation to-day. We have the province of Manitoba introducing a Bill for an income tax under which a man who has $13,000 a year must pay 7 or 8 per cent. What does all this mean? It just means that those people who have large sums of money, who are not already tax-dodgers, are going to become such: they are going to be driven to it. I know that there are millions of dollars now being placed outside of this country for the purpose of escaping the taxation which we now have; and they are escaping, and will

escape. Men with large fortunes can escape, but the poor never can escape.

Now, if you add to the debt of this country millions and millions and millions, year after year, and if you get to about two billions of debt through this railway, you will have to increase the taxation, and lower the exemptions every year, and after you have lowered the exemptions to what they are in England, the population will sit up and take notice. No government can retain power in Canada by any policy once all the people are paying direct taxation.

This is to me a very serious matter. How can we hope to get our western country settled if we have to charge people rates on freight which prevent them getting any profit from their produce? How can we expect to bring people into Canada and retain them here if we make it the dearest country in the world to live in?—and it is rapidly becoming such, if it is not so already. The great cause of the increase in taxation is the expenditure on our railways. Instead of cutting to the very bone every possible expenditure, this Management is going, with a gay heart, to increase it wherever they have an opportunity, if the action in Toronto, and what I hear rumoured of action in Montreal, is an indication of their policy.

I could perhaps say more, but to such a body of men as compose the Senate I do not think it is necessary or perhaps useful to add anything. I only hope that the Government of Canada will bring the Board of this corporation on the carpet, and give them to understand that they are not to spend money of this country for their own glorification, in order that they may walk in and out of great buildings, but that they are there to manage this property as the servants of this country, without putting unnecessary burdens on it. I have a great regard for Hon. Mr. Graham, and I hope he will see that there is a change in the policy of this Railway Board. I have not looked into the matter, but I am told that the Government has absolutely no control over the railway. If that is so it is time they had. Formerly I believed in the management of these affairs by Commissions, but my experience and observation in the last few years leads me to the conclusion that Commissions are a dangerous experiment, and that it would be much better for the Government of this country to take the control of this railroad, as they must take the responsibility. The Government must see to it that the railway is run in the public interest. These railway gentlemen have no interest in this matter except their salaries. They have no vision to see what a tremendously important matter they have in hand, and what a great chance there is for them to be benefactors of Canada; but the Government of Canada must not forget that the administration of this railway is committed to them, and that they are responsible for its management.

Hon. Mr. GORDON: May I ask the honourable leader of the Government if the question asked by my honourable friend was replied to in the affirmative? I did not hear him when he replied to it.

Hon. Mr. DANDURAND: No, I have not yet answered the honourable gentleman; but I expect that the men of standing in the Senate, who to a large extent represent, I believe, the shareholders in this large corporation called the National Railways, will express their opinions, which may help the Board to appreciate the views expressed by the parliamentarians of Canada, and thus help to direct their action.

Hon. Mr. GORDON: Are we to take it from that remark, that negotiations are going on for this building?

Hon. Mr. CASGRAIN: It is before the Exchequer Court now.

Hon. J. D. REID: I do not rise to criticize or find fault with the remarks made by the honourable Senator from Hamilton (Hon. Mr. Lynch-Staunton). I think he has made a very able and fair speech, but he has raised a question far greater than that of the Toronto site. I agree with him absolutely when he states that the strictest economy should be practised so far as the National Railways are concerned; but I go farther, and say that if it is possible for parliament to make both railways economize more than they are now doing they would be able to reduce freight rates and passenger rates, and that is what we need in Canada to make it a greater country than we now have.

When the honourable gentleman complained of the expense, and asked that it be reduced, his remarks applied to ticket offices where rentals would be less than at present. But is it not the fact that all over Canada, not only in cities, but in small towns and large towns, we have two ticket offices? In my own little town, with a population of about 3,000, we have both Grand Trunk and Canadian National Railway ticket offices, and I believe the same thing applies in every town in Ontario and throughout the Dominion where these two railways run. These ticket offices must be an enormous expense on the railways throughout Canada, not only for rents, but for ticket agents. Why should we have

two ticket offices in my small town? If I want to travel I know which road I am going on, and so does every other person in a small town. Why could not the tickets be sold at the railway station just as well as in the town? In my judgment Parliament should legislate, if it could be done, so that neither of these railways—for there are now only two railways in Canada—should have any ticket offices except at their own stations. That would mean a large saving to both railways, and the saving would be important when we remember that for a two-cent postage stamp the railways have to carry a ton of freight one mile. I venture to say that the closing of the ticket offices and paying for two ticket agents in a small town like mine would almost pay the profits of the railways for the shipping that is done at such a town. I believe it is possible in every place in Canada, even in Toronto, to have tickets sold at the railway stations, and there alone. That, in my judgment, would be fair to both railways.

The honourable gentleman has stated that the New York Central Railway has done away with its city ticket office in New York. I believe that all the railways in New York have now a central office where anyone can buy a ticket on any railway, and this has certainly reduced the expense to a minimum, when divided up among the various railways. That is getting pretty near to the suggestion I have made.

In regard to the site in Toronto, every person has his own opinion. The Grand Trunk office has been on that corner for a great many years. The late Government intended, if they had taken over that railway during their time, to put the telegraph office there, and thus have a central office that would be more than a ticket office. At present the Canadian National Telegraph office in Toronto is pretty hard to find, as it is off on a side street, while the C.P.R. have their ticket and telegraph office centralized at their particular corner. I suppose they arranged to place their ticket office there on account of the Grand Trunk being on the opposite corner for so many years before. Rightly or wrongly, they thought that was what should be done.

Hon. Mr. LYNCH-STAUNTON: Wrongly.

Hon. Mr. REID: Perhaps it was: I am not expressing an opinion; but that is why they put it there. When I was Minister of Railways I understood we were paying $32,500 a year for half the lower floor of that building where the Grand Trunk ticket office now is. The total rentals that the Imperial Bank was getting for that building were $72,700. If the ticket office were taken away from that corner I suppose we would save on the $32,000. We would save the whole sum if all the tickets were sold at the station; but of course the telegraph office could not be placed away down at the station. If the office were removed to another corner, perhaps $15,000 a year could be saved, but I take it that is the most that could be done.

I have only seen the press reports in regard to the suggestion of a large office building on that corner, but I would censure the Government if they would touch such a proposition at all so long as the National Railways are making such deficits as they are at present. Until the railway is free from the losses they are now making the matter should be left in the condition it is in now. If the Government had to assume the purchase of that building on a valuation as decided by the Exchequer Court, it would be around a million dollars, if reports are true, and then we would continue to pay about $32,500 a year, or perhaps a little more. I would hesitate to move until there was a decision as to a general policy to abolish all the ticket offices, endeavor to make both railways economize, and put Parliament in a position to make the railways reduce their freight rates. But so long as we allow either one or both to continue the expenditure for duplicate ticket offices. freight offices, and so on, just so long will freight rates be kept up.

I agree with my honourable friend that no more buildings should be constructed, but I would hesitate to do away with the ticket offices in the meantime, and put them on a side street in Toronto. I think it would be better to wait until some general policy has been adopted by which we can put both railways on an equality for securing freight and passenger business in any part of the Dominion.

Hon. Mr. LYNCH-STAUNTON: May I ask the honourable gentleman if he is unmindful of the fact that they now have a ticket office on King Street within two blocks of the C.P.R., right opposite the main hotel of the city of Toronto?

Hon. Mr. REID: The Canadian Northern Railway had a property a little east of the King Edward Hotel, on a corner, in which they had their ticket office and their offices as well. My opinion, whatever it is worth, is that the corner of Yonge and King Streets is much more advantageous than that corner would be. That corner would probably be

worth about half as much, and therefore to abandon the Grank Trunk corner and move to the other offices would mean a saving of perhaps one-half. The honourable gentleman may be right and I may be wrong, but for the difference I do not think we should make a change. Besides, if we put the telegraph office on that corner, it would mean a saving and would also help the telegraph company. My opinion may not be worth anything, but I mention that as my reason. However, my main purpose in rising was to suggest that all these ticket offices should be done away with.

Hon. Mr. FOWLER: The honourable gentleman has not made his position clear.

Hon. Mr. REID: I am sorry if I did not make myself plain. I said that I would be sorry to see the ticket office moved from where it is now; and I do not believe that, even if it is taken over, that would mean any increase in expenditure.

Hon. Mr. FOWLER: What about the Bank of Hamilton building?

Hon. Mr. REID: I am opposed to taking over the Bank of Hamilton building for this reason. The Royal Bank owns that building. When the Royal Bank took over the Traders' Bank it was in another part of the city. If the location of the Traders' Bank had been as good as the corner of Yonge and King Streets, why did not the Royal Bank move into it?

Hon. Mr. LYNCH-STAUNTON: The Royal Bank did not want it.

Hon. Mr. REID: What the Royal Bank did the honourable gentleman of course knows. It abandoned the Traders' Bank building and bought the corner right opposite the Grand Trunk, and erected a building there. So they must have thought that was the better site. I think the Grank Trunk corner is the very best in the city of Toronto, and I am in favour of the Canadian National Railway keeping that site in the meantime.

Hon. Mr. CASGRAIN: May I ask the honourable gentleman a question? He said, if I heard him aright, that that building was bringing in $72,000 a year in rental. That would be gross rental.

Hon. Mr. REID: Yes.

Hon. Mr. CASGRAIN: Well, if they were getting 50 per cent, they would be doing very well. That would bring it down to $36,000.

Hon. Mr. LYNCH-STAUNTON: The taxes in Toronto are 36 mills.

Hon. W. H. BENNETT: As the honourable leader of the House has asked for an expression of opinion as to matters generally with reference to the Canadian National Railway, I intend to offer a few remarks. There are matters in Canada which are to-day of much greater importance than the purchase of this corner building in the city of Toronto. There is the action of the Government in many respects as to the trade and commerce of the country, and more particularly the western part of Canada and the transportation of grain from that section. I agree with my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) that it is simply absurd for this Government to be spending a million dollars on that corner building in Toronto when they have, only a short distance away, the Canadian Northern building and when, as has been stated, only one corner in Toronto should be owned by the Dominion for the purpose of ticket offices. At the western corner of the next block, opposite the Prince George hotel, as one may see in the public press, a very large office building is being erected. The question is where the trade in the city of Toronto is going to centre and where it is not. People of means are backing their opinions by spending their money in different directions. I am not going to complain of this particular expenditure alone, but I do complain of all the wild expenditures which the Canadian National Railways are contemplating. We read in the Montreal press of what is intended to be done in Montreal. The expenditure of a million dollars for another National Railway building there is contemplated, although the country owns to-day a large office building—that of the Grand Trunk. Adjoining it is a foundation on property owned by the Government of Canada, upon which a building could be constructed. Some impulse is driving this Government to buy a building in the city of Montreal known as the Shaughnessy Building at the figure of $800,000, and, if you read the press of Montreal—

Hon. Mr. DANDURAND: No, the honourable gentleman is in error. The Canadian National Railways do not contemplate buying that building.

Hon. Mr. BENNETT: Thank God for that! Public discussion is having some effect on this Government.

Hon. Mr. DANDURAND: No; my honourable friend is wrong. I have had an answer to this effect for the last two or three days, but the question asked related, not to the Canadian National Railways, but to the Government: "Was the Government negotiating for the purchase of the Shaughnessy Build-

ing?" The Railway Department thought that the question applied to them, and they sent me an answer, which was in the negative. So that purchase was not contemplated by the Railways. The answer I gave was that the Government was not negotiating for the purchase of the building.

Hon. Mr. BENNETT: Then neither the Railways nor the Government were in negotiation for the Shaughnessy Building?

Hon. Mr. DANDURAND: No. I may say that in my opinion the matter will have to be settled after the general policy has been discussed and decided upon. For instance, there are numerous buildings for which the Government is paying an immense amount of rental in Ottawa, and which are used by various departments. Buildings are probably required also in large cities like Montreal. To a business man the question would present itself: is it not advantageous for the Government to borrow money at 5 per cent and provide for the housing of all its servants in the city of Ottawa, diminishing the annual rentals by making that capital expenditure? This is a large question, which has not yet been decided. It will have to be decided in Montreal as well as in Ottawa before any negotiations are entered into for the purchase of one building or another.

Hon. Mr. BENNETT: Honourable gentlemen, according to what the Minister has said, I think the betting is that the Shaughnessy building is going to be purchased by either this Government or the Railways, and the cost is to be added to the public debt of this country and to the large deficit of the Canadian National Railways. Sir Henry Thornton goes about the country imploring the people to give their opinion. He speaks about the future success of the railways. I will use his own words. Yesterday, addressing a meeting at London, Ontario, he said:

> This year will be the test year for the Canadian National Railway, and, if a reasonable financial showing is made, the battle to place the system upon a sound basis will be won.

If we are going to have all this outgoing of money, we certainly must have some income, and the Government has announced its intention of disposing of some 27 vessels belonging to what is known as the national fleet. I want to ask the Government why they desire to sell these boats at this particular time. Last fall they placed 10 of them on the Upper Lakes. What was the result? They went into the service to relieve the congestion of grain on the Lakes. True, they did not keep down the rates, as they might have done, because they were rented. But is the Government going to sell those vessels when to-day the shipping combination is threatening to throttle the farmer of the West with 6 cents lake freight per bushel on his grain coming from Port Arthur, whereas two years ago it was only 3 cents for the first of the season? Is it not correct that this Government is going to sell the vessels that might keep down the rate? If that is not correct, then the Minister has made an irregular reply. Hon. Mr. Graham stated the other day in the House that up to date, so far as he knew, no offer had been made for the ships. He doubted whether in any case they would be suitable for the trade that Mr. MacLaren, the member from St. John, had in mind. However, there are to be 27 of those vessels sold.

Hon. Mr. DANDURAND: Is the honourable gentleman aware of the deficit on the administration of those vessels last year? Does he not know that it is over $9,000,000?

Hon. Mr. BENNETT: Yes, but not on the vessels that were on the Lakes.

Hon. Mr. DANDURAND: On the total.

Hon. Mr. BENNETT: Because it is the complaint, and it was the complaint then, that certain friends of—

Hon. Mr. ROBERTSON: May I interrupt to ask my honourable friend (Hon. Mr. Dandurand) if the statement is correct that there was a deficit of $9,000,000? Is not that the deficit on the investment? Was not the operating deficit less than two millions?

Hon. Mr. DANDURAND: Yes, that is the deficit on the whole investment.

Hon. Sir JAMES LOUGHEED: That includes between two and three millions for depreciation.

Hon. Mr. CASGRAIN: Without depreciation.

Hon. Mr. BENNETT: It was complained last year that the Government, when they permitted their vessels on the Upper Lakes, some 10 in number, to go into the grain trade, did not invite tenders or offers for those vessels at all, but gave them to their party friends to handle, and those friends made a princely profit out of them.

What are you going to do with those vessels? Are you going to offer them for sale at this time? What is going on in the world at present, with regard to the selling of ships? In the town where I live I can see in the yards 8 or 10 engines out of American boats, which were bought for a mere bagatelle. In the daily press I read such items as this,

that the United States Government is now considering the sale of three vessels for $100,000 apiece, which are capable of carrying about half a million bushels each. Yet the Government, at a time when the market is glutted with boats for sale, is trying to drive those 10 vessels out of the trade. Why drive them out of the trade and place them on the market? Have they friends waiting to buy them? Are they afraid these boats will enter into competition?

Hon. Mr. DANDURAND: Those friends could go to the United States and buy boats cheap, as my honourable friend says.

Hon. Mr. BENNETT: Let me tell the honourable gentleman that they cannot do so, for this reason. By legislation in the United States any vessel that is bought to-day from the Government, or from any person in the United States, is restricted as to the style of trading that she shall do on the Upper Lakes.

Hon. Mr. CASGRAIN: She cannot leave the American trade.

Hon. Mr. BENNETT: She cannot leave the American trade.

Hon. Mr. DANDURAND: But such boats could be used between Buffalo and Montreal.

Hon. Mr. CASGRAIN: Yes.

Hon. Mr. BENNETT: I doubt that they could, under that ruling. However, there is a restriction that hampers the sale of those boats.

Hon. Mr. BELCOURT: The restriction is that they must remain under American register.

Hon. Mr. CASGRAIN: That is right.

Hon. Mr. BENNETT: Then they would be hampered by the fact that they could not trade between two Canadian ports; so there would be only one chance with boats of that class.

Now the Ministers tell us that these boats are not fitted for the trade. The Government have to-day on the Upper Lakes four vessels that are lake freighters in every sense of the word. They are in the docks alongside the ordinary grain traders. You have the vessel called Kearsarge, you have one called the Arthur Orr, you have one called the Drummond, and one called the McKee. Yet two of these vessels are listed among those that are to be sold by the Government.

Hon. Mr. CASGRAIN: Are they twin decks?

Hon. Mr. BENNETT: I cannot say whether they are twin decks or not. I know this, that they are carrying grain every season. Then, why does not the Government put these four vessels of the class that I have mentioned, and the other ten vessels of the other class that are on the Upper Lakes, in the business of carrying grain? Last year they were eagerly sought for by the friends of honourable gentlemen opposite, when they were put in the trade. If all those 14 vessels on the Lakes were carrying grain, they could carry over 1½ million bushels on a single trip. What would be the result? The freight rates would be hammered down on their friends, who have the pull at court. Their rate, which is 6 cents now, would come tumbling down—just the very thing this Government apparently does not wish.

It is of no use to tell me or any other person that these vessels, which were constructed by the Government during the war, and 10 of which are, as I say, on the Upper Lakes to-day, and were eagerly sought for last year, cannot carry grain to advantage. It is true that in their make-up they differ a little as to the manner of handling them and in the taking out of the grain; but they can be used, and used to advantage. But there is the terrible prospect for the friends of the Government that if those vessels go into the trade they will pull down the rates, at the very time when the vessel men are making their last killing on the Lakes, or what they anticipate will be their last killing, before a certain Commission makes its report, which will militate against their efforts to make money out of the public at the rate they have done before.

Let there be no question about these rates. The rate that prevailed before this season was 3 cents a bushel. I am reading now from a report known as the Report of the Federal Trade Commission on Methods and Operations of Grain Exporters in the United States, dated May 16, 1922. On page 37 of that Report appears a letter written by the agent of an owner in the United States, who says that, as to lake freights, a contract was made on December 9, 1921, for the first boats in the year 1922, at 3 cents a bushel. There is no question as to what the rates were, and the rates at the first of the season have been much lower than even that. The trouble with the whole situation is that, as certain gentlemen have apparently a pull with the Government, the Government wants to re-

move carrying competition by the sale of these 27 boats. I suppose that ordinarily these vessels would sell at from $100,000 to $125,000 each. Do the Government imagine that they can get that price? They know they cannot profess to get it.

Let us see what these vessel-owners have been doing in the past. I have read in the press something of the profits that have been made by some companies. The earnings of the Great Lakes Transportation Company last year showed 73 per cent profit, and those of the Matthews Company showed, I think, 43 per cent. These are the gentlemen who are to be protected to-day by the removal of those 27 Government vessels, so that they may not enter into competition. I will not deal with this point further, because a report will be made soon, and we shall hear all about it.

Look at the position of this country. The trains are filled with young men leaving Canada. Here is a means of employment for young men in Canada, sailors on vessels, who are going over to the United States and here are vessels tied up at the docks while the Government will not hold their hand to send them out to gather up freight. Remember the position of the Canadian vessel-owner to-day, with his low-grade wages. Perhaps at this point I had better read a letter which appeared recently in the Toronto Globe. It says:

Why Canadians Leave Home

To the Editor of The Globe: I have noticed in your paper of late the question of why young men are going to the U.S.A. in such large numbers.

In our business (sailing) it is quite easy to figure out. The American boats pay from 30 to 35 dollars more per month than Canadian boats, and carry more crew making shorter hours.

This year they are paying $60 a month for firemen on the Canadian side against $95 on the American. Is it any wonder that nine-tenths of the captains on American boats are of Canadian birth or were Canadian citizens? It is a wonder to me that any young man stays in this country.

It puzzles me to know why American boats can pay more money than Canadian boats. They just get the same or less for carrying grain, and have just as long a haul.

Something is wrong somewhere, and Canada is the loser in the long run.

This man is wrong about the wages. Instead of men of this class being paid $95 in the United States they are paid $105.

Let me call attention to another thing. Under the law of the United States, the American vessel-owner has to have three crews on every vessel. In other words, the Canadian sailor has to work for twelve hours a day, but the American sailor works for only eight hours—and still there is that great disparity in their wages. This matter interests not only the farmer in the West, but Canada as a whole and the Canadian railways.

There was last year, and there will be again this year, a concentrated effort made by Canadian vessel-owners to drive every bushel of grain from the Canadian elevators to Buffalo. That is a sweeping statement to make, but I will prove it. The evidence given before the Grain Inquiry bears that out, and when the evidence comes before the House that statement can be backed up. There are about a half-a-dozen vessel companies in Canada to-day doing business on the Great Lakes; there are very few individual owners. If they have twelve vessels there may be two or three of them with a capacity of 300,000 bushels or upwards, but the majority of their vessels are small vessels carrying 100,000 bushels or less. The policy in the spring and the fall during the grain movement was: "Drive all the Canadian vessels you can to Buffalo, so that with the American vessels from Duluth they will cause a congestion at Buffalo, and when that reaches such proportions that the grain cannot be handled by way of New York, smaller vessels can carry the grain down to the city of Montreal." See the effects of that. A few of the large vessels will be kept fairly well employed on the Upper Lakes, and will have little or no detention but their smaller vessels will get this employment from Port Colborne to Montreal. Because the grain handled in the smaller vessels to Montreal from Buffalo was Canadian as well as American, there was no competition, and rates were boosted to such an extent that these enormous profits were made. These companies were charging a higher rate to the Georgian Bay ports to which they could make three trips than to Buffalo, to which they could make only two.

Hon. Mr. CASGRAIN: Is it true that there were demurrage charges paid to Buffalo and none to Georgian Bay points?

Hon. Mr. BENNETT: I think they were paid to both points. There is one element in this matter that is militating against the Canadian National Railways, and that is the fact that the grain dealers are desirous of shipping by way of Buffalo rather than by way of Georgian Bay ports, although the Government has a railway line from Collingwood to Montreal, a line from Midland to Montreal, and one from Parry Sound to Montreal, with elevators at all three ports. It was stated by Mr. Richardson, in evidence given before a committee of the House a few years ago, that the price of Canadian grain was higher because there is no admixture of inferior

grades with the Canadian grain. The report that I quoted shows that while there were 412,793,000 bushels shipped through Buffalo, 134,304,000 bushels were mixed grain and in the letter of February 21 referred to accompanying the advice as to the shipment of the grain, appears this statement:

We found, when it came to actual shipping of No. 1 Dark Northern, we had to make a mixture of 35 per cent of dollar wheat and 65 per cent of three dollar wheat, instead of 25 per cent and 75 per cent as originally advised. We could also probably make Dark No. 1 Northern out of half and half of No. 2 Northern and No. 3 Northern.

We have these lines of railway from the Upper Lakes all ready to do business; we have the new manager of the Canadian National Railways, Sir Henry Thornton; he has taken over the staff of the old Grand Trunk; he has the highest paid men of the Grand Trunk still in his employ. Surely these high-priced officials could point out to Sir Henry Thornton what should be done under the circumstances. I want to know who is recommending the sale of these vessels. Is it the Government, or is it Sir Henry Thornton? If it is Sir Henry Thornton, from whom is he taking his advice? Is it from these high-priced officials who are on the pay-roll of this country? To look at it, one would imagine that it was from someone who had stock in some of these steamboat companies, and it would not be the first time that Grand Trunk officials held stock under the names of clerks, in companies whose interests were not those of the Grand Trunk.

I am going to ask the Minister for permission to read from the daily press of the province of Ontario, and to listen to the views of some of his friends. I have two letters in my hand from the Mail and Empire, and will read parts of each. These are written by a gentleman well known to the Minister. He once occupied a seat on the Liberal side of the House of Commons for the riding of Wentworth: I refer to Mr. W. O. Sealey, of Hamilton. He says:

In view of the interim newspaper report of the lake rates inquiry commission, isn't it surprising to note that the recommendation to sell twenty-seven of the smaller lake boats of the sixty-four Government Merchant Marine has been adopted, apparently thereby removing what little chance of opposition there is left to the combinster lake rates, and dispensing with all future Government Merchant Marine competition? This would leave the Government's billion dollar railway system and many millions of dollars of ocean merchant marine at the mercy of the little lake link transportation association to sap all the virtue and profit out of the whole investment. Is this the way the one stockholder (the people of Canada) is going to allow its enormous investment to be administered?

Then he goes on to speak about the ocean rates and the combine which the Dominion Government, through the Canadian National steamships, has entered into to keep up rates on the ocean. He says:

And then the Canadian National Railways—leaving Canada to struggle with the enormous national debt their cost built up, with little or no receipts for their sale. Now that public ownership and operation of transportation facilities are established as a beneficial principle, why not support instead of strangle it?

I join in that opinion. If my honourable friend wants more advice from the public, let him take the advice of the Winnipeg Free Press, a paper which has not been altogether hostile to his Government. He will not get much consolation out of the Toronto Globe, because when the Edmonton Bulletin, Hon. Frank Oliver's newspaper, in speaking of these companies, said:

That they exploited the grain growers in a highly efficient manner seems to be established, whether by combine methods or individual action. But it was hardly reasonable to suppose that their legal pilots had not shown them how to do it without getting stranded on the clauses of the anti-trust law. If the Commission finds out how the law will have to be amended to prevent them doing it again without incurring penalties, that will perhaps be as much as can be looked for. The Commission is likely to be useful as a preventive, rather than as a punitive, instrument.

The Toronto Globe's comment, with smug-faced hyprocisy, was as follows:

There are other ways of breaking up the combination besides invoking the criminal law. Railway rates are regulated without criminal prosecution, and there is no reason why shipping rates should not be kept within bounds by the exercise of Governmental authority, and if necessary by the Government itself entering the field and carrying grain at reasonable rates. The possibility of such action should at least always be held in reserve as a means of enforcing fair play on the part of private vessel-owners.

Whether some person closely connected with the Globe is interested in the preservation of rates and saying that these parties should not be criminally prosecuted, I know not and care not. Many courses have been advocated; meanwhile we await the report of the Commission. What the Commission will recommend I do not know; but I hope they will not recommend the abrogation of the coasting laws, and, if they do, I hope the Government will not act upon the recommendation. We have not as many vessels on the lakes as the Americans, and the abrogation of the coasting laws would mean very bad business for owners of Canadian vessels, and it would follow that the allegiance of all the men employed on Canadian vessels would have to be transferred to the United States if Canadian vessels were transferred to the United States register. What the Government might do is to take to themselves the right to exercise at any time the power of abrogating the coasting laws, which would be a safeguard against high rates.

In the Globe of last Friday there is a page devoted to the interests of the town of Midland, and among other things there is an advertisement, if you may so term it, of the Great Lakes Company. It says that they carry 200,000 tons of coal per season to Midland for the Canadian National railways; and there is another port called Key Harbour, to which a large amount of coal is carried for the same railways. Why not put these Canadian National boats into that trade? Although the Great Lakes Company had that contract, and were fulfilling it by delivering the coal to Midland, in many instances they had to secure American boats to carry the coal, while these Canadian Government vessels were tied up at the docks. This is a matter which primarily interests my home town and the surrounding country; but when it comes to driving the grain trade to Buffalo, it interferes not only with the business of the Canadian National railways, but also with the business of the Canadian Pacific railway, which last year handled over 40,000,000 bushels of grain at Fort McNichol. My advice to the Government is to get busy and go to work and put these fifteen vessels on the Lakes at the very earliest moment possible, as soon as the ice is off—put them all into commission and put probably 400 men on them and pay them decent wages; cut down the rates and give the farmer the benefit whether it hurts party friends or not. I hope and trust the Government will do that, pending the report from this Commission.

Hon. Mr. CASGRAIN: The honourable gentleman said those ships last year were given to friends of the Government. I thought this Government had no friends. Will he tell us who they are?

Hon. Mr. BENNETT: I will read this statement from the public press.

Hon. Mr. CASGRAIN: Never mind the public press; name them.

Hon. Mr. BENNETT: It goes on to refer to the Company known as the Great Lakes Company, in which parties in Midland and Richardson Brothers of Kingston are interested.

Hon. Mr. CASGRAIN: We would like to have the Richardsons for our friends, but they never were.

Hon. Mr. BENNETT: It says:

> This fleet carried 26,000,000 bushels to Canadian ports during the season of 1922, and some 4,000,000 were carried in the Canadian Merchant Marine boats.

Now, as a matter of fact, I understood those boats were in some way working under the Great Lakes Company.

> There was considerable said about the manner in which these government boats had been chartered, more than one witness claiming that they had endeavoured to charter them early in the season and had been told they would not be chartered, and that later they had been chartered without being advertised as available to shippers generally. As government boats the feeling, from the statements made, was that every shipper and every vessel agent should have had an equal chance to secure this tonnage at a time when tonnage was scarce.

Hon. Mr. CASGRAIN: What are the names of the friends?

Hon. Mr. BENNETT: Why, the Great Lakes Company.

Now, that is all I have to say about this matter, and I hope and trust the Minister will use his good influence with the Government, and that next week we shall hear the announcement that these 15 odd vessels on the Upper Lakes are not put under the hammer and sold to the highest bidder, but will be put in commission and into service on the Upper Lakes.

Hon. Mr. WATSON: I would like to ask my honourable friend if it is the Government who controls the Merchant Marine?

Hon. Mr. BENNETT: If this Government has no influence with Sir Henry Thornton, then let us know it. If Sir Henry Thornton has the privilege of saying, "The Government be d—d," let us know that. But Sir Henry Thornton is not going to turn a deaf ear to the pleadings of this Government that the farmer of the West should have a fair chance.

Hon. Mr. DANDURAND: Was not the honourable gentleman desirous that Sir Henry Thornton should have a free hand in the administration of the railways and the Merchant Marine?

Hon. Mr. BENNETT: Yes, I am quite willing that Sir Henry Thornton should have a free hand; but when he goes around the country making these pathetic pleadings that for Heaven's sake every employee should see how he can earn five cents more for the company, and about Canada being so thoughtful of the West, then I think Sir Henry Thornton, if he has advisers among the Grand Trunk employees, should investigate whether some of those employees hold stock in some of the rival companies, and whether they have been acquiring stock on those vessels that are going to ply from Port Colborne to Montreal. I want to call the attention of the First Minister to this, that when the grant of money was made to those gentlemen of the Grand Trunk for retiring allowances, Sir Henry Thornton wrote his letter, which he will well remember, stating that they were going to refund the

money, but he said it would not be convenient for them to refund it at the present time. I do not know whether they have been investing it in boat stock, or whether they have not, but perhaps he might look into that and find out.

Hon. LORNE C. WEBSTER: In fairness to the Management of the Canadian Merchant Marine Line, I think I should say that it is understood that the boats to which the honourable gentleman from Midland (Hon. Mr. Bennett) has referred will be chartered this year for the purpose of bringing down grain from Fort William either to Midland or to Port Colborne. I understand that it is the intention of the Management that those boats shall be employed on the Lakes for the grain trade during this coming season, and in the event of their securing a satisfactory offer for the purchase of one or more of those boats, they would feel disposed to sell. But in the meantime I think we will find that the boats will be employed in the grain trade on the Lakes as soon as navigation opens.

Hon. Mr. BRADBURY: They will have to be in competition with other boats on the Lakes?

Hon. Mr. WEBSTER: Yes.

Hon. Mr. BENNETT: I would like to ask the honourable gentleman how it is that he has this inside information. If it is inside information, it conflicts with the statement of the Minister of Railways and Canals the other day that they were going to be sold.

Hon. Mr. WEBSTER: I have the information by reason of knowing that some of the milling interests in Montreal have been desirous of chartering those boats, but they found that other arrangements had been made for their use this year.

Hon. Mr. SCHAFFNER: I understood my honourable friend to say that those boats would be in competition with the other Lake boats. That has not occurred so far. The information we get is that the Merchant Marine boats are in the same combination with the other boats in carrying grain on the Great Lakes.

Hon. Mr. CASGRAIN: On the ocean, not on the lakes.

Hon. Mr. BRADBURY: It might easily be on the lakes, too.

Hon. Mr. PARDEE: It might easily be anywhere, but it does not say so.

Hon. G. D. ROBERTSON: I would like to make an observation or two on the subject introduced by the honourable member from Hamilton (Hon. Mr. Lynch-Staunton). I propose to refer to two points that may be worthy of consideration by the House and by the Government, which I think were not emphasized. Honourable gentlemen who are familiar with the city of Toronto know that from the King Edward Hotel to the present Union Station involves a walk of about seven minutes. The Canadian Pacific and the Canadian National ticket offices are located between these two points, at perhaps one minute's walk from the hotel. A new Union Station has been erected in Toronto at a cost of some millions of dollars, and that station is almost half way from the present station to the corner of King and Yonge Streets, where these ticket offices are located. I respectfully present the view that if any change is to be made at all in the location of ticket offices or in other arrangements, when the new Union Station is occupied, which is sure to be before very long, the ticket offices will undoubtedly be removed farther up Yonge Street, probably to Queen or Shuter, or even farther north. I think that is a point that might be taken into consideration by the Government and the Railway company in the opening of the new Union Station.

The other point I desire to refer to is this. My limited experience in connection with such matters has taught me to believe that when capital is required for a purchase, or when a structure is to be erected, the Management of the Railway Company owned by the people has been in the habit of coming to the Minister of Railways with its recommendation which that Minister submits, with his comments, to Council. Then the Government brings the Estimates to Parliament, and when these have been approved, the Railway Company is authorized to make the purchase. I happen to know of a case in which a very small expenditure of money was desired in connection with a railway station agent's residence along the railway line in the northern part of the province of Quebec. Notwithstanding the fact that the agent pays rental for a dwelling attached to the station, and provided by the railway company, at a certain point a married man who was the agent could not obtain living quarters in the locality, and there was no residence connected with the station. The National Railway Company was asked to add to the station building humble living quarters for the agent, and he was prepared to pay the rental that was agreed upon between himself and the railway company for such accommodation; but the railway company replied that it was

impossible for them to provide that accommodation, because their general manager would have first to put the amount in his recommendation for appropriations for the next year, and the management in turn would have to pass that on to the Minister of Railways, and the Minister to the Government, and the Government to Parliament, and so on; and after it had gone through that routine and the money had been voted by Parliament they would be able to make this little addition to the station. That routine hardly seems to coincide with the facts as they appear in this case, where the Canadian National Railways can go ahead on their own responsibility and spend $1,100,000 in the purchase of a building about 50 by 75 feet at the corner of King and Yonge streets in Toronto without consulting anybody. I submit, honourable gentlemen, that there has been no change in the governmental responsibility in these matters, and that the present Government cannot divest itself of responsibility for the action of the railway company in matters of that sort.

Hon. Mr. REID: May I ask the honourable leader of the Government if the Government are not really responsible for this expenditure? That is, did not the Management come to the Government and get them to pass an Order in Council authorizing this expropriation? If they did, why did they authorize it before parliament passed the vote?

Hon. Mr. DANDURAND: I cannot answer my honourable friend as to the form in which the proposition came to the Council, and the responsibility or the part of responsibility which the Government must carry; but I will inquire into the procedure which has been followed, and give a satisfactory answer on that point to my honourable friend.

Hon. Mr. REID: The reason I ask that is that I notice that in another House the question was asked, and the Minister stated that the Government authorized it or agreed to it. So, if there are any objections, while the management were primarily responsible, yet the Government were also responsible, and I think they must assume that responsibility. I agree with the honourable gentleman who stated that before any property is purchased the money should be voted by Parliament; in fact, I think that clause is in the Canadian National Railway Bill.

Hon. N. A. BELCOURT: Honourable gentlemen, if I venture to say a few words on the subject which my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) has brought up, it is not because I am in a position to add any information which will help the House in coming to a conclusion. While I can and do wish to emphasize what my honourable friend said in regard to the absolute necessity for economy in the administration of those railways, I hope I may be pardoned if I take this opportunity of expressing my views on the general question of the government operation of railways.

I will preface my remarks by saying that I do not indulge for one moment in the delusion that I am going to change anybody's mind with regard to the advisability of having these railways managed by the state. I am afraid it is preaching in the desert, or a case of mustard after dinner; but I want to be allowed for a few moments to speak for the acquittal of my own conscience, even at the risk of being thought egotistical.

The subject of government operation of railways has been discused in this House many times, and I have listened to such discussions, feeling all the time that the arguments used and the conclusions arrived at were very much against my views and opinions, and yet I have sat silent. Now, with the permission of the House, I wish again to place myself on record with regard to the whole business.

To my mind, the most unfortunate thing that ever happened to Canada since Confederation was that these railways were taken over to be administered by the Government and the mistake seems to me to be without remedy except the drastic one which has been suggested in another place—that these railways be handed over as soon as possible to somebody who will undertake to operate them. I had thought that my honourable friend from Hamilton would have crossed the threshold at which he arrived. I suppose what prevented him from doing so was the feeling that it was useless to make the proposition; but I take it that if my honourable friend had expressed his whole view, it would have been that which I am going to express for myself. Anyway, he left me under the impression that that was on his mind.

I say that we have ample evidence to-day to warrant the inevitable conclusion that the government operation of these railways is going to result in an annual deficit in perpetuity. Any man of business who has ever considered this problem properly will admit that there is no hope left that we shall be able to operate these railways on a paying basis, to say nothing of making a profit. I do not propose to go over the whole argument, which has been repeated over and over again. There is one argument, however, which I have not heard

anyone make, and have not seen anywhere: the evidence is that every railway in the world under state operation has resulted in a deficit. It is true that in one or two instances, such as Prussia, it has been declared that the operation had resulted in some profit; but that statement was always without investigation, and profits in such cases were always found to be the result of cooking the accounts or charging expenditure to capital account. So that no state operation the world over has ever resulted in anything but a deficit. If that is the case in countries like Prussia, France, England, Belgium, and other European countries, how in the name of common sense can it be held that we can make a success of it in Canada?

Let us look for a moment at the comparison. In Belgium you have a density of population equal to 660 to the square mile; in Prussia it is 400 or 500—I have forgotten the figures, for I am speaking without any preparation at all, as I did not know that this matter was coming up. In England and France the density is about the same, between 400 and 500.

Now, what are these railways in Europe engaged in doing? They have very short distances to travel. What do they carry? Almost altogether manufactured products, upon which the rate of freight is the highest possible, with climatic conditions just about as good as are to be found anywhere in the world; yet they have been operated always at a loss.

Hon. Mr. ROBERTSON: On account of short hauls.

Hon. Mr. BELCOURT: No, notwithstanding short hauls; not on account, but nothwithstanding.

Hon. Mr. ROBERTSON: On account of short hauls.

Hon. Mr. BELCOURT: My honourable friend has his own view, but to my view it is notwithstanding the short haul.

Hon. Mr. LYNCH-STAUNTON: They are not very short in France or in the United States.

Hon. Mr. BELCOURT: We know what the United States has done in regard to railways. Now, what is the comparison? What are the Canadian railways engaged in carrying? Almost exclusively raw material—very largely, at all events: it is ore, it is lumber, grain, minerals, and so on—for immense distances, and under climatic conditions which are at times very trying. I repeat that if, under conditions which I have described in Europe, loss has occurred, how can it be hoped that we can in this country do better under conditions which are infinitely worse? To me it is a delusion—it is madness of the worst kind —to think that the Government of Canada can operate these railways at any time with profit.

I cannot help repeating what I have said on previous occasions, that this business of government operation, of municipal operation, is utterly un-British: it is against the whole record of British commercial success the world over. It is said that Englishmen and Scotchmen hav taken possession of the world in regard to business. If so, it is because they have cultivated the very opposite of this practice. They have not depended on paternalism. The men who went to Australia and South Africa did not count on paternalism for their success: they counted on themselves—on their individuality, their self-reliance, their courage, their spirit of adventure. That is what has made the British world, commercially, what it is to-day. This business of government operation and municipal operation is nothing but a return to serfdom: it is going back to the Middle Ages, to the time of the guilds and the common mill, etc., which, after all, were not different from these state or municipal organizations.

I have the courage of my opinions. I know there are thousands of business men in this country who think as I do, who know, who feel in their bones that it is a grave mistake to go on year after year attempting to manage and operate these railways; and yet they will not say it. I know of many men who are engaged in public affairs, probably a majority of this House, who share these views, but for some reason or other they will not express them. Is it not about time that the men of business, the men who have inquired into these things, and who know, and are able to come to a reasonable conclusion, should assert themselves, and not simply follow the crowd, which is unreasoning, unthinking, and ignorant, which cries for government operation just as the Romans at the time of the decadence of the Roman Empire cried for bread and circusses. I have always felt that it was the duty of the state to direct public opinion into the proper channels, and not simply follow behind the crowd, which, as I say, is unreasonable and misinformed.

I want to take this opportunity of again putting myself on record; and, if my views have any weight at all I invite those who are willing to think, who are willing to sift evidence, who are willing to make comparisons

and find out—I invite them to join with those who have settled and determined opinions on this subject, and see if it is wise to go on day after day, year after year, trying to accomplish the impossible, trying to make a profit out of this business when everybody realizes it cannot be made.

I do not know what success a private company would have to-day if it took over these railways and managed them. Of course, the country has a very great interest in seeing that these railways are operated properly, whether by the Government or privately. But, let me repeat, what is the good of playing the ostrich trick—burying one's head in the sand to let the storm blow over? The storm is raging, and will continue for an indefinite period. After all, the Government is responsible and I would like to see the Government of the day make immediate inquiry to ascertain what remedy, if any, is to be had for the present situation, instead of continuing to allow this Commission under Sir Henry Thornton to administer the railways and indefinitely pile up deficits. Let us get down to business and see if something cannot be done to prevent them. Are we going to tolerate indefinitely an annual deficit of $75,000,000? This country cannot afford to do so. It is nothing but national bankruptcy to go on. This may seem strong language, but I appeal to everybody in this House, is not that the case? How long can this country go on paying these annual deficits? Somebody in another place suggested that the railways should be handed over for fifty cents.

Hon. Mr. SCHAFFNER: One dollar.

Hon. Mr. CASGRAIN: Nobody would take them at one dollar.

Hon. Mr. BELCOURT: Would not that be far better than for us to continue paying deficits? If any one of us were engaged in any sort of business, mercantile, financial or otherwise, on which there was invariably an annual deficit, we would put a match to it or close it up as soon as possible. Why should we ignore the situation confronting us to-day? Why not get down to business at once and see if something cannot be done to remedy a condition of affairs which threatens the future of this country?

Hon. Mr. SCHAFFNER: I understand the honourable gentleman to argue on the premises that the Government own the railways at present, and to contend that they ought to get rid of them. In his opinion, did the Government do right or did they do wrong in taking over the Canadian Northern and in uniting that with the Grand Trunk? If the Government did wrong, what does the honourable gentleman suggest they should have done under the circumstances? Does the honourable gentleman understand what I mean?

Hon. Mr. BELCOURT: My honourable friend means that I should explain my opinion with regard to the action of the Government in taking over these railways.

Hon. Mr. SCHAFFNER: Yes, that is one point.

Hon. Mr. BELCOURT: I had the honour of a seat in this House at the time, and I expressed myself in language about as strong, or even violent, as I have used to-day, against the acquisition of the railway or any portion of it. I remember quite well saying that if any private corporation, however important it might be to the commercial life of Canada, were to get into such a position as these railways had got into, I did not think it would occur to anyone that it should be pulled out by having its debts paid. I am quite sure that if my honourable friend were engaged in any kind of business at all and failed, he would not have the gall to come to the Government, either Dominion or Provincial, and ask them to pay his debts and take his property, when the property was really worth absolutely nothing. That is the position I took. There was in my opinion at that time only one thing to do, and that was to let those railways be sold under the hammer, just in the same way as every bankrupt concern is disposed of in this country and every other. That is the solution that should have been adopted at the time.

Hon. W. B. WILLOUGHBY: Honourable gentlemen, I want to discuss for a minute or two the remarks addressed to the House by the honourable member from East Simcoe (Hon. Mr. Bennett). A Commission is now sitting for the purpose of investigating the alleged combine in connection with shipping on the Lakes. Pending the report of that Commission, which is sub judice, I do not desire to enter upon a discussion of the subject at large, and perhaps it would not be quite proper to do so; but there is one measure that I think the Government should take now, or should have taken long ago: it should have the absolute right at any time by Order in Council to abrogate the navigation laws.

Hon. Mr. DANDURAND: Or suspend them?

Hon. Mr. WILLOUGHBY: Perhaps it would be more accurate to say the coasting

laws. It is necessary for the Government to vest itself with absolute power to abrogate the coasting laws instantaneously at any time when there is an undue enhancement of rates by a combine. As I understand, without having looked into the question, the Government is not clearly in possession of that right at the present time. I make that statement only hypothetically, for, as I say, I have not examined the question myself.

Hon. L. C. WEBSTER: Does the honourable member think that any shipbuilding industry could prosper in this country if such a permission were granted?

Hon. Mr. CASGRAIN: You would have no ship at all.

Hon. Mr. WILLOUGHBY: Yes, I do; because I believe that any Government in power should recognize its responsibility to all the people and to the larger interests of the country.

Hon. Mr. SCHAFFNER: Not only those of the shipbuilders.

Hon. Mr. CASGRAIN: Who would build ships?

Hon. Mr. WILLOUGHBY: Under provocation, or at any time when rates became excessively high, the coasting laws should be repealed. I would want that power, held by the Government, to be exercised only when the rates became abnormally high. I do question, as the honourable member from East Simcoe did, the propriety of selling those boats at the present time. I do not profess to be an expert on the question, but I think that the loss entailed this year in connection with the Mercantile Marine was not on operation alone, but on the whole upkeep of the Merchant Marine—interest, etc. I think that the loss on operation was only about two or three million dollars. I do not think the Canadian Mercantile Marine should be an ocean combine or a lake combine, whether by a gentleman's agreement or not. When the report of the Commission on lake freights is received, as I hope it will be before Parliament prorogues, it will be my privilege to make some extended remarks on the subject of the grain trade. But I do think that, no matter what may be the recommendations of the Commission, or whether or not there is any recommendation in connection with coasting laws, an Act should be passed before the end of the present Session whereby this country should take power to suspend the operation of the coasting laws at any time when it is in the public interest to do so.

Hon. Mr. CASGRAIN: Is the honourable gentleman aware that they were suspended last fall?

Hon. Mr. WILLOUGHBY: No, I am not.

Hon. Mr. SCHAFFNER: Only at the end of the season.

Hon. Mr. BENNETT: On the last trip, when it was useless.

Hon. Mr. CASGRAIN: Where did they get the power?

Hon. Mr. WILLOUGHBY: I want the Government to have the unqualified right to do it at any time, and I am quite willing to trust any Government in power not to do injustice to the shipping interests of Canada. I think they have a right to protection and to a reasonable profit.

Hon. L. C. WEBSTER: Why not let the shipbuilders have some protection, like other industries?

Hon. Mr. WILLOUGHBY: I think they should have.

Hon. Mr. WEBSTER: They would not have it if the coasting laws could be repealed. That is a matter entirely different from the question of freight rates.

Hon. Mr. WILLOUGHBY: They have protection.

Hon. Mr. WEBSTER: They would not have if the coasting laws could be abrogated at any given moment.

Hon. Mr. WILLOUGHBY: Answering the honourable gentleman, I do not think they require any special protection. It is my idea, however, that reciprocity cannot be one-handed, but must be two-handed, and I am not willing generally to extend to the people of the United States privileges that they will not concede to us. I would answer in that way. We do now enjoy the benefit that accrued to the people of the West—and it was a very large and very material benefit—by the Crowsnest Agreement, and by its extension again last year, but a great deal of the profit that was to inure to the farmers of the West by that new agreement, or the renewal of the old arrangement, was lost by the increase of rates for the transport of grain during the past season.

Hon. J. G. TURRIFF: Honourable gentlemen, I notice that honourable members, in referring to government ownership and operation of railways, place the matter in a very unfair position by saying practically that all

trouble that has come to the railways of Canada is due to government ownership and operation, forgetting all the time that every bit of the trouble in connection with Canada's railways has come through the ownership of the railways by private companies, who have built and operated them.

Hon. Mr. CASGRAIN: They did it with Government money.

Hon. Mr. TURRIFF: I have never been a believer in government ownership and operation of railways, but the time came when something had to be done, and it was the general impression that the best thing that could be done was to take over the railroads, and that there would thus be on the whole less loss in the future than would otherwise occur. My honourable friend the senior Senator from Ottawa (Hon. Mr. Belcourt) said it would be better to give them away to anybody who would take them.

Hon. Mr. CASGRAIN: Nobody will.

Hon. Mr. TURRIFF: That would be all very well if you could get anybody to take them, but we have had only one offer: that was from the C.P.R., and it would have been far worse to accept it than to keep the railways. The proposal was to take over the railroads free of their liabilities, and also, coupled with that—

Hon. Mr. CASGRAIN: Pay the C.P.R. 6 per cent.

Hon. Mr. TURRIFF—to take over the C.P.R. and guarantee—

Hon. Mr. CASGRAIN: The interest.

Hon. Mr. TURRIFF: —seven per cent dividends on the common stock, as well as all the interest on all the bonds and preferred stock that had been issued. Under that proposal the C.P.R. would keep all or most of their profitable parts, and the Dominion of Canada would have to pay, not only interest on the debts of the present Government railroads, but also dividends on the C.P.R. I have no doubt those dividends would be earned, for a time at all events. That was the only offer received. I do not think that any country in its senses could ever accept such an offer as that. I heard a member in another House say, "Give them over for one dollar." Yes, I would say, give them over for one dollar if the purchaser will accept all the liabilities and relieve us of a debt of over a billion dollars. But if in giving them away we retain this debt that is hanging over us, we shall have to pay interest on that billion dollars, which would probably mean our paying out more each year than we have to pay on the deficit. So it is just a question of how best we can manage to save something. The loss has been made: there is no question about that. Now, how are we going to get out of the difficulty?

My honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) brought forward to-day an interesting matter. If, as he states, it is proposed that the Government pay $1,100,000 for a site for a ticket office in Toronto, when a building eminently suitable can be bought for less money, then I say that the Government will be very much to blame if they allow any board of directors or anybody else to saddle this country with that much further debt which is absolutely unnecessary.

Unless a system of rigid economy is adopted in connection with these railways we shall go from bad to worse. With the interest piling up each year, as stated by my honourable friend from East Simcoe (Hon. Mr. Bennett), it will double in the course of ten years. There is no doubt whatever in my mind that the Government must assume full responsibility for all the expenditures made in connection with Government railroads by the Board of Directors. The Government cannot evade that responsibility, and in assuming it they ought to have the final say as to whether a million dollars shall or shall not be expended on a site for a building, when something better can be done.

Reference has been made to the freight rates on the Lakes. That is one matter in which to my mind, the people of the West have good grounds for complaint against the Government. They have a grievance in regard to the rates on grain, not only on the Lakes but on the ocean as well. Canada built a merchant marine costing $70,000,000. As we understood at the time, the purpose was to enable Canada to send her exports to the Old Country. And what has been the result? After we have spent those 70 millions and when we are facing a loss of almost $10,000,000 a year on that merchant marine, they are put into a combine to force up the freight rates on every single thing that we in Canada have to export to the Old Country. How the Government can square themselves on that I do not know. The reports are not in yet, but the evidence has been published broadcast, and it is absolutely clear that our Canadian ships stood in with the North American combine for the purpose of raising freights, and our own men, representing the Canadian Merchant Marine, were holding meetings in New York to fix freights and keep them high on produce going out of Canada. If anybody thinks our Canadian railways or our merchant

ships can be run in that way, they will get a rude awakening when the people realize what is being done. As I pointed out to-day, the farmers of the West were hoping to save several millions of dollars last year by the Crowsnest agreement; but, according to the evidence given on oath before this Commission, every dollar of that saving has been swiped by a couple of Americans—taken right out of the pockets of the farmers, because, as one man stated in evidence, the grain exporter did not bother his head very much with what the rates were: whatever they might be, they were charged back to the farmer. So last year the farmers of the three prairie provinces lost an amount which was just about equal to what was saved by the Crowsnest rates. There must be some way in which the Government can control the freight rates and insurance on the Great Lakes so that two or three Americans cannot sit in New York or Chicago and fix the rates governing the transport of the principal product of this country. The railroads make more money out of hauling wheat than anything else.

Hon. Mr. CASGRAIN: No.

Hon. Mr. TURRIFF: My honourable friend does not need to say no. The sworn evidence given by the C.PR. officials shows that the months when wheat is being shipped are the months in which the railroads make their big net profit.

Hon. Mr. CASGRAIN: Twelve months.

Hon. Mr. TURRIFF: Will my honourable friend keep quiet for a minute? He does not like that, because he is interested in the transportation of the wheat and does not want to see anything done to interfere with fat dividends.

Hon. Mr. CASGRAIN: We don't get any dividends.

Hon. Mr. TURRIFF: Well, then, they are taken out in other ways. There are lots of ways of killing a cat.

Hon. Mr. FOWLER: Big salaries.

Hon. Mr. TURRIFF: Yes, big salaries. I saw by the evidence that Wolvin and Norcross had a meeting together and voted themselves fat salaries for doing nothing. That is the state of affairs to-day. What I am complaining of is not that they are doing that, but that the Government is allowing them to do it.

However, it has been brought to the attention of the Government that the Canadian people are being absolutely robbed on the lakes and on the ocean, and there has got to be a remedy. Now, what is the remedy? That is for the Government to find out, and then apply. Conditions as they exist at present and as they existed last year cannot be allowed to continue, because if they are allowed to continue, nonourable gentlemen, it means to a large extent the depopulation of the West. We cannot live under such conditions, and if the West ever comes to the conclusion that there is no possibility of redress from one Government or another down here, then, I may tell you, there will be a strong secession movement: there is a lot of talk about it now; I hope it will never come to anything; but that is the feeling in the West. So, I say it behooves the Government, now that they have the sworn evidence taken during the last few months of the condition existing to-day, to see that something is done to prevent a continuation of that condition.

Ocean rates have gone up 300 per cent: rates on cattle, for instance, are 300 per cent higher than they were before the war, and the price of beef in the old country has increased not 300, not 200, not 100 per cent, but 66 per cent. Can that condition be allowed to continue? I say it cannot.

Hon. Mr. CASGRAIN: May I ask my honourable friend one question—surely he will not say I am concerned in rates on the ocean: are there any ocean ships making money just now, even at those rates?

Hon. Mr. TURRIFF: If they are not, it is their own fault; that is what is the matter. They may not be making money on something else, but they are making money on these rates.

My object in making these few remarks is to impress upon the Government the absolute necessity of settling these rates once for all. If we cannot settle them in any other way, it will have to be done by a change in the coasting laws to allow American vessels to come in. Unless something is done there will be worse difficulties and more poverty and more people going out of the country in the immediate years to come than there have been during the past year, which has been very bad indeed.

Hon. Mr. BEIQUE: We hear so often of the grievances of the West, that I would invite the honourable gentleman to ask for the formation of a committee charged with inquiring as to whether the West has grievances under Confederation, and what they are. In that way we could come to some concrete

conclusion in regard to these grievances that we hear of all the time.

Hon. Mr. SCHAFFNER: That is easy.

Hon. Mr. TURRIFF: I can partially answer the honourable gentleman right now. The people of the West have a grievance, for instance, in that the freight on their commodities has ben doubled and trebled. Is that not a grievance? They have a further grievance in that the duties on everything that goes to produce the wheat and cattle are so high that they make it very difficult for the people to get along. The duties have not been reduced. If at the last election, a year and a half ago, the present Prime Minister and Finance Minister had stated to the people: "If we come into power we will take off a total of $1,000,000 of duties, but will so arrange the tariff that the duties will be higher than they were before," or if they had said: "We will not practise any economy, but every department of the Government except one or two will increase their expenditures," does anyone for a moment believe the Government would have been returned to power? Those are the grievances that the people of the West have.

Hon. Mr. BEIQUE: That they think they have.

Hon. Mr. TURRIFF: They say they have, and I may say to my honourable friend that they are telling the truth. They are grievances that you cannot get over; and, unless something is done to reduce those grievances, there will always be complaints from the West, and justly so.

Hon. GEORGE GORDON: Honourable gentlemen, this debate has developed into a double-barrelled one, although, so far as I can see, it started out single-barrelled. I understand the debate originated with the inquiry of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) in regard to the proposed purchase of a building by the Canadian National Railways. In that connection let me say that, owing to the present financial condition of the Canadian National Railways, I cannot conceive of any sane Management considering for a moment any such proposition. Suppose the property is acquired at the price mentioned, of $1,100,000, that means a further expenditure of $1,000,000 for the erection of a building. You start out, then, with an annual cost per year to the railway of probably nearly $100,000. What is this for? At the present time the building is being used for selling tickets, and for no other purpose whatever. Why should it ever be used for any other purpose? Before very long the railway will be going into the new Union Station. What does an expenditure of $75,000 or $100,000 a year mean? It means that that amount of money has got to come out of the pockets of the people for transportation. In the interest of the country, would it not be as well if this proposed purchase were not made, and if the railway companies were forced, as one honourable gentleman suggested, to have their ticket-selling offices in their stations?

When the question was asked of the leader of the Government, I did not think for a moment that the answer would be anything but a negative one, because I did not believe that any management of a railway could so utterly disregard their duty as to think of purchasing a property of that kind under such circumstances. But even supposing the railway were a paying proposition, what then? I believe, with the ex-Minister of Railways, that action should be taken by the Government to compel the railways to establish their ticket offices in their stations. I believe that is a right and proper thing to do, and that it will in time tend to reduce railway costs. Even if the reduction were only $75,000 or $100,000 a year, if it were used for the purpose of reducing fares, it would amount to something. Therefore, I regard that as a very proper suggestion, and one which I think should receive the best consideration of the Government.

From the time of the change of management of this railroad, and even up to now, I have been under the impression that we had at the head of the railway, in Sir Henry Thornton, a man who was capable of handling that road; but if this proposition should be carried out, I am sorry to say that my opinion, whatever it is worth, would be materially changed and changed at once. Toronto has been waiting for I don't know how many years to get the new Union Station into operation. Just what the reasons are that that station is not being used for the purposes for which it was built, I do not know; there is some trouble in connection with the subways; but I have always been under the impression that the railways were not prepared at the time or did not want to spend the money which they would be called upon to expend in order to put the station in operation. If that had anything at all to do with it, it seems absurd for one of the parties to the agreement, the Canadian National Railways, to think of investing $1,000,000 or $2,000,000 in something which can be dis-

pensed with entirely. A ticket office is not like a grocery store, a hardware store, or even a bank. When people go into a ticket office they go there to purchase something about which they made up their minds yesterday or the day before, or perhaps two weeks ago. There are no bargains offered; the prices of the tickets have been fixed weeks, months, perhaps years in advance, and people do not go into a particular office just because it happens to be on a prominent corner. Therefore I would ask the leader of the Government to bring this matter to the attention of the Government. We hear a great deal about the inadvisability of the Government interfering with a Board of the nature of the one operating this railway, but I think if there ever was a time when the Government might interfere, it would be on an occasion of this kind. I therefore ask my honourable friend to do what he can to prevent such a deal going through.

Hon. F. L. SCHAFFNER: We have listened to a very interesting, very useful, and very necessary discussion here to-day. Personally I am very much pleased and I would like to see many more such discussions, because I believe we have plenty of time and plenty of ability to discuss many matters the discussion of which would be of some benefit to the country.

I rise to ask permission to adjourn the debate, as I have a few things I would like to say.

The Hon. the SPEAKER: Honourable gentlemen, I would like to point out to the House that this whole discussion has been very irregular. Of course, it was done on the request of the leader of the Government, and nobody raised objection. The question is on the expropriation. If the honourable gentleman wishes to discuss this question it is in order for him to move the adjournment of the debate, but I think it would be more regular for him to make a distinct motion of his own.

Hon. Mr. SCHAFFNER: I would not ask to have it stand, Mr. Speaker, unless I intended to discuss the question.

Hon. Mr. DANDURAND: His Honour the Speaker reminds the House that the inquiry is as to the purchase of a piece of land at Toronto. The discussion has taken a much wider range, and His Honour draws attention to the fact that the question is limited to that point.

Hon. Mr. SCHAFFNER: I think that very many of the honourable Senators present recognize that we have not been in order. We have been out of order most of the afternoon; but since we have been so long out of order, personally I do not think it would be any great crime to be out of order a little while longer.

Hon. Mr. FOWLER: Do you say that as a medical man?

On motion of Hon. Mr. Schaffner, the debate was adjourned until to-morrow.

INTERPROVINCIAL TRADE

MOTION

Hon. G. H. BARNARD moved:

That at least two of the vessels now owned by the Government be placed on service between British Columbia in the west and Quebec ports during summer months and Nova Scotia and New Brunswick ports in the winter months, for the purpose of assisting in the development of our Natural Resources, and to increase the interprovincial trade between Eastern Canada and Western Canada, and that such service shall be increased as business demands.

He said: In presenting this motion I think it is somewhat fortunate that we have had such an extended discussion this afternoon on the question of the Canadian Merchant Marine, because the facts which have been stated by several gentlemen will be fresh in our memories.

In presenting this resolution I do so with the desire of calling the attention of the House to what I consider a grave mistake in policy on the part of the Government: that is, the policy of endeavouring to force the flow of trade in the country through unnatural channels rather than through the natural and easier channels. I think I can demonstrate to the House that the effect of that policy is not to increase the amount of freight which is carried by the railways, or to augment their revenue, but rather that it has the effect of diverting a very considerable amount of freight from this country altogether, and causing the purchase in Great Britain or the United States of a large quantity of merchandise which in the ordinary course of events, were the freight allowed to go by sea carriage rather than by rail, would be bought in Canada.

Honourable gentlemen must recognize what a tremendous effect upon the trade of this country the Panama Canal has had since it was opened. Owing to the war, the effect of that new route was not felt on the Pacific coast for some years; but the increase in shipping at all ports of the Pacific coast during the past year or two has been most marked. I do not intend to labour this question, but

in this connection would simply quote some figures which were given to the House of Commons in a resolution which was moved there the other day by the member for Burrard.

In 1913 the number of sea-going vessels which entered the port of Vancouver was 132; in 1920 it was 333; in 1921 it was 496; and in 1922 it was 717. The imports into Canada via the Panama Canal in 1921 amounted to 20,416 tons; in 1922, 149,553 tons, or a gain of about 700 per cent in 12 months.

Right Hon. Sir GEORGE E. FOSTER: Are those the imports into British Columbia?

Hon. Mr. BARNARD: Into British Columbia, via the Panama Canal. Now, there has been an agitation for some years past by the merchants of the Pacific coast that the Dominion Government should appoint a Customs Officer at New York. The object in asking for that appointment is that on certain classes of merchandise which can be carried very much cheaper by water than by rail, if they were purchased in Eastern Canada and shipped to New York, and thence by sea through the Panama Canal, those goods, coming into Canada again, would have to pay the same duty as if they had been purchased in the United States; whereas if a Customs Officer had been appointed and resided in New York, the goods could cross to New York in bond, and no duty would be payable at the other end. The Government—both the late Government and the present one, I am informed—has consistently refused to make any such appointment, the object being to endeavour to force freight across the continent by rail. Now, as to the effect of that, I cannot give you a better concrete instance than one that I see quoted in a letter which I noticed in the Mail and Empire of Saturday, the 28th ultimo signed "J. P. McConnell." Who that gentleman is I am not aware, but his letter is so germane to the subject, and he puts the argument so well, that I have not the slightest hesitation in adopting his argument as my own. His letter reads as follows:

Appoint a Customs Agent at New York

To the Editor of The Mail and Empire:

Sir,—In the last sentence of your editorial on "The Vancouver Grain Route," you put your finger on a point which is rapidly assuming important proportions in the problems of transportation and trade between Eastern and Western Canada.

You say: "The customs ruling that Canadian products shipped by the canal from Nova Scotia or Montreal to Vancouver must pay duty because they touch a foreign port will not last long if the trade necessities of the Western half of the Dominion drive them to purchase water-borne goods form the United States instead of from Eastern Canada."

May I point out that western buyers are to-day being forced into the United States markets because duty has to be paid to United States Customs on goods originating in Eastern Canada for Western Canadian consumption, and vice versa.

Quite recently the Premier Mine in B.C. was about to place an order in Owen Sound for twelve tons of grinding balls but found that the United States tariff interposed a trade barrier between Eastern and Western Canada. The cost of over-land freight made it impossible for the Owen Sound producer to compete with western foundries in the United States. Conversely, British Columbia salmon shipped to Halifax via the Panama Canal must pay duty to the United States. During the past two years many instances of lost trade between Eastern and Western Canada could be cited.

The reason for this situation is that Canada has no Customs agent in New York. With a Canadian customs agent to look after Canadian interests, no duties would have to be paid on goods shipped either east or west via the Panama Canal.

That Canadian shippers labor under the present handicap is not the fault or blame of the United States Government. The remedy lies in the hands of the Canadian Government and it can be quickly and easily effected by the appointment of a Canadian Customs agent in New York.

It may be argued that the diversion of eastbound or westbound Canadian trade through the canal will be inimical to the interests of the Canadian railways.

But is it? In the case of the Owen Sound order, both the Eastern manufacturer and the Canadian railways lost the business and this is happening every day. In any event, it will be useless to penalize Canadian producers, east or west, in order to protect the railways because in the end such penalties will only react against both the railways and shippers by the loss of business to the United States. Canadian railways will have to adjust themselves to the changed conditions wrought by the building of the canal, just as United States railways have had to do. In the case of the Canadian railways, this adjustment up to the present has not been pressing because of the protecting barrier of the United States tariff at New York, due to the fact that Canada has no customs agent at that point.

Nevertheless, the time is at hand when Canadian railways must establish new traffic zones to conform to the competitive water-borne rates of east and westbound Canadian traffic through the canal.

Already we see a west-bound grain zone via Vancouver and other year or two will see the boundary line of grain traffic between Vancouver and Fort William definitely drawn.

The Panama Canal as a factor in Canadian trade must be recognized just as it has been recognized by United States railways and in the grain trade of Western Canada. No fortuitous handicap on shippers created by the neglect of the Government in appointing the necessary official in New York can be longer tolerated. Canadian shippers must enjoy the benefits of the canal equally with those of the United States, and Canadian railways can and will adjust their traffic zones to meet the new conditions just as United States railways have done.

Yours, etc,

J. P. McConnell.

I have also a letter, written to myself by a gentleman in Victoria who has given this question a great deal of attention. He quotes certain facts and figures which I think it very important to lay before the House. He states:

I believe that the question of cheap water transportation from the Atlantic to the Pacific Coast is the outstanding Commercial problem of British Columbia

to-day. The securing of cheap water transportation would not alone place a large additional volume of business with the Eastern Canadian manufacturers that is now going to foreign countries, but would in addition put materials in the hands of the consumers of British Columbia at such greatly reduced figures as would curtail the cost of supplies to an extent that would materially reduce the operating expenses of mines, mills, smelters, logging camps and the general consumer as well.

The Dominion Sheet Metal Works at Hamilton produce a high grade of galvanized sheet, yet 98 per cent of the garvanized sheets imported into British Columbia come from the United States or Great Britain. The Steel Company of Canada and the Dominion Iron and Steel Company do not sell 20 per cent of the bars consumed in British Columbia, thousands of tons are coming in every year by water from Belgium, England, and the United States. I could give you examples ad infinitum.

The Railway Companies, under the pretense of meeting this water competition, have made some reduction on staple goods, reducing the rate on bar iron to 65 cents, and on nails and wire to 75 cents, and on pipe to $1.00 per 100 lbs. These rates will not compete with the rate of 30 cents from Liverpool to here, or a rate of 30 cents or less if necessary, made by the U. S. Steel Corporation from New York to Victoria and Vancouver by their own steamers.

My correspondent encloses a letter which he wrote some time ago to Mr. R. H. McMaster, general manager of the Steel Company of Canada, which reads as follows:

Referring to our conversation together on Friday, in reference to the question of water competition from New York and Canadian Transcontinental freight rates in general, I am, as requested by you, writing herewith in reference to the subject.

There has, during the last few months, been an enormous reduction in freight rates from New York via the Panama Canal, to Pacific Coast points. This reduction in many cases amounts to as much as 75 per cent. Until recently, American freight rates by water were either in carload or less than carload lots 60 per cent of the Transcontinental rail rate, and even at these rates it was difficult in many cases for Canadian manufacturers to compete; but, with the recent reductions that have been put into effect, we do not see how it is going to be possible for the Canadian manufacturer to market his goods on this Coast in competition with the United States; and further, we do not see how it is possible for the Canadian railways to reduce their rates to a point that will enable them to compete with the water transportation.

This position has been realized by the American railways, who are making no effort to meet the competition, and 90 per cent of iron, steel, and light and heavy hardware is to-day moving from the Atlantic to the Pacific by water, and there is no difference between the rates, either in carload or less than carload lots.

Then follows a list of different articles, showing the rates from New York to Vancouver or Victoria to be something like one-half or less than one-half by sea as compared with the rates by rail for carload lots, and very much less for less than carload lots. For instance, the rate on chain by sea for a carload or less than carload is 30 cents per 100 pounds, while for a carload by rail it is $1.54 and for less than carload lots, $2.76. The whole schedule is full of contrasts just as marked as that. He then goes on to say:

You must remember that the United States Steel Corporation operate their own line of steamers from New York to Victoria and Vancouver and they are in a position to practically name any freight rate which they might find necessary to enable them to secure a share of the business.

The statement by the Canadian Railways that they have coped with the situation in every case that has been brought up, is absolutely incorrect. They put in a rate on bar iron of 60 cents with a three months' limit. At the expiration of three months they raised this rate to 75 cents. At the 60 cent rate iron could be laid down from Montreal and Hamilton for $2.55 when the rate went up the cost was $2.70. We showed the C.P.R. officials that English iron could be laid down for $2.45, and told them that if they would keep the 60 cent rate in force, we would give our Canadian mills the preference of $2.00 per ton, but that if the advanced rate was instituted, we simply could not pay a price of $2.70. We know of several orders aggregating hundreds of tons that were held over, pending the decision of the C.P.R. and when they refused to continue the rate, the business went to Great Britain.

A considerable quantity of iron pipe has been brought in from the United States to Coast points, because the Canadian rate is $1.00 per 100 pounds, and the Steel Corporation are making a rate from Pittsburgh via New York to here of 62 cents per hundred pounds, namely 38 cents from Pittsburgh to New York and 24 cents from New York to here.

The Dominion Sheet Metal Works are producing galvanized sheets in Hamilton and the rate in force is $1 per 100 pounds. The entire sheet iron business of this Coast is being supplied from Great Britain at a rate of 25 shillings, or from the United States Steel Corporation at a rate of 40 cents from New York to here.

We recently had an order placed for 35 tons of shafting, and we showed the C.P.R. that we could get a rate from New York of 40 cents per 100 pounds against a Canadian rate of $1.54 per 100 pounds. We asked for a reduction to $1 per 100 pounds and showed the C.P.R. that even paying charge for boxing and casing on the American article, we could, on account of the difference in rates, lay the American material down for nearly 10 per cent less than the Canadian article. At their request we held our order back a week, and were then advised that they could make no alteration in the rate.

We are distributors for British Columbia for the Banwell Hoxie Company, and do a considerable business for them. We are obliged to pay a rate on all their products of $1.54 per 100 pounds as against a rate from New York of 40 cents per 100 pounds, and we could bring in the American material in lawn fencing and gates at very much lower than their costs laid down.

There is a ship running from New York to Vancouver and Victoria every month of the year, loaded down with steel products, a large portion of which is destined for this province, and tens of thousands of tons a year are being brought in by these boats and by the ships that are coming in from Great Britain and Antwerp every week or two.

The situation is still more difficult on light hardwares, where it is impossible to ship in carload lots from eastern Canada, and where the rate is from six to ten times as great as the American cost. It not alone makes it impossible for the Canadian manufacturers to get this market, but it makes it exceedingly difficult for the jobbers out here to compete with Seattle, where their entire product is being moved from the east at rates ranging from 30 to 75 cents per 100 pounds.

Dealing with the solution of this problem, the quickest and most simple solvent is a Customs Officer in New York. The view taken by the railways and the Government that this would deflect freight from the

railways, is inoorrect, because they are not getting the business at the present time so that traffic will not be taken away from them, and it would at least by the solution suggested, bring a vast increase of business to the Canadian manufacturers, and would give our Canadian Railways at least additional haul in raw material to the manufacturers and a big tonnage moving towards the port of New York.

He also encloses resolutions of the Board of Trade as follows:

Whereas the Pacific Coast of British Columbia is able to import material and supplies from Great Britain and the continent of Europe at a water freight rate of approximately Thirty Shillings per ton, and

Whereas regular steamers are operating from New York via the Panama Canal at rates varying from 30 cents to 40 cents per 100 pounds, and

Whereas the Panama Canal route offers the opportunity of water transportation between the manufacturing centres of Eastern Canada and the Pacific Coast of British Columbia on a competitive basis with the aforementioned, and

Whereas the Transcontinental Railway haul cannot be competitive with the aforesaid foreign competition, and

Whereas a large tonnage and value of merchandise is brought in from such foreign competition which should rightfully belong to the industries of the Dominion,

Be it therefore resolved that the Dominion Government be requested to utilize a portion of its Canadian Merchant Marine to supply regular sailings from Montreal and Halifax to Pacific Coast ports, with the object of developing and building up the manufacturing industries of this Dominion which at present are being sacrified by the lack of adequate water transportation.

To show that the gentleman who wrote that letter is not exaggerating the situation, I got some figures from the Customs Department here, and find that for the fiscal year ending 31st March there were imported into the ports of Victoria and Vancouver from Great Britain and the United States, roughly, $1,500,000 worth of heavy iron and steel, all of which should and could have been bought in Eastern Canada.

Now, while, as I have said, the Government have refused heretofore to appoint a Customs officer in New York, the late Government—or rather the Minister of Railways in the late Government, who now occupies a seat in this House—did promise that he would use some ships of the Canadian Merchant Marine, and put them on the route between Montreal and Vancouver in summer and between Maritime Province ports and Vancouver in the winter months. That is the promise we are now asking the Government to implement.

Surely there must be a very large Canadian coasting trade to be done with the countries between the Atlantic coast and Vancouver. I find that in Cuba, Panama, Nicaragua, Salvador, Guatemala, and Honduras there is a population of some 8,000,000, with a total trade of $1,500,000 a year. Surely there is coasting trade to be picked up there by our ships.

In writing to the Department of Railways on this subject, I have received a letter written to Mr. Yates by the President of the Canadian National Railways, discussing this question, in which he states:

The position of the Canadian Government Merchant Marine is as follows:

(1) Present conditions do not warrant the operation of Canadian Government Merchant Marine vessels between ports in British Columbia and Quebec in the summer and the Maritime Provinces in the winter, as, while the ships would likely secure full cargoes of lumber from Pacific to Atlantic ports, very little general traffic would be handled between such ports. On the return journey, from the Atlantic to the Pacific, there are no prospects of business, so that the trade would be practically a one-way arrangement, and, as freight rates would not be equal on the one-way cargo to meet the ships' expenses, a serious loss would be bound to occur.

(2) To obtain the best possible results, even under the conditions of a one-way proposition, ships of the type of 8,100 tons would require to be placed in service. All such ships of the Canadian Government Merchant Marine are already engaged in trades from which they cannot be withdrawn without disruption of services and loss of advantages already gained.

In regard to that, I say there is in the first place an admission on the part of the Management of the Canadian Government Merchant Marine that full cargoes could be had by going from west to east. It would be interesting to know what attempt has been made to ascertain what cargoes could be obtained from the East and the West. Certainly the figures that I have quoted with regard to the imports of heavy iron and steel would show that there is a considerable amount of business in that direction, and, as I say, considering the wealth and prosperity of the Central American Republics, Cuba, and the West Indies, there must be a large amount of coasting trade to be picked up.

In December I made the trip myself from San Francisco to Baltimore in one of the ships of the line operated by the Pacific Coast Mail Steamship Company. Not only did we have a full passenger list, but we were loading and discharging cargo at every one of the eight ports of call on the way round. If the American lines can do that, there is no reason in the world why the Canadian Government Marine cannot do likewise.

Another objection that was raised was that it would require ships of the type of 8,000 tons. The only answer I can make to that is that the ship that I came in was one of three operated by the same company, and not one of them was over 3,500 tons, and they were able to make the business pay. I submit that, considering that the Government have ships for which they apparently have no use and which they want to sell, they would certainly be doing something in the direction of developing trade between Eastern and Western Canada by putting ships on this route, and at any rate feeling it out for a

year or two to see what could be done in the premises.

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

DIVORCE BILLS

FIRST READINGS

Bill S4, an Act for the relief of Christina Julia Hamilton.—Hon. Mr. Gordon.

Bill T4, an Act for the relief of Smith Kain.—Hon. G. V. White.

Bill U4, an Act for the relief of Gladys Malcolm Mushett.—Hon. Mr. Watson.

Bill V4, an Act for the relief of William Francis Rafferty.—Hon. Mr. Watson.

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

THE SENATE

Thursday, May 3, 1923.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill I4, an Act to incorporate Transcontinental Assurance Company.—Hon. Mr. Crowe.

DIVORCE BILLS

SECOND READINGS

Bill J4, an Act for the relief of George Austin Trow.—Hon. Mr. Ratz.

Bill K4, an Act for the relief of Ethel Jean Buchan.—Hon. Mr. Turriff.

Bill L4, an Act for the relief of Louisa Wemp.—Hon. Mr. Turriff.

OPIUM AND NARCOTIC DRUG BILL

CONSIDERED IN COMMITTEE

Hon. Mr. DANDURAND moved that the Senate go into Committee on Bill 72, an Act to Prohibit the Improper Use of Opium and other Drugs.

He said: Honourable gentlemen, before we go into Committee on this Bill, I beg to give notice that on Tuesday next I will move:

That a message be sent to the House of Commons requesting that they will concur in the appointment of a joint-committee, to be composed of an equal number of members not exceeding five of each House to consider the following matters:

1. The form of Bills and the best means of affording information and assistance in the consideration thereof at all stages of legislation in both Houses of Parliament.

2. The better distribution of the work of legislation between the two Houses.

3. The practical operation of the provisions of the Senate and House of Commons Act, Revised Statutes of Canada, 1906, Chapter 10, respecting the attendance of Senators and Members of the House of Commons, and the expediency of making any alterations in those provisions.

Hon. Mr. McMEANS: Has the honourable leader of the Government looked into section 4 of this Bill? In moving the second reading he stated that he would look into it to see if a change was not desirable.

Hon. Mr. DANDURAND: Should not that be dealt with in Committee?

Hon. Mr. McMEANS: I want the information from the honourable gentleman himself, as to whether he has considered the point and intends offering any amendment of that section.

Hon. Mr. DANDURAND: We shall deal with each section in turn, and we can discuss that point when section 4 is under consideration.

Hon. Mr. LYNCH-STAUNTON: I would like to ask—

The Hon. the SPEAKER: Would it not be better to go into Committee, honourable gentlemen?

Hon. Mr. LYNCH-STAUNTON: This is a very important Bill. Are we going to have before us something that will show what are the proposed changes, especially in the sections beginning at 14.

Hon. Mr. DANDURAND: But I intend to move an amendment. When we come to clause 14 in Committee we can discuss it and amend it in accordance with the wish of the majority.

Hon. Mr. LYNCH-STAUNTON: But we are going into Committee without the proper information.

Hon. Mr. DANDURAND: We shall proceed from one clause to another, and we shall discuss each of them.

Hon. Mr. LYNCH-STAUNTON: Is it not a violation of our rules not to have this properly printed?

Hon. Mr. DANDURAND: I realize that there are before us a certain number of Bills which do not conform with the recommendation which was adopted by the Senate. That recommendation was not converted into a rule of the House. We can postpone consideration of those Bills for a certain number of days, and ask that in the meantime the various departments concerned prepare

memoranda. On the other hand, we might take up the work before us, trusting that the joint committee for which I have moved may improve the situation by applying a rule equally to both branches of Parliament.

Hon. Mr. LYNCH-STAUNTON: This is a matter which I think the Senate should not consider blindly. Very important principles of law are involved in these sections, and it is altogether impossible for us, without having the sections before us, to know what we are doing.

Hon. Mr. DANDURAND: I will answer my honourable friend as to section 14, so that he may see that the situation will be considerably clarified. I intend moving to strike out the letter (b) in the second line. Then I move to strike out "that he did not commit the offence nor," and that would make the clause read:

The onus shall be upon the accused to establish that he had lawful authority to commit the act complained of—

So if he relies upon a permit that he has, he will have to produce the permit. The onus will be upon him to prove the exemption which he will plead.

—or that he had a license from the Minister authorizing such act.

This provision was in the Act of 1921, but last year, I am informed, it was dropped in error.

Hon. Mr. LYNCH-STAUNTON: The honourable leader will understand that from a lawyer's point of view that is utterly unnecessary, because once you establish that a man has done an act you have made a prima facie case; then the onus is on him to exculpate himself by producing evidence. Why should we put into the statute provisions that make it a laughing-stock?

Hon. Mr. DANDURAND: But why does my honourable friend insist on discussing this point, which is a clear one, on a motion to go into Committee. It is in Committee that we should discuss any question relating to section 14.

Hon. Mr. LYNCH-STAUNTON: The only reason I am raising the question is that, for myself—and I think there are others here of the same opinion—I want to be in such a position that when we are asked to pass a Bill containing clauses which are absolutely contradictory to British jurisprudence, I shall know exactly what we are doing. I think it is only proper that members of the Senate who are opposed to such clauses should have before them the law as it stands, in order that they may present an intelligible argument against these proposed sections.

Hon. Mr. DANDURAND: Does the honourable gentleman ask that we postpone consideration of this Bill in Committee and obtain a memorandum explaining the amendment?

Hon. Mr. LYNCH-STAUNTON: I have no objection to the consideration of the Bill, excepting that portion from clause 14 onward.

Hon. Mr. BEIQUE: Those sections may be reserved.

Hon. Mr. LYNCH-STAUNTON: If the honourable leader will say that those clauses will not be considered until we have a memorandum, I am quite content that we should go into Committee.

Hon. Mr. BEIQUE: I think that question should be considered when the Committee of the Whole is dealing with the Bill. If the honourable member shows good reason for it, there is no doubt that the House will allow the section to stand.

Hon. Mr. DANDURAND: Yes, we may suspend consideration of them.

Hon. Mr. LYNCH-STAUNTON: Very well.

The motion was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. Donnelly in the Chair.

Hon. Mr. DANDURAND: I am informed that the Department can give us a number of copies of a memorandum bearing on this Act and the amendments that are proposed. I shall have those copies in a few moments. My honourable friend can have this one.

Hon. Mr. LYNCH-STAUNTON: Thank you.

Hon. Sir JAMES LOUGHEED: Would my honourable friend point out, as we proceed with the sections, the changes proposed in the present law?

Hon. Mr. DANDURAND: Certainly.

Section 1 was agreed to.

On section 2—interpretation:

Hon. Mr. DANDURAND: I move to amend subsection (c) of the interpretation clause by adding the word "opium" after the word "prepared."

Hon. Sir JAMES LOUGHEED: How about paragraphs (a) and (b)? Are those the law as it stands?

Hon. Mr. DANDURAND: Yes. There is no change in (a).

Hon. Mr. FOWLER: Why do you want to add the word "opium" after "prepared."

Hon. Mr. DANDURAND: If the word "opium" is added after the word "prepared," subsection (c) will read:

"Prepared opium or smoking opium" means the product of raw opium, obtained by a series of special operations...

Hon. Mr. LYNCH-STAUNTON: There are two different substances, known as prepared opium and smoking opium?

Hon. Mr. DANDURAND: Yes. This amendment is proposed in order to bring Canada into line with the terms of the International Opium Convention. We are forbidding the import or export of prepared or smoking opium. Article 7 of the International Opium Convention says:

The contracting powers shall prohibit the import and export of prepared opium. Those powers, however, which are not yet ready to prohibit immediately the export of prepared opium shall prohibit it as soon as possible.

Hon. Sir JAMES LOUGHEED: Does that section deal with smoking opium? You mention only prepared opium.

Hon. Mr. DANDURAND: Yes, altogether.

Hon. Sir JAMES LOUGHEED: As I understand, there is a distinction between the two, and clause 7 refers only to prepared opium?

Hon. Mr. DANDURAND: Prepared opium and smoking opium are the same thing.

Hon. Mr. LYNCH-STAUNTON: I understood they were different things.

Hon. Mr. FOWLER: If they are the same, why do you add the word "opium?"

Hon. Sir JAMES LOUGHEED: Does the International Convention deal with both prepared and smoking opium? Are they distinct or are they practically the same?

Hon. Mr. DANDURAND: Prepared opium is smoking opium.

Hon. Mr. FOWLER: Then why add the words "prepared opium?"

Hon. Sir JAMES LOUGHEED: Why use the two terms?

Hon. Mr. DANDURAND: It is simply to make it clear.

Hon. Mr. FOWLER: Clear? Clear as mud.

Hon. Mr. DANDURAND: According to the definition, "prepared opium" means:

The product of raw opium, obtained by a series of special operations, especially by dissolving, boiling, roasting and fermentation, designed to transform it into an extract suitable for consumption. "Prepared opium" includes dross and all other residues remaining when opium has been smoked.

Hon. Sir JAMES LOUGHEED: Then what is smoking opium?"

Hon. Mr. DANDURAND: Apparently the smoking opium must be a prepared opium.

Hon. Sir JAMES LOUGHEED: Then why use the two terms?

Hon. Mr. DANDURAND: Because the two are used in the traffic.

Hon. Sir JAMES LOUGHEED: Then why not state that the terms are synonymous if they are?

Right Hon. Sir GEORGE E. FOSTER: They are not.

Hon. Mr. DANDURAND: We are now defining "prepared opium or smoking opium" to mean the product of raw opium. So the definition covers both expressions.

Hon. Mr. LYNCH-STAUNTON: It strikes me that the meaning is this: prepared opium includes the residue of smoking opium, but the smoking opium does not include the residue. That is probably the reason for the two definitions.

Hon. Mr. CURRY: The last line of subsection (c) plainly states that.

Hon. Mr. DANDURAND: I am informed that "prepared" opium is the expression used in Europe, whereas in Canada the expression popularly used is "smoking opium," but they are the same thing.

Hon. Mr. BEIQUE: But what seems to me inconsistent is that in subsection (b) you have in the definition "opium prepared for smoking," and then in (c) you have "prepared or smoking opium" as meaning something else.

Hon. Sir JAMES LOUGHEED: Both are included.

Hon. Mr. DANDURAND: That is done in order to conform to the International Convention.

Hon. Sir JAMES LOUGHEED: I do not think you have conformed to it. What about (c)?

Hon. Mr. DANDURAND: No change. And there is no change in (d). Subsection (g) is new:

"Minister" means the Minister presiding over the Department of Health for the time being,

This term is used in the Bill in order to shorten the designation of the Minister.

"Dominion Analyst" was not defined before. The purpose of subsection (h) is to define him.

Subsection (i) is to define "Provincial analyst," inasmuch as the Department intends to employ, and does employ, the Provincial analyst. The Department has only five laboratories, and this will enable the Provincial analyst to analyze wherever it is deemed opportune for him to do so. That will save time and expense.

Hon. Sir JAMES LOUGHEED: On account of the very general interpretation placed on that term, I would ask if an analyst is capable of analyzing all subsances? Can there not be a Provincial analyst who would be incapable of analyzing drugs, etc.

Hon. Mr. DANDURAND: All drugs under this act.

Hon. Sir JAMES LOUGHEED: But it does not necessarily follow that the analyst is capable of analyzing this particular class of drugs. If you place an interpretation on a provincial analyst you should define him as an analyst capable of doing this particular work. He might be a mineralogist, or something of that kind.

Hon. Mr. DANDURAND: This is meant to cover places where the Dominion has no laboratory, and considerable expense and time are saved by engaging the provincial analyst, who is supposed to have the necessary qualifications to deal with substances under this Act.

Hon. Mr. FOWLER: He should have.

Hon. Sir JAMES LOUGHEED: It should not be supposed at all.

Hon. Mr. DANDURAND: I am informed that they have.

Section 2, as amended, was agreed to.

On section 3—Minister may issue licenses, make regulations therefore and prescribe fees:

Hon. Sir JAMES LOUGHEED: This is new. Wherein are the changes to be found in this section?

Hon. Mr. DANDURAND: In the first part there is no change; the change is in the second part.

Hon. Mr. FOWLER: I notice that you do not distinguish smoking opium in that section.

Hon. Mr. DANDURAND: I am now just about to do it. I move to amend this subsection by adding after the words "prepared opium," in line 25, the words "smoking opium."

Hon. Mr. DANIEL: Has the ordinary retail druggist to obtain a license?

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: How does he get it?

Hon. Mr. DANDURAND: He has to obtain the license to import, but not to handle these goods in Canada.

Hon. Mr. DANIEL: I think the ordinary retail druggist does not, as a rule, import.

Hon. Mr. DANDURAND: No: he buys from the wholesale druggist.

Hon. Mr. DANIEL: Is the retail druggist required to pay a license?

Hon. Mr. DANDURAND: No, unless he manufactures.

Hon. Sir JAMES LOUGHEED: Who may import?

Hon. Mr. DANDURAND: The prohibition is absolute

Section 3, as amended, was agreed to.

On section 4—Offences and penalties:

Paragraphs (a), (b), (c) and (d) were agreed to.

On paragraph (e)—sale, etc., to minor:

Hon. Mr. McMEANS: To my mind that is a very peculiar provision, for it says that any person who "unlawfully sells, gives away or distributes any drug to any minor"—

shall be guilty of a criminal offence, and shall be liable upon indictment to imprisonment for any term not exceeding seven years, or upon summary conviction to a fine not exceeding one thousand dollars and costs and not less than two hundred dollars and costs, and to imprisonment for any term not exceeding eighteen months and not less than six months; provided that notwithstanding the provisions of section ten hundred and twenty-eight of the Criminal Code, or of any other statute or law, the Court shall have no power to impose less than the minimum penalties.

The logical conclusion of that is that if a man is tried by a judge he may get 7 years in penitentiary, or he may get one day.

Hon. Mr. DANDURAND: No, my honourable friend is in error. There is a proviso that states:

Provided that notwithstanding the provisions of section 1028 of the Criminal Code, or of any other statute or law, the Court shall have no power to impose less than the minimum penalties herein prescribed, and shall, in all cases of conviction, impose both fine and imprisonment; provided further that any person who commits an offence under paragraph (e) of this section shall be proceeded against by in-

dictment, and not summarily, and shall, at the discretion of the Judge, be liable to whipping in addition to the penalties hereinbefore provided.

Hon. Mr. McMEANS: That is where the trial is before a magistrate; but where it is before a judge he is liable to seven years. Then it goes on to say that upon summary conviction he may not get less than the minimum penalty. Why do you make that distinction, if the crime is one that should be punished by seven years imprisonment? So it all depends on who tries the case. If the accused is tried before a magistrate he cannot get more than 18 months, but if tried before a judge he may get seven years imprisonment.

Hon. Mr. LYNCH-STAUNTON: The amendment to the section is that if the Crown wishes to proceed against him for the seven years they must indict him, but if not, they can bring him up before a magistrate. The difficulty I see is this: has the accused a right to elect?

Hon. Mr. DANDURAND: No.

Hon. Mr. LYNCH-STAUNTON: Then the Crown may choose whether they will proceed against him summarily or by indictment?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. LYNCH-STAUNTON: Then, if the Crown considers the crime sufficiently grave, they may indict him, but if they consider it less grave they may bring him up for summary conviction.

Hon. Mr. McMEANS: If my honourable friend's contention is correct, the Act says that the judge can give him seven years, but if a police magistrate tries him summarily he cannot give him less than the minimum sentence, which is six months and a fine.

Hon. Mr. LYNCH-STAUNTON: The point is that the Crown may prosecute a wholesale opium bootlegger, and may want to give him seven years, and therefore may think that a magistrate should not try such a man on such a serious offence.

Hon. Mr. McMEANS: But your argument falls to the ground, because the judge must not give him seven years, but may give him one day. The judge has discretion.

Hon. Mr. DANDURAND: No, the judge cannot give him less than the minimum.

Hon. Mr. McMEANS: Are you quite sure of that? I do not read it that way.

Hon. Mr. DANDURAND: The word "court" is defined in the interpretation section.

Hon. Mr. McMEANS: I do not read it that way; but why should there be any difference in the sentence for the crime simply because the accused is tried before one man or the other? I called the attention of the leader of the Government to this section on the second reading of the Bill, and he promised to look into it and if necessary propose an amendment. I suggest that this clause be amended to say that the accused shall be liable to seven years in the penitentiary, whoever tries him.

Hon. Mr. LYNCH-STAUNTON: I think the honourable gentleman is quite right, but it seems to me that either the summary conviction should be changed, or this clause should be changed to make it a minimum.

Hon. Mr. DANDURAND: There is no change in the Act. The minimum is six months imprisonment and a fine of $200.

Hon. Mr. FOWLER: It is not by that section. There is no minimum at all.

Hon. Mr. BELCOURT: Is not the meaning of the first part of this section that in every case, whether the case is tried under indictment or upon summary conviction, the penalty shall not be less than what is respectively fixed for the indictment or the summary conviction? That is the way I read it.

Hon. Mr. LYNCH-STAUNTON: Read it again.

Hon. Mr. BELCOURT: It reads thus:

Shall be guilty of a criminal offence, and shall be liable upon indictment to imprisonment for any term not exceeding seven years, or upon summary conviction to a fine not exceeding one thousand dollars and costs and not less than two hundred dollars and costs, and to imprisonment for any term not exceeding eighteen months and not less than six months.

In the case of an indictment the penalty is seven years.

Hon. Mr. LYNCH-STAUNTON: No.

Hon. Mr. FOWLER: Not exceeding seven years. It might be one day.

Hon. Mr. DANDURAND: Yes, but there is a proviso.

Hon. Mr. BELCOURT: The proviso in reference to that is:

Provided that notwithstanding the provisions of section 1028 of the Criminal Code—

Hon. Sir JAMES LOUGHEED: What are those?

Hon. Mr. FOWLER: That proviso applies only to the second part of the section, the conviction.

Hon. Mr. BELCOURT: Does the court there mean either the judge who is trying under summary conviction or the court under indictment?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. LYNCH-STAUNTON: That is, notwithstanding the Criminal Code; but that does not qualify the first part of this section.

Hon. Mr. BELCOURT: It is comprehensive in this sense, that it includes both courts.

Hon. Mr. FOWLER: No.

Hon. Mr. BELCOURT: I think so. The Interpretation Act would bear that out.

Hon. Mr. FOWLER: There is no minimum term prescribed. It is a very easy matter to fix this. I suggest that you say, "Not exceeding seven years and not less than two years."

Hon. Mr. BELCOURT: That might fix it.

Hon. Mr. DANDURAND: There is no objection, but the Department of Justice is of opinion that the word "minimum" covers the two instances.

Hon. Mr. FOWLER: With all due deference to the Department of Justice, I do not think any court would so consider it.

Hon. Mr. McMEANS: It says that he shall be liable on indictment up to seven years. Supposing the judge who tries the man thinks he ought to go to penitentiary for five years, and gives him five years, does he also impose a fine? Has he power to impose a fine? Or does he follow the Act where it says there shall be in addition to imprisonment the imposition of a fine? I understood the imposing of the fine was within the jurisdiction of the police magistrate, and not that of the judge. In the case of the judge the penalty is fixed at seven years, and it does not say a fine shall be added to that. In the case of the magistrate, it says that a fine shall be imposed as well as imprisonment. You give the judge no authority to impose the fine.

Hon. Mr. FOWLER: It seems to me very important that we should not pass a Bill here that would be ridiculous if it came before a court. It is absolutely clear that this section provides only for a penalty not exceeding seven years—which means that it may be only one or two years, or one hour. Why not state the minimum, and say not exceeding seven years, or two years, or one year?

Hon. Mr. DANDURAND: The Department has no objection to that suggestion.

Hon. Mr. BELCOURT: Then my honourable friend will suggest also, I suppose, in order to make it logical, that the imprisonment in every case be accompanied by the fine? Let us look at the last part of this section:

> The Court shall have no power to impose less than the minimum penalties herein prescribed.

Hon. Mr. WILLOUGHBY: What is the minimum penalty on an indictment?

Hon. Mr. BELCOURT: We have not got it, but my honourable friend suggests that it be put in, and I agree with that, but should it not also provide for the fine? It says that the court shall not have power to impose less than the minimum penalty herein prescribed—that is, in every case—and shall in all cases of conviction impose both fine and imprisonment. That implies that the punishment under indictment is both a fine and imprisonment.

Hon. Mr. LYNCH-STAUNTON: I suggest that the Department divide this section into two paragraphs, so that it cannot be bedevilled by the way it is drawn. Let them make clear what they mean.

Hon. Mr. PARDEE: Better let this clause stand.

Hon. Mr. DANDURAND: I may say that the Department of Justice was consulted yesterday on the very point raised by my honourable friend from Manitoba (Hon. Mr. McMeans), and that they were of opinion that the section as now framed was workable, but there is no objection to suspending paragraph e for redrafting after consultation with the Department.

Paragraph (e) stands.

Sections 5, 6 and 7 were agreed to.

On section 8—not keeping record:

Hon. Mr. DANDURAND: There are a few words added to this clause which are of no special importance. They are the words:

> Or to furnish to the Department of Health any information required by that Department.

Section 8, as amended, was agreed to.

Section 9 was agreed to.

On section 10—possession of opium pipes, opium lamps, or other device, without permit, forbidden:

Hon. Mr. LYNCH-STAUNTON: I would like to draw attention to a curious case which may arise under this section. Many people have in their possesion Chinese curios, and if

they have a pipe, whether for smoking or not, they are liable to be sent to jail for having it in their possession.

Hon. Mr. DANDURAND: One may have a permit.

Hon. Mr. LYNCH-STAUNTON: People buy these things as curiosities and put them in a glass case. It does not matter whether or not they ever saw any opium, the mere fact of possession will send them to the penitentiary.

Hon. Mr. SCHAFFNER: I am interested in this, because I brought home some Chinese curios in 1921, and I want to know whether the honourable gentleman from Hamilton is correct.

Hon. Mr. DANDURAND: This is a clause which we passed last year with the consent of the Senate.

Hon. Mr. LYNCH-STAUNTON: We should not have passed it.

Hon. Mr. DANDURAND: I understand that it is very necessary.

Hon. Mr. LYNCH-STAUNTON: Any spiteful person might bring up anybody who has these things merely as curios. There should be something to show that the possession of them is for a purpose.

Hon. Mr. DANDURAND: They are imported for the purpose of smoking opium.

Hon. Mr. LYNCH-STAUNTON: Oh, no.

Hon. Mr. SCHAFFNER: I did not import it.

Hon. Mr. DANDURAND: But there are very few visitors to China who do not import these things as curios. If they do, they will have to conform to this Act.

Hon. Sir JAMES LOUGHEED: But you propose striking out the appeal.

Hon. Mr. FOWLER: It seems to me a very reasonable provision that a man should get a permit if he chooses to keep a curio of that kind; otherwise it would be an excuse for a man having a pipe in his possession and using it for the purpose of smoking opium. It is a very simple matter for the honourable member from Boissevain (Hon. Mr. Schaffner) to get a permit.

Hon. Mr. DANDURAND: I understand there is no charge for it.

Section 10 was agreed to.

On section 11—smoking opium:

Hon. Mr. DANDURAND: There is a change there in regard to the fine, the words being:

To a fine not exceeding one hundred dollars and costs.

That is altered from fifty dollars in order to conform to section 12.

Section 11 was agreed to.

On section 12—being in opium resort:

Hon. Mr. DANIEL: How are you going to distinguish a place that may be used as an opium resort at certain times, but not, as a matter of fact, always, or one that is used only for that purpose? If a person should be in such a place quite innocently, under this section he would, presumably, be fined and imprisoned.

Hon. Mr. FOWLER: Suppose persons are going on what they call slumming visits to Chinese quarters in any town—simply going in to look and satisfy their curiousity—would that be considered a reasonable and lawful excuse?

Hon. Mr. LYNCH-STAUNTON: I think it is a very proper clause. If my honourable friend goes there he should be fined.

Hon. Mr. DANIEL: I do not think "opuim resort" appears in the interpretation clause at all.

Hon. Mr. DANDURAND: There is a definition of "opium resort" in the Criminal Code, but we shall have a Bill before us seeking to strike that out, because it has been found impossible to establish the existence of an opium resort. The Act now leaves it open to the Crown to indict—

Every person who, without lawful and reasonable excuse, is found in any house, room or place to which persons resort for the purpose of smoking or inhaling opium.

That has been the law since 1911.

Hon. Mr. BEIQUE: Would it not be better to use the word "resorting"? I am afraid that under the wording of clause 12 it will be necessary to establish that an opium resort is a place to which persons are resorting to smoke opium, whereas it should not be limited to that.

Section 10 was agreed to.

Sections 11, 12, and 13 were agreed to.

On section 14—onus of proof on charge of importing, exporting, etc., without license:

Hon. Mr. FOWLER: This section says:

The onus shall be upon the accused to establish that he did not commit the offence.

Hon. Mr. DANDURAND: I may say to my honourable friend that the Bill was not brought to the House of Commons in that form: it was amended in Committee by adding what I will move to strike out. I do not know whether the Commons will accept our rejection of their amendment, but I will move:

That section 14 be amended by striking out the letter (b) from the second line, and by striking out the words "that he did not commit the offence or."

Right Hon. Sir GEORGE E. FOSTER: What are the reasons?

Hon. Mr. FOWLER: I do not see any necessity for that section at all: practice provides for that. If a man is charged, and a prima facie case is made out, it is up to him to prove that he did not commit the offence or that he had lawful authority. It seems to me that this would make us the laughing-stock of the courts.

Hon. Mr. DANDURAND: My honourable friend was a party to the adoption of Chapter 42, 11 and 12 George V, which contained this same clause. When a charge is laid under either paragraph (d) or paragraph (e), the onus shall be on the accused to establish that he had lawful authority.

Hon. Mr. FOWLER: Has not the onus always been upon him to do that? If a charge is laid and the offence is proved prima facie against him, does not the burden of proof shift to him, and must not he prove that he had lawful authority for his act, or that he did not commit it at all?

Hon. Sir JAMES LOUGHEED: This is a different case. This contemplates that immediately the information is laid against him he must proceed to establish his innocence. Immediately the charge is laid, the onus is shifted to him.

Hon. Mr. FOWLER: All the more reason why the section should be struck out: it is against British justice; it is against every decent kind of justice.

Hon. Mr. LYNCH-STAUNTON: If there is no evidence at all against him, he is guilty. I move that clause 14 be struck out. I quite understand that what the Crown wants to guard against is the possibility of a man being able to set up a lot of trivial technicalities and thereby escaping, as he probably would, if great care were not taken; but surely a man cannot be convicted unless some kind of a prima facie case is made out against him, especially in cases in which he would go before a jury and could be sent to the penitentiary for seven years.

Hon. Mr. BELCOURT: And no appeal

Hon. Mr. LYNCH-STAUNTON: All they would have to do would be to read the charge. He may be a foreigner who does not understand English at all, and they would say: "Seven years for you, sir."

Hon. Mr. DANDURAND: The accusation would be that he had in his possession drugs without lawful authority.

Hon. Mr. FOWLER: But there would be no proof that he had them.

Hon. Mr. LYNCH-STAUNTON: No drugs produced—nothing.

Hon. Mr. DANDURAND: Of course, the Crown must establish that he has the drug in his possesion.

Hon. Sir JAMES LOUGHEED: No, not under the wording of this Bill.

Hon. Mr. DANDURAND: My honourable friend is in error. I have moved to strike out the words: "that he did not commit the offence or;" so all that remains of the section is:

Where a charge is laid under either paragraph (a), (d) or (e) of section 4 of this Act, the onus shall be on the accused to establish that he had lawful authority to commit the act complained of, or that he had a license from the Minister authorizing such act.

Hon. Mr. FOWLER: Would not that be his defence anyway? Is he not obliged by law to make that defence? But, as the honourable gentleman from Calgary (Hon. Sir. James Lougheed) has said, it is against all reason and common justice to provide that all you have to do is to hale a man before the court and state that he committed this offence, without any proof that he had the drug in his possession. If he had the drug in his possession, that would be prima facie proof, and he would be put upon his defence.

Hon. Mr. BELCOURT: May I ask whether the elimination of the words, "that he did not commit the offence," relieves the Crown of the necessity of establishing the offence.

Hon. Sir JAMES LOUGHEED: I take it that the word "laid" constitutes the offence. Where a charge is laid, the onus is upon the accused, and he must answer that charge. Is not that the interpretation of the section?

Hon. Mr. BELCOURT: I would think so. I do not think the elimination of the words mentioned alter the situation at all.

Hon. Mr. FOWLER: And there is no necessity for the section, if the Crown is going to get proof; and if they are not going to get proof, it is a damnable thing.

Hon. Mr. DANDURAND: It was not by voluntary act of Parliament that the clause was dropped last year.

Hon. Mr. LYNCH-STAUNTON: Oh, yes. We would not have it.

Hon. Mr. DANDURAND: What will remain of the clause?

Hon. Mr. FOWLER: Nothing should remain.

Hon. Mr. DANDURAND (reading):

Where a charge is laid under either paragraphs (a), (d) or (e)—

Let us see what those paragraphs are. Paragraph (a) is: "Importing or exporting drug without a license." Paragraph (d) is: "Unlawful possession, manufacturing, selling or distributing drug without license." Paragraph (e) is: "Unlawfully selling, giving away or distributing any drug to any minor." Now, were a charge laid under any of those paragraphs:

The onus shall be on the accused to establish that he had lawful authority to commit the act complained of.

That is to say, the act having been established—

Hon. Mr. FOWLER: No, no; only a charge laid. Laid and established are two very different things.

Hon. Mr. DANDURAND: If that is the complaint or the grievance, it can be cured.

Hon. Mr. LYNCH-STAUNTON: I contend that when a man is charged with any of these offences, it should be provided in the Act that if it is proved that he has opium in his possession or that he gave opium to a child, a prima facie case should be established.

Hon. Mr. FOWLER: You do not need to provide that: it is a prima facie case.

Hon. Mr. LYNCH-STAUNTON: I do not agree with my honourable friend that it is, unless the statute says so. You must show that he had intent. If you amend the clause to say that possession of these articles or the giving of them shall be prima facie an offence, that is a different matter.

Hon. Sir JAMES LOUGHEED: Under the procedure laid down in the Bill, it is simply provided that the Crown shall lay a charge; it is not necessary to prove that there was importation or possession.

Hon. Mr. LYNCH-STAUNTON: I quite agree with the honourable gentleman. But they must prove these things.

Hon. Mr. PARDEE: Is it not reasonable to infer from that clause that, if the charge is laid, there will be proof?

Hon. Mr. LYNCH-STAUNTON: No. There are charges laid every day under the Ontario Temperance Act, and this is just a copy of that.

Hon. Mr. PARDEE: If a charge is laid, there must be some foundation upon which to lay it.

Hon. Mr. LYNCH-STAUNTON: Not necessarily.

Hon. Mr. FOWLER: The honourable gentleman is a politician, and ought to know that charges are often laid without foundation.

Hon. Mr. PARDEE: Paragraphs (a), (d) and (e) specifically provide for certain things. If a charge is laid against a man that he has been doing thus and so, and he has not provided himself with a license or with any kind of authority whereby he might do that thing, then the onus is upon him to show that he had these goods in his possession lawfully.

Hon. Mr. FOWLER: Even though the charge were only laid?

Hon. Mr. PARDEE: Yes.

Hon. Mr. FOWLER: And no proof offered?

Hon. Mr. PARDEE: If the charge is laid, it is on some fundamental principal.

Hon. Mr. FOWLER: No, lack of principle.

Hon. Mr. LYNCH-STAUNTON: A charge may be laid without any foundation at all.

Hon. Sir JAMES LOUGHEED: Or without any proof.

Hon. Mr. PARDEE: If the section has the effect which my honourable friends say it has, then it ought to be remedied; but I do not just see it that way.

Hon. Mr. BELCOURT: May I suggest this: "Where a charge is laid and proved before the court, the onus shall be on the accused."

Hon. Mr. FOWLER: It is upon the accused. That section is not necessary, because if a charge is laid and proved the onus is upon the accused to put in his defence.

Hon. Mr. BELCOURT: The difficulty we are confronted with is that a number of us are opposed to calling upon the accused to enter into his defence merely upon a charge being laid. I suggest that that can be gotten

over by adding the two words, "and proved;" then the onus of showing his authority is upon the accused.

Hon. Mr. FOWLER: But it is not necessary to provide for that: the law already provides for that. If a charge is laid and proved the onus is upon him. As my honourable friend knows, the onus of proof shifts during the course of a trial.

Hon. Mr. DANDURAND: I would draw attention to the fact that the charge laid states that the accused did certain things without a license. Of course, it must be made clear that he did a certain thing which contravened the Act.

Hon. Sir JAMES LOUGHEED: How is that to be done?

Hon. Mr. DANDURAND: That is a question of fact. He is accused of having imported, or of having in his possession, or of having given to a minor.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: The charge says, "without a license." In many instances it has been held that the onus was upon the Crown to establish the charge that the accused had done certain things without a license; and it has been necessary to communicate with Ottawa, and to have an officer of the Department come and declare that according to the books the accused had no license when that charge had been laid. At all events, I am giving the Department's version. So the reason for this clause is that when the fact has been established and the defendant's plea is that he did it under a license, the onus will be upon him to prove that. My honourable friend may say, "But it is not for the Crown to prove a negative." Yet the Crown alleges that the defendant contravenes a certain section. Even if the Crown alleges only that, what does the section say? "Without a license." So the defendant may say: "But you have not proven the allegation that I had no license and violated the Act." In any event, what harm is there in this section? During the last twelve months representations have come to the Department from all over the Dominion asking that this clause be re-enacted. We shall see. I will ask that the clause be allowed to stand. However, I would like to make it clear that once the fact of contravention is established, the onus of proof as to the license is upon the accused.

Hon. Mr. FOWLER: I would have no objection to that; but that must be clear. There must be a prima facie case made out by the Crown.

Hon. Mr. DANDURAND: Undoubtedly.

Hon. Mr. FOWLER: The mere laying of a charge should not be sufficient.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman permit this to stand in order that I may draft a clause to submit?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. McLENNAN: Before we leave the section, I desire to point out that it would be better to substitute another word for "either" in the first line. It should read:

> Where a charge is laid under any of the paragraphs (a), (b), (d) or (e) of section four of this Act....

"Either" refers to only two.

Section 14 stands.

On section 15—burden of proof on pleas of medicinal purposes or medical treatment:

Hon. Mr. DANDURAND: There is no alteration, except that this was section 10 of the old Act, and it is broadened to include medical men, dentists, and veterinary surgeons, who will have to justify themselves.

Section 15 was agreed to.

On section 16—burden of proof on charge of unlawful possession against persons occupying or in possession of premises, etc., where drug is found:

Hon. Mr. McMEANS: I think that is reasonable. If the person pleads he has a license, he has to prove that he has.

Hon. Mr. FOWLER: That is all right.

Section 16 was agreed to.

On section 17—certificate of Dominion Analyst evidence of content of drug:

Hon. Mr. DANDURAND: The words "or Provincial Analyst" are added.

Hon. Mr. FOWLER: Should the section not say "a duly qualified Provincial Analyst"? He might be an analyst in blood tests, or something of that kind.

Hon. Mr. LYNCH-STAUNTON: Of course you would have to prove that he is qualified.

Hon. Mr. FOWLER: No, you would not.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to the interpretation clause, subsection (i):

> "Provincial Analyst" means any analyst appointed by the Government of any province and having authority to make any analys's for any public purpose.

Hon. Mr. FOWLER: "For any public purpose." He might analyze anything—aniline dyes, for instance—and yet might not be competent to analyze this drug. I think he should be "duly qualified."

Hon. Mr. DANDURAND: I am informed that those Provincial Analysts are qualified analysts under the Act.

Hon. Mr. FOWLER: But not to analyze everything.

Hon. Mr. CURRY: You must place some confidence in the authorities for the carrying out of the Act.

Hon. Mr. DANIEL: Does this section mean that under any circumstances the certificate of a Dominion or Provincial analyst must be taken? Suppose there is a difference of opinion between analysts. The Provincial analyst says the substance does contain morphine or opium, and the defendant's analyst says there is nothing of the kind in it. Does this section mean that under these circumstances the evidence of the Dominion Analyst must be taken?

Hon. Mr. DANDURAND: This is simply prima facie evidence, and it can be contested. The analyst is brought into Court and cross-examined, and other analysts may be brought in.

Hon. Mr. BELCOURT: Is that section necessary at all? Would not the court give to the certificate of the Dominion or Provincial Analyst the character which this section gives to it? It would be authoritative before the court without the section. I do not think the section is at all necessary. Surely the certificate of a licensed analyst would be accepted by the court.

Hon. Mr. DANDURAND: This provides that the certificate of a Dominion or Provincial Analyst shall be accepted as evidence, because if the certificate were valueless the witness might have to be brought a hundred miles or more.

Section 17 was agreed to.

On section 18—power of peace officer to search for drugs:

Hon. Mr. DANDURAND: Section 18 is amended simply by adding after the word "vessel" in the fourth line the world "vehicle."

Hon. Mr. FOWLER: You are giving power under this clause for a constable, who is not always the most intelligent person in the world nor the most tactful, to enter anybody's house at any time of the day or night.

Hon. Mr. LYNCH-STAUNTON: Without a warrant?

Hon. Mr. PARDEE: There must be reasonable cause.

Hon. Mr. FOWLER: Yes, there must be reasonable cause; but what would appear to a constable as reasonable cause might not appear reasonable to a good many other people. You are violating the sanctity of a man's home, which is supposed under our law to be his castle. To permit an ordinary constable to walk into that house day or night to make a search for drugs, is, it seems to me, unnecessary. The second part of that section is bad enough, but it is not too bad, as he has to establish reasonable cause and get an order from a magistrate. I certainly would be opposed to the first part of that section.

Hon. Mr. LYNCH-STAUNTON: What is the meaning of that section? Does it mean that the officer may search without a warrant?

Hon. Mr. FOWLER: Yes, it says so.

Hon. Mr. LYNCH-STAUNTON: There is a proviso that would contradict that.

Hon. Mr. DANDURAND: He may search any place but a private dwelling house. We had a considerable discussion on this last year, and the clause was amended. This section is in the form as we passed it last year.

Hon. Mr. LYNCH-STAUNTON: The officer should have power to search any place except a private dwelling house.

Hon. Mr. FOWLER: If you establish reasonable cause upon oath and get an order from a magistrate, then a private dwelling house can be entered.

Hon. Mr. PARDEE: Is not that sufficiently protected?

Hon. Mr. FOWLER: Yes. I was mistaken at first. I thought the power to search without a warrant applied to a dwelling house.

Section 18 was agreed to.

Sections 19 and 20 were agreed to.

On section 21—proceedings; no certiorari:

Hon. Mr. DANDURAND: No change.

Hon. Mr. FOWLER: I do not see why the ordinary remedies of the law should not be left open to persons charged with these offences.

Hon. Mr. LYNCH-STAUNTON: Neither do I.

Hon. Mr. FOWLER: Take care that you do not do more harm than good when you interfere with the general course of the law and with the rights of defence that every British subject is supposed to have.

Hon. Mr. LYNCH-STAUNTON: Is there no appeal in this case?

Hon. Mr. FOWLER: No, there is no appeal.

Hon. Mr. DANDURAND: There has been no change since 1911.

Hon. Mr. LYNCH-STAUNTON: No, there has been no appeal.

Hon. Mr. FOWLER: There is no appeal by way of certiorari.

Hon. Mr. DANDURAND: I am speaking of section 21.

Hon. Mr. McMEANS: Since the last decision of the Privy Council, there is no longer any certiorari in Canada. No matter what the evidence is, there is no removing it by certiorari, under that last decision.

Section 21 was agreed to.

On section 22—regulations:

Hon. Mr. BEIQUE: If I am not mistaken, there is no power in the Governor in Council to repeal any licenses that have been issued. If so, I would suggest adding at the end of clause 22 the words, "and for the repeal of licenses," because when an offence has been committed, the license, I think, should be repealed.

Hon. Mr. DANDURAND: That is provided for by section 3:

With the approval of the Governor in Council the Minister shall have power to issue licenses for the import, export, sale, manufacture and distribution of any drug, to name the ports or places in Canada where any drug may be exported or imported, to prescribe the manner in which any raw opium, prepared opium or any drug is packed and marked for export, to prescribe the record that shall be kept by any person in connection with the export, import, receipt, sale, disposal and distribution of the drug or drugs mentioned in the schedule to this Act, and to make all convenient and necessary regulations with respect to the issue and duration and the terms and forms of the several licenses that may be issued hereunder.

Hon. Mr. BELCOURT: That does not apply to the case.

Hon. Mr. BEIQUE: No. I would suggest the addition of the words, "and for the repeal of licenses."

Hon. Mr. BELCOURT: Or "revocation."

Hon. Mr. BEIQUE: Or "revocation."

Hon. Mr. DANDURAND: It is provided by regulation that where there is an offence the license may be cancelled.

Hon. Sir JAMES LOUGHEED: Is the license issued by regulation or by statute? The power to license is given by statute, is it not?

Hon. Mr. DANDURAND: But the form and terms and duration of the license are dealt with by regulation.

Hon. Sir JAMES LOUGHEED: If the power to license is granted by statute, the revocation of the license will have to be by the same authority.

Hon. Mr. DANDURAND: Yes. The authority is given the Governor in Council by section 3.

Hon. Sir JAMES LOUGHEED: If it is, that is all right.

Hon. Mr. BELCOURT: Clause 3 authorizes the Minister, with the approval of the Governor in Council, to issue licenses, and among other things to determine the duration, etc.; but there is nothing in that clause that would authorize the Minister, even with the approval of the Governor in Council, to cancel.

Hon. Mr. PARDEE: Yes.

Hon. Mr. DANDURAND: In conformity with section 3 regulations were passed under P.C. 2392, which says:

All licenses issued under this Act are subject to cancellation in the event of the licensee being found guilty of an offence against any provision of the said Act.

Hon. Mr. BELCOURT: But the difficulty is that the regulation does not seem to be within the power of the statute and does not seem to be authorized.

Hon. Mr. PARDEE: Yes, it gives the power.

Hon. Mr. BELCOURT: I know the regulation does, but the regulation would be ultra vires of the Act.

Hon. Mr. PARDEE: Oh, no.

Hon. Mr. DANDURAND: The Minister is given power, with the approval of the Governor in Council, to make regulations "with respect to the issue and duration and the terms and form of the several licenses." That is provided for in the latter part of section 3.

Hon. Mr. BELCOURT: Duration would not cover revocation.

Hon. Mr. DANDURAND: But this deals with the terms and form.

Hon. Mr. FOWLER: That is all right. Cancellation is covered.

Hon. Mr. BELCOURT: Section 3 deals with the issue of licenses. Those words relate to the issue of licenses, and not to anything else; so clearly there would not be power to revoke.

Hon. Mr. FOWLER: Section 3 covers the duration.

Hon. Mr. DANDURAND: That power has not been challenged.

Hon. Mr. BELCOURT: Well, it will be.

Hon. Mr. DANDURAND: It may be.

Hon. Mr. BEIQUE: I move that the word "and," in the last line but one, be struck out, and that after the word "purposes" the following words be added: "and for the revocation of licenses."

Hon. Mr. DANDURAND: I have no objection.

The CHAIRMAN: It is moved by Hon. Mr. Béique that clause 22 be amended to read as follows:

The Governor in Council may make such orders and regulations as are deemed necessary or expedient for carrying out the intention of the Act; for the seizure of any drug that there is reason to believe is liable to forfeiture under this Act; for the use or sale of any drug for scientific purposes, and for revocation of licenses.

The amendment was agreed to, and section 22, as amended, was agreed to.

On section 23—additions to schedule:

Hon. Mr. DANDURAND: In the fourth line there are to be added the words, "or similar synthetic preparations."

Section 23, as amended, was agreed to.

On section 24—except in cases tried before two justices, no appeals in cases taken under section 4, (a), (d), and (e):

Hon. Mr. DANDURAND: This is the view of the Department on section 24:

This is a new section and designed to limit the right of appeal to a stated case on a point of law, with respect to offences under paragraphs (a), (d), and (e) of section 4 of the Act, which deals with persons importing, having in possession without a license, or selling to a minor (drug smugglers and peddlers), except where the case is tried before two justices of the peace.

Hon. Mr. FOWLER: Do you allow of any appeal?

Hon. Mr. DANDURAND: No appeal except where the case is tried before two justices of the peace, and except on a stated case.

Hon. Mr. FOWLER: That does not say so here.

Hon. Mr. DANDURAND: It says:

Except in cases tried before two justices of the peace, sections seven hundred and forty-nine to seven hundred and sixty, inclusive, and subsection two of section seven hundred and sixty-nine of the Criminal Code shall not apply to any conviction, order or proceedings in respect of any offence under paragraphs (a), (d) and (e) of section four of this Act.

Hon. Mr. FOWLER: Why?

Hon. Mr. DANDURAND: The memorandum proceeds:

This section is made necessary through the fact that the right of Appeal is being greatly abused. It is the general practice in most of the large cities for these drug peddlers, when convicted, to immediately serve notice of appeal. This is done as a matter of course, in the hope that the Crown witnesses may disappear, or that time may operate in their favour A large percentage of these drug peddlers convicted under paragraphs (a), (d), or (e) of section 4 of the Act, never appear in court on the date set for the hearing of the appeal. While it is true that the bail is estreated in cases of this nature, as a rule the amount is not very large and has no deterrent effect on the guilty party. This practice has become so common that the law is being evaded by large numbers of this class of criminal who as a rule has no fixed residence or place of abode, and operates under various aliases, thereby making it very difficult, if not impossible, for the police authorities to apprehend the offender with a view to having him serve the penalty imposed by the lower court.

It should be kept in mind that this section does not affect a physician, druggist, dentist or veterinary surgeon, or in other words, persons who have some place of business or interest in the community, and are not likely to disappear before the hearing of the appeal. This section as drafted still allows, to all persons, the right of appeal by way of a stated case, or on a point of law, and also provides for the right of appeal in any case where an accused person is tried before two justices of the peace. The sole purpose of this section is to prevent the right of appeal being abused, and to prevent these drug traffickers from escaping the penalty of the law, as is being done to an alarming extent at the present time.

Paragraphs (a), (d), and (e) of section 4 cover the following cases:

Every person who—

(a) imports into or exports from Canada any drug, or, not being a common carrier, takes or carries, or causes to be taken or carried from any place in Canada to any other place in Canada, any drug, without first obtaining a license therefor from the Minister; (1911, c. 17, s. 3, am. 1920, c. 31, s. 5 A (2) (a).)

(d) has in his possession any drug without lawful authority, or manufactures, sells, gives away or distributes any drug to any person without first obtaining a license from the Minister; (1920, c. 31, s. 5 A (2) (e).)

(e) unlawfully sells, gives away or distributes any drug to any minor; (1921, c. 42, s. 1 (e).)

shall be guilty of a criminal offence, and shall be liable upon indictment to imprisonment for any term not exceeding seven years.

Hon. Mr. McMEANS: And to be fined.

Hon. Mr. DANDURAND: What is the effect of allowing an appeal to these people? It is that the law, which has been made a severe one for crimes that should be driven out of the community, is made void, and the sentence is set aside by the accused themselves, who transform a conviction for five years or seven years into a fine of a few hundred dollars, which they deposit, and under cover of that deposit they disappear. They have thus thwarted the judgment of the court. They are not citizens of repute, of standing, or of known residence. They move from one city to another to ply their trade, and thus alter the law of Canada in their own favour, instead of standing the penalty.

Hon. Mr. LYNCH-STAUNTON: I think it is quite right with that explanation.

Hon. Mr. McMEANS: I wish to point out that there is a very easy remedy. You have your Act by which you say that a man who commits any of those offences is liable on indictment. Well, why not indict him? Then there is no appeal, except on a stated case by the judge himself; but if you select for his trial an inferior court of magistrates, who have no training and no knowledge of these things, then you must provide some means of appeal.

Hon. Mr DANDURAND: I may say that in the city of Montreal there were last year some four hundred cases. Is it just that the Crown should be put to the necessity and expense of indicting?

Hon. Mr. McMEANS: Why not arrest the accused, and then when he comes before the magistrate he is sent down for trial, and he remains in jail until he gets his trial. Then there is no appeal after he is tried on an indictment.

Right Hon. Sir GEORGE E. FOSTER: There are not sufficient judges to try them all.

Hon. Mr. WILLOUGHBY: I am not going to argue the question of appeal, but I think you should not take away the right of certiorari, no matter how regular the conviction may be, if it is made before anybody but a judge on an indictment. It now stands without an appeal on the merits, or on any question of validity in law.

Hon. Mr. LYNCH-STAUNTON: If one of those fellows happened to be honest, he could always appeal to the Minister of Justice.

Hon. Mr. FOWLER: Yes.

Section 24 was agreed to.

Sections 25, 26 and 27 were agreed to.

On the schedule:

Hon. Mr. DANDURAND: There is only one addition to the schedule:

Cannabis Indica (Indian Hemp) or Hasheesh, or its preparations or compounds or derivatives, or their preparations and compounds.

The schedule was agreed to.

Hon. Mr. BEIQUE: As a suggestion to the Department of Justice on section 14, I submit the folowing:

The onus of poof of the existence of a license or of lawful authority to do any act complained of under this Act shall be upon the accused.

Hon. Mr. LYNCH-STAUNTON: That is not sufficient.

The Hon. the CHAIRMAN: It was decided that section 14 should stand.

Hon. Mr. DANDURAND: It is simply a suggestion made by the honourable gentleman, for the Department to consider.

Sections 4 and 14 stand.

Progress was reported.

FOREST RESERVES AND PARKS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 82, an Act to amend The Dominion Forest Reserves and Parks Act.

Hon. Mr. Blain in the Chair.

Hon. Sir JAMES LOUGHEED: What is the object of consolidating this Act in this way, in a Bill of over 40 pages?

Hon. Mr. DANDURAND: The schedule is a new description of each of the 39 reserves which come under the Dominion Forest Reserves Act.

Right Hon. Sir GEORGE E. FOSTER: And which are new reserves?

Hon. Mr. DANDURAND: Yes, which are new reserves. No change is proposed in the areas comprising many of those reserves. The re-writing of the schedule was approved owing to the fact that the original description in the 1911 Act was made by the metes and bounds system, which is a very cumbersome and complicated method, and also in view of the fact that in the numerous amendments to the original Act the lands added or withdrawn have been described by section, township, and range. The result is that it is a very difficult matter for anyone not

familiar with the Act and all its amendments to determine the lands which are included in forest reserves. In the schedule, which forms the principal part of this Act, each reserve has been described by section, township, and range. All previous withdrawals, or additions have not been taken into consideration, and provision has not been made for such alterations as are proposed in the present Bill.

Hon. Sir JAMES LOUGHEED: The question in my mind is as to the expediency or propriety of including within our statutes an Act such as this, reaching 42 pages, with nothing but a description of land within its four corners. It seems to me this might be done by Order in Council or by some regulation of the Department. It is not like the laws of the Medes and Persians, unalterable, because it will be found that in almost every Session we shall have to amend it. It does not give any greater guarantee to the Crown to have this Act in the statutes than if the discretion were exercised by the Minister, because on the recommendation of the Minister or the Department we change this from time to time without making any inquiry into it.

Hon. Mr. DANDURAND: The Bill has for its object the withdrawing of certain lands from the Dominion Forest Reserves Act, and adding other lands thereto. It is quite a cumbersome document. I have a memorandum from the Forestry Branch. I am not familiar with the existence of these reserves, which are all in the western provinces—because I see here Manitoba, Saskatchewan, Alberta, and British Columbia. Then, each of the reserves is described. If any group of Senators coming from those provinces and interested in this matter want to form themselves into a Special Committee, I will hand them the whole memorandum, and they can work at it to their heart's content.

Hon. Sir JAMES LOUGHEED: It will be shorter to do it in this way.

Hon. Mr. TURRIFF: If the honourable leader will, when he comes to each reserve, give a statement of the lands that are withdrawn or added, or both, I think that will be all that will be necessary.

Hon. Mr. DANDURAND: I think my honourable friend might constitute himself a Special Committee, and I will hand him the memorandum.

Hon. Sir JAMES LOUGHEED: I might suggest to my honourable friend that he will find all the information in the Bill.

Section 1 was agreed to.

The schedule, the preamble, and the title were agreed to.

Hon. Mr. CURRY: Can the honourable leader tell us how many square miles are covered by this whole Bill? I just want to know the acreage that the Government own.

Hon. Mr. DANDURAND: While we are proceeding with another Bill my honourable friend might perhaps look through this memorandum, and he will find the answer.

Hon. Sir JAMES LOUGHEED: When he goes down to Bermuda he can figure that out.

The Bill was reported without amendment.

THIRD READING

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

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

ANIMAL CONTAGIOUS DISEASES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 115, an Act to amend the Animal Contagious Diseases Act.

Hon. Mr. McLennan in the Chair.

Sections 1 and 2, the preamble, and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

CANADIAN NATIONAL RAILWAYS (INSURANCE) BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 116, an Act respecting the Canadian National Railways.

Hon. Mr. Gordon in the Chair.

On section 1—agreements to restore or make good loss or damage by fire, etc.:

Hon. Mr. DANDURAND: I was asked for some information when this Bill was up for second reading, and I have received the following from the Deputy Minister of Railways:

> The undersigned is advised that the decision of the Canadian National Railway Management to carry its own insurance will not mean any additions to the staff. On the contrary, it should be possible to effect reductions in consequence of the new arrangement.

The methods of insurance heretofore in force necessitated much clerical work, not only as to policies, but as to adjustments of losses and payment of claims. This work will now be concentrated and consolidated, and be entirely within the control of the Canadian National Railway Company, with consequent lessening of work.

However, any question of staff increase or reduction is a matter resting entirely with the Management.

This Bill applies also to the Government Merchant Marine.

Hon. Mr. FOWLER: I think we ought to have more information in regard to this matter; we ought to have the annual cost of insurance to the present time.

Hon. Mr. DANDURAND: I furnished that information to the Senate some days ago in answer to a question put by the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain).

Hon. Mr. FOWLER: Briefly, how much of a saving is to be effected?

Hon. Mr. DANDURAND: I do not know that the question has been put as to what amount would be laid aside each year to create an insurance fund.

Hon. Mr. FOWLER: Is it the intention to create an insurance fund?

Hon. Mr. DANDURAND: I take that for granted, inasmuch as the Canadian National Railways, or the management, will henceforth carry their own insurance. Any well-established organization can only do so by laying aside each year a certain amount.

Hon. Mr. FOWLER: I am glad that my honourable friend put in the words, "well-established organization," because we will have to have more evidence before we are convinced that it is a well-established organization.

Hon. Mr. DANDURAND: My honourable friend must not forget that there has been an overwhelming expression of public opinion that the Railway Management can only hope to make a success of its administration if it is given a free hand. We must not interfere too much, or we will be told that we have not been giving them a fair chance—a sporting chance, as the new Chairman of the Board has put it. I hope that within not many years they will have demonstrated the effect of their management. I may say that one of the high officials of the administration, in answer to my anxious inquiry: "How many years will you need to demonstrate that national or public ownership can pull it out of the mire?" answered, "Three years."

Hon. Mr. FOWLER: I think we will be very lucky if we get that information in three years, judging from the length of time it has taken me to get some very slight information in regard to motor cars and private cars.

Hon. Mr. DANDURAND: It is not the same department.

Hon. Mr. FOWLER: If this institution is as well established as my honourable friend would intimate, surely they could have supplied that information before this.

Hon. Mr. DANDURAND: The part of the information relating to railways was before us months ago.

Hon. Mr. FOWLER: Then the Militia Department was in default.

Hon. Mr. DANDURAND: I was informed that there was only one defaulting department.

Hon. Mr. FOWLER: Which one was that?

Hon. Mr. DANDURAND: The Public Works Department.

Hon. Mr. FOWLER: When my honourable friend says that we should give them a free hand, I agree with him—with certain reservations. Judging from the proposition of theirs to purchase a ticket office that is absolutely not needed in the city of Toronto at a cost of $1,000,000 for the site, and probably $1,500,000 for the building, I think we had better modify the idea of giving them a free hand, and had better limit it, in view of the fact that the city of Montreal has a railway station which is a disgrace.

The Hon. the CHAIRMAN: I call the honourable gentleman's attention to the fact that clause 1 is under discussion.

Hon. Mr. FOWLER: I am replying to the honourable leader of the Government. He said we should give these people a free hand: that was in connection with this Bill; surely I have a right to speak with regard to that. I say that when the city of Montreal is without a proper railway station, and that when people have to disembark in rain or storm at the city of St. John, it does not look as though we should give a free hand to this well-established organization which we now have.

Section 1 was agreed to.

Section 2 the schedule, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

MILITIA PENSION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Griesbach, the Senate went into Committee on Bill 118, an Act to amend the Militia Pension Act.

Hon. Mr. Taylor in the chair.

Sections 1, 2 and 3, the preamble, and the title were agreed to.

The Bill was reported without amendment.

THE PORT OF SYDNEY, N.S.

SALE OF LAND TO IMPERIAL OIL COMPANY—DEBATE CONTINUED

The Senate resumed from April 19 the adjourned debate on the inquiry of Hon. J. S. McLennan:

That he will call the attention of the Senate to a sale of land at Sydney, N.S., to the Imperial Oil Co., and will ask the Government what action it will take in the matter.

Hon. J. D. REID: Honourable gentlemen, I understand that the honourable leader of the Government moved the adjournment of this debate, and that when he concludes his remarks the debate is closed. I would like to say a few words in reference to this matter, as my name was mentioned in the discussion which took place the other day, so I would ask the leader of the Government to allow me to do so before the debate is closed.

I am sorry that, owing to conditions over which I had no control, I was not able to be present when the debate took place a few days ago; and as the House may have received a wrong impression from the statements made, I would like to give my views in regard to this matter.

From the remarks made by the honourable Senator from Sydney (Hon. Mr. McLennan), one would come to the conclusion that a great wrong had been done and that the public interest had not been properly looked after. Insinuations were made against the officials of the Canadian National Railways—Mr. Hanna, Mr. Hungerford, and others—and statements were made reflecting upon their honour and integrity. One might also conclude, from the statements made, that the Imperial Oil Company were a party to a dishonest transaction, and that injustice had been done to the city of Sydney. Passing reference was made to myself as Minister of Railways, and to Mr. McCurdy, also a member of the Government. We of course had nothing to do with the final settlement of this matter, and therefore the only reflection there could be in regard to us was that we were lax in the performance of our duty while negotiations were being carried on. The final action was taken by the late Mr. Kennedy, late Minister of Railways, and, according to the statements made, he and the employees of the railway, along with the Imperial Oil Company, must have been in some great conspiracy so far as the interest of the public was concerned.

As I go along, I want to take issue with many of the statements made, and I want to try to show that if any wrong has been done, or if there has been any laxity, it was on the part of the member for Sydney himself rather than on the part of those whom he accused.

The conclusion we would come to in reading his speech is that the Imperial Oil Company was starting a new business in Sydney. The fact is that the Imperial Oil Company has been in Sydney for a number of years, and has had a large business there. On account of the growth of their business, it became necessary to get additional land for extensions; and accordingly, after consideration, they came to the conclusion that a piece of the land belonging to the Canadian National Railways would provide a suitable place.

The Imperial Oil Company first took this matter up with the head of the Canadian National Railways, Mr. Hanna, and he, as I understand, asked his officials to look into the question and see whether the land was required for railway purposes. After having made inquiries, the officials—who, I believe are upright, honourable men—reported that the land was not required for railway purposes, and that its transfer would not interfere with the railway situation at Sydney. This information was conveyed to the Imperial Oil Company. But, before any action was taken, Mr. Hanna and his officials informed the Imperial Oil Company that they must get the consent of the citizens of Sydney through their Municipal Council. I believe honourable gentlemen will agree with me when I say that in dealing with a municipality you must deal through the municipal council. The council, by a vote of 7 to 5, passed a resolution in favour of the Imperial Oil Company purchasing this piece of property. It was passed subject to the condition that the property should not be required by the Public Works Department or by the Department of Railways and Canals. A copy of this resolution came to the Department of Railways and Canals and to myself as Minister at that time. The action I took was to submit the resolution to the Railway officials. They in turn reported to the Department that the property was not required, and I accordingly advised the Municipal Council to that effect. That was about the extent of what

I had to do with the matter while I was Minister of Railways and Canals. A copy of the resolution was likewise sent to the Minister of Public Works, who took a similar position, stating that the property was not required by the Public Works Department That satisfied the Municipal Council.

However, an agitation was started by some people in Sydney against the Imperial Oil Company taking over this piece of property. The railway officials did not rush through with the deal. They hestitated before taking any action, and the matter was left in abeyance for about a year. The railway officials said to the Imperial Oil Company: "Go before the Council again and see whether they are still in favour of this piece of property being taken over by your Company." For the second time, about a year later, the Council by majority vote stood by the resolution, declaring that the town of Sydney was not affected by the Imperial Oil Company taking over the property.

But the railway officials went forther, in order, I suppose, to satisfy themselves in every possible way that the proposed transfer was not detrimental to the interest of the town of Sydney or to the public interest. Complaints were being made that the Marine Hospital and the park would be interfered with, and that the proximity of the oil plant would constitute a menace in case of fire. All these objections were placed before the Management of the Railway, and rightly so, by persons who wished to raise objection. Now, here is what was done in order that the railway officials might be sure that they were right as to the effect on the city of Sydney. In the first place, at the time the application was made, or shortly afterwards, the City Council passed a resolution in favour of the transfer. Then, after all the agitation by the persons who were opposed to the deal, the public were invited to attend the Council meetings, and again Council passed a resolution in favour of it One would naturally think that the representatives of the city ought to know what the majority of the people thought about this matter. After all, I think everyone will admit that any proposal to locate a manufacturing industry near some person's property would always meet with some objection. It is almost impossible to avoid objection in locating such an industry. However, the City Council gave its decision. Then the City Engineer of Sydney was consulted and he approved. The matter was referred also to the Fire Chief of Sydney, and he approved of the proposal from the standpoint of safety. Then the question as to the Marine Hospital came in, and it was referred to the Superintendent of Public Health for the Province of Nova Scotia. He visited Sydney, and he had no objection to offer. Then they got the Provincial Fire Marshall for Nova Scotia and he also approved. I cannot see where the railway officials were lax in their duty. They took every precaution they could to see that the interests of the city of Sydney and of the Marine Hospital were protected. I do not see what further they could have done to get evidence that there was nothing in the complaints that had been made by, I suppose, a minority of the citizens of Sydney.

The matter did not again come before the Government of which I was a member, or before the Minister of Railways and Canals who succeeded me, the late Mr. Stewart. I supose the Railway officials, after obtaining all possible information, had satisfied themselves that there could be no further complaints from any source. However, the matter finally came before the late Hon. William Kennedy, Minister of Railways and Canals in the present Government. Mr. Kennedy was making a trip down to the East, and decided to go on the ground himself. He visited the city of Sydney and went over the situation personally, right on the ground. It was after he came back that he signed the recommendation to Council and the Order was passed by the Government.

I have myself visited Sydney. I know the locations, and in my judgement, for what it is worth, no injustice has been done the city of Sydney in transferring this piece of property to the Imperial Oil Company. By the way, while I am on the subject, let me say that, although I have always been opposed to the late Mr. Kennedy, still I believe that there was no more upright and honourable man in the Dominion. I do not think that any action of his in connection with this matter was dishonest. And, as for the Imperial Oil Company, I believe the men who are connected with that concern and operating that plant are upright and honourable. They have been doing business in Sydney for many years and I cannot believe that they would take any unfair advantage or try to do an injustice or place their industry in such a position that it would be against the interest of Sydney as a whole.

Then the valuation comes in. The insinuation is that the Government that concluded this deal did not get a proper sum for the property. The valuation, as I understand, was based on an investigation made by the local valuator for the railways in Nova Scotia.

a gentleman who, I understand, has since died —the late Mr. Humble, of Truro. Honourable gentleman from Nova Scotia will know this man. I never knew him. His valuation was the basis on which the price was fixed. As I understood the discussion that took place here, it was stated that the property, if sold for town lots, would sell at something like 9 cents a foot, whereas it was sold to the Imperial Oil Company for 7 cents. It is of course to be remembered that if the property had been sold for city lots, the streets would first have had to be taken out, and the price of 7 cents a foot for all the property is at least equivalent to 9 cents for the property exclusive of the streets. In my judgment the price obtained by the Department was a fair valuation.

Complaint has been made also that the transfer of this property would interfere with the development of Sydney in connection with export or import business, or with shipping as a whole. It was stated that Sydney was the terminus of the Intercolonial Railway, and if you sold the property around the teminals its development would be interfered with. In my judgment there is nothing in that argument, and I will give you the reason why I think so. The long wharf, which has fallen into decay because there has been so little shipping done at that point, is still owned by the Government. The tracks that were originally laid run down to the wharf. If at any time in the future more shipping should come to Sydney and it should be decided to increase the accommodation, the Railway would still own the wharf—which of course would have to be rebuilt—and there is an area extending for 400 feet back from the wharf to the Imperial Oil Company's location, and in that area there is plenty of room to build warehouses, etc., for the transhipping of traffic. We all know that it is on the wharf that any warehouses are built, and not 400 feet back from the wharf.

Honourable members of this House might infer that it was at Sydney that all the export shipping to Newfoundland and other places was done. Let me tell the House that the export shipping from that part of Nova Scotia is done at North Sydney. It is at North Sydney that all the traffic that has come by rail for shipment to Newfoundland is placed on vessels. It is at North Sydney that the big warehouses for exports to Newfoundland are located. The boats of the Reid Newfoundland Railway Company come to North Sydney. It is there, and not at Sydney itself, that the traffic has been transferred for very many years. There is of course a large traffic at Sydney, but it is done by the Dominion Iron and Steel Company, or, as they are now called, the British Empire Steel Corporation, and all their transhipping is done on their own docks, on which of course the Intercolonial Railway have their line. If a vessel did come along to the city of Sydney, there would be no trouble about the transhipment of goods, because the Steel Corporation and the Intercolonial allow the transfer to be made at the Dominion Iron and Steel Works. But North Sydney is 18 miles from Sydney, and when freight is consigned, as we may think, to Sydney for transport to Newfoundland it goes to North Sydney, because, as the Railway officials say, there is a rail haul of 18 miles further and because North Sydney is considered to have a better harbour all the year round. Whether it has or not I do not know, but the traffic has been established there for very many years and for that reason I should judge that it must be better.

The honourable member from Sydney also stated that some time Sydney might be a port for transatlantic trade, because it affords a shorter route to Liverpool than Halifax—I suppose it is 175 to 200 miles nearer. But if freight is shipped by rail to Sydney, to be carried by ship to Liverpool, the distance to Sydney is 150 or 200 miles longer than to Halifax. The railway people, when they want to ship goods in winter through one of our own Canadian ports, for export, would prefer to use St. John or Halifax, which are much closer by rail. So that, I cannot see how either Sydney or North Sydney, as a future great exporting port will ever take the place of Halifax or St. John. It can only be an exporting port for products of the eastern part of Nova Scotia. Of course, there are large exports of coal and iron; but, in my opinion, it will be a long time before Sydney will be much larger than it is. I have no desire to belittle that port, because it is one of the best ports in the Dominion, situated in a great industrial part of Canada; but in my judgment it will never take the place of the two cities I have mentioned as a terminus for goods for overseas.

The Imperial Oil Company, in enlarging their business, of course provided an additional feeder to the Intercolonial Railway. It is true, they bring their oils and gasoline and other products into Sydney, and they are remanufactured or shipped. They bring them in by vessels from foreign countries, and the Intercolonial has reaped great advantages from their traffic; and, so long as the railway officials took ever precaution to see that no

injustice was done to the city of Sydney, and that the land was not required for railway purposes, I cannot find anything wrong in letting the Imperial Oil Company have this land.

Hon. Mr. McLENNAN: May I ask the honourable gentleman whether the Imperial Oil Company are manufacturing oil there, or refining, and whether they are now bringing in by water what previously they brought in by rail?

Hon. Mr. REID: Of course the honourable gentleman can answer that question himself. All I can say is that I am informed that they have a large industry at Sydney. It may not be for manufacturing; it may be for distribution; but whether for the one or the other, the very fact of them wishing to extend their industry convinces me that it must be of some magnitude.

What I find fault with in the position taken by the honourable member is this. I was a member of the Government, and Mr. McCurdy also was a member. When I ceased to hold office Mr. McCurdy took my place, and when this matter first came up Sir Robert Borden was Prime Minister of Canada. I took it for granted that the honourable gentleman was a friend of that Government. Now, the Session of 1920 was in progress when this matter started. I was here; Sir Robert Borden was here; Mr. Stewart was here. I met the honourable gentleman many times; but he never mentioned anything about this matter during the year 1920. If any injustice or harm was being done to the city of Sydney—and he knew all about it from the day it started—would not honourable gentlemen think that he would have said to me as a friend, "This is unfair"? But that was not the only thing that happened. The Session of 1921 came on; the Government was still in power; we had a man in this House who was a great friend of ours, as we thought—a man who was looking after the interests of Sydney, where he lived—and it was his duty to look after not only the interests of the city of Sydney, but the public interest everywhere. If any injustice was being done, or any land was being wrongly sold, who was the first man who should have looked after that interest? The man who knew all about it, and who was getting $4,000 a year as a Senator to look after it. Yet he never mentioned anything during the whole year 1921; he never referred it to Sir Robert Borden, to myself, or to any member of the Government. Perhaps that might have been too much trouble, but he never even mentioned it to one official of the Railway Department, or to Mr. Hanna.

Then, when there was a change of Government in 1921, if he did not wish to help his friends to protect the city of Sydney, but is anxious to do so much now, why did he not take up this matter with the Liberal party, when Mr. Kennedy was in office as Minister of Railways, and not allow him to do an injustice to the Dominion of Canada? But he never said a word to Mr. Kennedy. Now, after 1922, he comes to this House in 1923 and tells us what an awful injustice has been done, although up to this minute he has never mentioned the matter to a single individual of any Government or of any Department, or to the Minister of Railways and Canals.

The honourable gentleman mentioned in his speech that Mr. Mckenzie and Mr. King, two members of the present Government, objected to this sale. Well, I suppose someone must have drawn the attention of those two gentlemen to it, and they mentioned it to the Minister of Railways and Canals, who went down there. But Mr. McKenzie and Mr. King had had the matter up before them in Council, and they must have stood up like men and voted for it, and therefore they sanctioned this sale. If there was a wrong being done, I do not think those two Ministers would have voted for it. I think they would certainly have insisted on it not going through.

Now, surely I am not speaking too strongly when I say that when all this was going on, from 1920 until 1922, being discussed in the public press and in the city of Sydney, the honourable gentleman must have known all about it. I charge that he certainly did know; and, that being so, was it not only fair and just that, even if he did not wish to tell me, he should have gone to the Prime Minister and told him what was being done to Sydney? If there had been such an interview from him, who is so anxious now, after the door has been locked, to let the people know what a great injustice has been done to Sydney, I might not have reason to complain to-day.

I will conclude by saying that, so far as this transaction is concerned, or any other that was carried out by Mr. Hanna, Mr. Hungerford, Mr. Hayes, or Mr. Bell, the Deputy Minister, or Mr. Fraser, I never heard any charge made or believed that any charge could be made, against those men for dishonesty. While I know that the late Mr. Kennedy was a strong party politician, I do not believe any man can stand in this House and accuse him of having done any dishonest act, or allowing any dishonest act, either pub-

licly or privately, and I would not make any insinuation of that kind against him.

This transaction was not finally concluded while I was Minister of Railways, nor while Mr. McCurdy was in office; but I repeat that I think it was a fair and right transaction, and the officials I have mentioned took every precaution to see that no injustice was done to the citizens of Sydney. I will add that when any person makes an insinuation of dishonesty against any officials of the Railway or any Minister who puts through a transaction, if he is in a position to do it inside of this House, he should do it outside, where those who are interested would be able to take up the matter.

Hon. Mr. BEIQUE: As I have gone to the trouble of reading from beginning to end the long correspondence in regard to this matter, I would like to say a few words; but, as the debate would not be concluded before six o'clock, I will move the adjournment of the debate.

The debate was accordingly adjourned.

The Senate adjourned until Monday, May 7, at 8 p.m.

THE SENATE

Monday, May 7, 1923.

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

Prayers and routine proceedings.

COPYRIGHT BILL

FIRST READING

Bill 24, an Act to amend the Copyright Act, 1921.—Hon. Mr. Dandurand.

CANADA TEMPERANCE BILL

FIRST READING

Bill 43, an Act to amend the Canada Temperance Act.—Hon. Mr. Dandurand.

RADIOTELEGRAPH BILL

FIRST READING

Bill 144, an Act to amend the Radiotelegraph Act.—Hon. Mr. Dandurand.

HIGHWAYS BILL

FIRST READING

Bill 151, an Act to extend the period of the Canada Highways Act.—Hon. Mr. Dandurand.

CANADIAN NATIONAL RAILWAYS (EXPRESS) BILL

FIRST READING

Bill 152, an Act respecting the Canadian National Railways.—Hon. Mr. Dandurand.

THE RED FLAG IN CANADA

On the Orders of the Day:

Hon. LORNE WEBSTER: I wish to draw the attention of the members of this House to one or two items that appear in to-day's press. One in the Herald, of Montreal, reads as follows:

Red Flag Hoisted at Calgary Park.

Calgary, May 7.—The red flag was hoisted and the Internationale sung at a May Day meeting held in St. George's Island Park here yesterday, under the chairmanship of Fred J. White, labor member of the Alberta legislature. Four hundred people attended the meeting.

Mrs. William Carson, local labor leader, advocated the abolishment of the National Anthem for the Internationale song.

Two city aldermen gave addresses.

In this afternoon's Montreal Star appears the following:

Cheery Hopes at Sydney Meeting

Sydney, N.S., May 7—(Canadian Press).—"I hope to see the day when the Union Jack will be dragged in the mud and the Red Flag will be flying in Canada as the standard of freedom for the workers."

So declared Malcolm Bruce, of Toronto, addressing a mass meeting which jammed the Savoy Theatre at Glace Bay yesterday afternoon. His statement was greeted with applause.

"The only thing worth while that came out of the last war was Soviet Russia," he assured his hearers, "and Russia is to-day lighting the path that leads to a life of enjoyment for the working class."

I would like to draw the attention of the Government to these speeches, as they speak for themselves.

Hon. Mr. DANDURAND: I do not suppose I can do anything more than refer the remarks made by the honourable gentleman to the Minister of Justice.

PRIVATE BILL

THIRD READING

Bill B4, an Act to incorporate National Surety Company of Canada.—Hon. Mr. Casgrain.

DIVORCE BILLS

THIRD READINGS

Bill J4, an Act for the relief of George Austin Trow.—Hon. Mr. Ratz.

Bill K4, an Act for the relief of Ethel Jean Buchan.—Hon. Mr. Turriff.

Bill L4, an Act for the relief of Louisa Wemp.—Hon. Mr. Turriff.

MILITIA PENSION BILL

THIRD READING

Bill 118, an Act to amend the Militia Pension Act.—Hon. Mr. Griesbach.

FRUIT BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 11, an Act to regulate the Sale and Inspection of Fruit and Fruit Containers.

Hon. Mr. Blain in the Chair.

Section 1 was agreed to.

On section 2—interpretation:

Hon. Mr. DANDURAND: Honourable gentlemen, I have a number of Bills that conform to our regulations. This one does not, but I will try to make the changes clear. Paragraphs a, b and d are new. Paragraph e says:

"Closed package" means any package the contents of which cannot be seen or inspected when such package is closed.

The Act says "boxes and barrels." Paragraph f is new. "Properly packed" has been defined in a foot-note in different issues of the Fruit Marks Act for a number of years. The definition is now included in the Act.

In paragraph g the words "affected with side worm" are new. It has always been understood that an apple affected with side worm was a cull, but these words are inserted to make the definition of culls more specific.

Paragraph h is not changed.

Paragraph i is completely new. "Slightly affected," as used in the definition of "domestic" grade is defined in order to secure uniformity in packing under this grade.

Hon. Mr. SMITH: Has this Bill, which is a very lengthy one, and which contains many changes, been submitted to any committee or organization of fruit-growers for their approval?

Hon. Mr. DANDURAND: It has been considered by a conference of fruit-growers' associations of all the provinces, and has been unanimously agreed to.

Hon. Mr. STANFIELD: I would like to ask the leader of the Government if this Bill has been submitted to the public. Some of the apples we buy by the barrel in Nova Scotia are a disgrace to any packer. I know a dealer who got a number of barrels of apples marked No. 1, and he had to sell many of them as No. 3 or No. 4 for whatever he could get. I asked why he did not report the matter, and he said it was of no use. Will this legislation apply to that case?

Hon. Mr. DANDURAND: The Act covers that point, and recourse could have been had.

Hon. Mr. STANFIELD: This dealer told me he had reported to the inspector in Nova Scotia and could not get any action. He had not reported to Ottawa.

Hon. Mr. DANDURAND: The Department would like very much to be informed of such difficulties in order to give redress.

Section 2 was agreed to.

On section 3—grades:

Hon. Mr. DANDURAND: In subsection 1 the following words are new: "except as is hereinafter by subsection 2 of this section provided with respect to apples, crabapples, and pears." Special definitions have been provided for apples, crabapples and pears when packed in boxes in accordance with the recommendation of the Sixth Dominion Fruit Conference.

In paragraph a the words "handpicked" are new. It is generally recognized that only handpicked apples may be included in closed packages, all others being culls; but it has been deemed advisable to make this specific in defining the various grades.

Hon. Sir JAMES LOUGHEED: Can my honourable friend at this point say to what extent this is based upon the regulations which obtain in the United States? United States fruit comes into Canada and competes very seriously with Canadian fruit. One would fancy that our regulations should approximate as closely as possible, without inflicting any hardship upon the Canadian producer, the regulations of the United States Government.

Hon. Mr. DANDURAND: These grades have been in effect in Canada since 1901 and have worked very satisfactorily. There has been no complaint. The boxes which are covered by this Act are made to conform with the American regulations and practice.

Hon. Sir JAMES LOUGHEED: How will these grades compare with the United States grades? Do they impose greater restrictions?

Hon. Mr. DANDURAND: No, they are practically the same.

On paragraph c:

"Domestic" which shall include only handpicked specimens of not less than medium size for the variety, sound and not less than ninety per cent free from wormholes (but may be slightly affected with scab and other minor defects), no culls, and properly packed.

Hon. Mr. DANDURAND: The change from 80 to 90 per cent has been made in accord-

ance with a resolution to this effect passed by the annual meeting of the Nova Scotia Fruit-growers' Association and following similar recommendations from individual growers. This change was concurred in by a staff-meeting of the District Fruit Inspectors, and an expression of opinion is also being asked from the Ontario Fruit-growers' Association. The original intention of the Dominion Fruit Conference in 1918 in creating this grade was to provide a place for oversized, poorly coloured or slightly scabby or otherwise defective apples which would be thrown out of the No. 1 grade, but which constituted a valuable grade for many purposes and particularly for immediate use. The grade has undoubtedly been abused and the market flooded with apples marked "Domestic," but of such poor quality that they were not only unsaleable themselves but prevented the profitable sale of apples of better grade and quality.

Hon. Mr. BOSTOCK: In the second line of paragraph b are the words "not less than nearly medium size," and in the second line of paragraph c the words, "not less than medium size." What is the object of using the word "nearly"?

Hon. Mr. DANDURAND: It would be in order that a somewhat smaller apple could be put in No 2 than in No. 1.

Hon. Mr. BOSTOCK: If that is the case, should not the word "nearly" go into paragraph c also?

Hon. Mr. DANDURAND: The explanation is that the Domestic is supposed to be a No. 1, except that it has not the colour.

Subsection 1 of section 3, was agreed to.

On subsection 2—grades for apples, crab-apples and pears in boxes:

Hon. Mr. DANDURAND: All this subsection 2 is new. It is submitted in order to meet the American competition. It is simply to cover the boxes. These grades are exactly the same as those of the principal Western States.

Hon. Mr. DANIEL: Does the word "boxes" include barrels?

Hon. Mr. DANDURAND: Not in this section. This just applies to boxes.

Hon. Mr. BRADBURY: I would like to ask the leader of the Government if this Bill has been considered by any public body in Canada other than the growers themselves. It seems to me that the Bill is framed altogether in the interest of the fruit-growers. The consuming public in Canada has suffered severely for many years from the manner in which apples are packed. I know of cases in this city where apples came from Ontario, and some of the barrels were half full of very ripe apples, but the balance of the apples were green, consequently they did not keep. The same thing applies to our smaller fruits. It seems to me that a measure of this kind, in which the public are so directly interested, should go before a committee that would give the public an opportunity of appearing here in their own interest. I understand the Bill has been submitted to a committee of fruit-dealers, men who are directly interested in this trade, and I feel that the public interest is not being served.

Hon. Mr. DANDURAND: Of course, it is difficult to reach the individual consumer, but there was a conference in Ottawa on the 22nd of February last year, and of the 32 official delegates 20 were fruit-growers and representatives of associations, 6 represented the wholesale fruit trade, 9 were package manufacturers, one was a jam manufacturer, one was a nurseryman, and one represented the retailers. They all represented provincial organizations—men of the trade who had the greatest interest in standardizing their own trade and protecting themselves.

Hon. Mr. BRADBURY: That is exactly what I object to.

Hon. Mr. DANDURAND: When I say protecting themselves, I mean increasing guarantees for themselves which involves guarantees for the public. The honourable gentleman has mentioned a grievance. Well, this Bill tends to cure the evil he mentions, and provincial associations that are solely interested in furthering the public interests, as well as delegates from the provinces, have been examining this Bill and passing upon it, so that we have the opinion of the official representatives of the various provinces that are interested in fruit-growing.

Subsection 2 was agreed to.

On section 4—marks required:

Hon. Mr. DANDURAND: In paragraph a, only the first five words are new: "if packed in barrels or half-barrels." Paragraphs b and c are absolutely new. The changes in connection with marking are necessary in order to correspond with the new grade names for boxes. The balance of the section, except subsection 7, is not altered. Subsection 7 is new:

(7) Fruit packed in open packages bearing any of the grade marks defined in section three, must comply with the said grade requirements.

This added subsection is necessary to keep up the standard of grade requirements. For instance, if a grower packs apples in a bushel basket, and marks them No. 1, the fruit must correspond with No. 1 grade. This principle has been in effect by regulation of the Fruit Branch for a number of years.

Section 4 was agreed to.

On section 5—regulations:

Hon. Mr. DANDURAND: There are but two words added in paragraph b—the words "packages and." This is done in order that there may be some regulation over the kind of packages. Heretofore we have been able to control and regulate our own packages, boxes, and barrels, but we have not had power over the regulation of packages, barrels and boxes coming from the United States. This will give the Governor in Council the right to make regulations for those various importations. The United States has taken control of such imported goods, and it is deemed proper that we should act in the same direction.

Sections 5, 6, 7 and 8 were agreed to.

On secton 9—fruit over-faced:

Hon. Mr. DANIEL: I would like to ask what procedure is taken to see that these regulations are carried out.

Hon. Mr. DANDURAND: The Department sees to the carrying out of the whole Act, and it has some 70 inspectors all over Canada.

Hon. Mr. GORDON: With the permission of the House, I would like to go back to section 3, subsection 1, paragraph a. I would like to inquire if it is thought that this definition of "No. 1" is not too lax. It appears to me that if this grade is not made higher it will be a bad thing for the trade. In apples shipped from British Columbia to Ontario I do not believe I saw any that were not much better than what would be permitted under this definition of No. 1. I am under the impression that if the British Columbia growers did not ship better apples than this paragraph calls for, they would not be able to sell them in Ontario. Therefore, when those shippers are making a better grade than is defined in this paragraph, it would be good business to raise the grade somewhat higher. This paragraph permits 10 per cent of scab and worm-holes and bruises; but if a customer opened a box and found that percentage of defects, he would not consider that that was No. 1 grade, yet this definition would allow of such defects.

Hon. Mr. DANDURAND: This description of No. 1 has been the subject of considerable discussion, but it has been deemed proper to retain it, because crops vary from year to year, and there must be a little lee-way, and this 10 per cent covers all possible defects, including bruises. It has been the experience of the Department that this grade has compared favourably with apples supplied in Great Britain. People have made no complaint, there or in other countries to which they have been exported, and this description of grade No. 1 seems to have given satisfaction.

Hon. Mr. GORDON: I submit that it must have given satisfaction just because none of the dealers were taking advantage of this paragraph and making the grade as low as it would allow. If the grading complied only with the description in this Act it would not be satisfactory.

Hon. Mr. DANDURAND: I am informed that there are a considerable number of violations of this grade, under this description, and these are followed up by the Department.

Hon. Mr. GORDON: Do they not come largely from Ontario?

Hon. Mr. DANDURAND: The Department would not like to express an opinion on that question.

Hon. Mr. GORDON: What I am trying to impress on the Department is that, owing to this description being so lax, the dealers are losing trade, and I am satisfied the British Columbia apples are being shipped to Ontario because the growers are putting up a better grade than this section calls for. I believe it would be wisdom to have the same thing done all over the country.

Hon. Mr. DANDURAND: I am informed that the British Columbia mode of packing has given greater satisfaction because of the box used, and by this Act we are giving a special grade to boxed apples.

Hon. Mr. GORDON: But you are allowing a very poor grade to be called No. 1, and I am satisfied that if this grade is lived up to, and apples of this description are exported, it will be to the detriment of Canadian growers.

Hon. Mr. SMITH: I can see the necessity of allowing considerable leeway for the grade that is used more than any other—called No. 1; but my criticism would be that there should be a higher grade than this No. 1. In boxed apples there are two grades, fancy and extra-fancy, above No. 1; in other packages

there is only No. 1, which must necessarily have a certain amount of leeway; but if there were other grades higher, fancy and extra fancy, I suggest the Bill would be more nearly perfect.

Hon. Mr. GORDON: I would like to inquire as to the chance of having an amendment to that effect brought in and adopted, because I can see that the suggestion of my honourable friend would cover what I mean.

Hon. Mr. DANDURAND: The Department would not like to take upon itself to submit an amendment before it is discussed at a future conference of the fruit-growers.

Hon. Mr. GORDON: I submit that the Department should give some consideration to the consumer as well as the packer. I think what has been suggested is in the interests of both.

Hon. Mr. BEIQUE: But after a conference has been held for the purpose of discussing this matter, and has reached a conclusion, it would be hardly proper for the Department to introduce an amendment which would not be in accord with the conference's decision. That would not be keeping faith with the members of the conference. I think the only thing the honourable member should suggest is that the Department take the matter into consideration and bring it to the attention of interested parties at the next conference.

Hon. Mr. GORDON: With all due respect to the opinion of my honourable friend, I would like to ask if the consumer was represented at that conference.

Right Hon. Sir GEORGE E. FOSTER: Perhaps it would modify the opinion of my honourable friend (Hon. Mr. Gordon) to take into consideration that bruises are denominated as one of the defects. A bruise may be something which destroys an apple entirely, or it may be so slight that it is comparatively of no disadvantage. In the handling of these packages over long distances it is almost impossible, however well the fruit is packed, to avoid some slight bruises. If you take that into consideration and say that the bruises which very slightly modify the quality of the apples are not more than five per cent, and other defects not more than five per cent, that standard brings the quality up pretty well towards perfect. After the matter has been very fully discussed and a conclusion reached, I can quite see how difficult it is for the Minister, or for the Department, which has made up its mind because of the very thorough consideration by representatives from all parts of the Dominion, to make a change without making further inquiries of the interested parties.

Hon. Mr. GORDON: I am quite in accord with what my right honourable friend says with regard to bruises, but when there is 10 per cent of worm-holes it is a different matter.

Right Hon Sir GEORGE E. FOSTER: The worm-holes would not be the whole 10 per cent.

Hon. Mr. MURPHY: The 10 per cent would include worm-holes, bruises, and other defects.

Right Hon. Sir GEORGE E. FOSTER: You must make some allowances for bruises as well as worm-holes.

Hon. Mr. GORDON: If I understand the clause aright, there may be 10 per cent of scab and worm-holes.

Hon. Mr. MURPHY: And bruises.

Hon. Mr. BEIQUE: Ten per cent altogether.

Hon. Mr. GORDON: Well, what does it say?

(a) "No. 1," which shall include only well grown hand-picked specimens of one variety, sound, of not less than medium size and of good colour for the variety, of normal shape and not less than ninety per cent free from scab, worm-holes, bruises and other defects, no culls and properly packed.

Hon. Mr. MURPHY: That is, 10 per cent altogether.

Hon. Mr. GORDON: Does not that mean that 10 per cent may be scab?

Hon. Mr. BEIQUE: It means that altogether it may be 10 per cent defective.

Hon. Mr. CURRY: It is the same as with lumber. The honourable gentleman (Hon. Mr. Gordon) knows what that it.

Section 9 was agreed to.

On section 10, subsection 1—packages:

Hon. Mr. DANDURAND: The change in "a" is simply that the word "pear" is added, so that it reads:

All pear and apple barrels manufactured in Canada shall have a capacity measurement of—

The rest of that paragraph is not changed.

Paragraph b is all new:

All apple and pear half-barrels manufactured in Canada shall have a capacity measurement of, and all half-barrels containing apples or pears packed in Canada for sale, shall contain as nearly as practicable three thousand five hundred and twenty-eight cubic inches;

The half-barrel for apples and pears is standardized in accordance with the resolution of the Sixth Dominion Fruit Conference, which reads as follows:

That the half-barrel be made a standard for apples and pears; that the capacity should be one-half of that of the present standard apple barrel, and the specifications be referred to the Fruit Branch to work out.

Hon. Sir JAMES LOUGHEED: That is known as a box, I suppose.

Hon. Mr. DANDURAND: No; it is a half-barrel.

Hon. Sir JAMES LOUGHEED: Barrel-shaped?

Hon. Mr. DANDURAND: Barrel-shaped.

Hon. Sir JAMES LOUGHEED: How will that compare with the capacity of a box?

Hon. Mr. DANDURAND: About a box and a half—three boxes to a barrel.

Paragraphs a and b were agreed to.

Hon. Mr. DANDURAND: Paragraphs c, d, e, f, g, and h have not been altered.

Paragraphs c, d, e, f, and g were agreed to.

Hon. Sir JAMES LOUGHEED: How will these dimensions compare with the United States package dimensions?

Hon. Mr. DANDURAND: They are the same as the American half-barrel.

On paragraph i:

(i) All plum or prune boxes manufactured in Canada shall have a capacity measurement of, and all boxes containing plums or prunes packed in Canada for sale, shall contain as nearly as practicable six hundred and seventy-two and three-quarter cubic inches;

These sizes have been brought in to conform with those of the American boxes.

Paragraph i was agreed to.

On paragraph j:

(j) All cherry boxes manufactured in Canada shall have a capacity measurement of, and all boxes containing cherries packed in Canada, for sale, shall contain as nearly as practicable seven hundred and twenty-nine cubic inches or three hundred and sixty-four and one-half cubic inches;

Hon. Mr. DANDURAND: Again to conform with the American package.

Paragraph j was agreed to.

Hon. Mr. BRADBURY: Just here I would like to draw the attention of the Government to a practice that is very much in vogue among fruit dealers who handle cherries, strawberries, and other kinds of small fruit. While you may prescribe a standard size for boxes, I claim that many of these boxes are tampered with, and as a rule the public do not receive all the berries or cherries that comes in the box. I submit that small fruit should be sold by the pound and not by measurement in a box. If it were sold by weight, that would preclude the possibility of the dealers tampering with the boxes. There is no doubt that this practice has been going on in Ottawa and other cities for years, and there seems to be no redress except to require that for the protection of the public small fruits be sold by the pound.

Hon. Mr. DANDURAND: We are now standardizing the box in order to overcome that difficulty.

Hon. Mr. BRADBURY: I do not see how you are to overcome it. You say a box shall be of a certain standard size, but there is nothing to prevent a dishonest dealer from taking some of the cherries, or some of the berries, out of that standard box; and that is what takes place. The box is not full.

Hon. Mr. MURPHY: It has to be, according to this.

Hon. Mr. BRADBURY: Usually the boxes are not full. What good objection can there be to the principle of selling small fruit by the pound? I think the only way to overcome the difficulty might be to have a box of a certain weight—a pound box or a two-pound box, so that a person buying a box of berries would have a guarantee that he is getting a pound or two pounds, and he can demand that quantity.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to clause 6, which says:

6. No person shall sell or offer for sale any fruit in any package in which the faced or shown surface gives a false representation of the contents of such package; and it shall be considered a false representation when more than ten per cent of such fruit is smaller in size than, or inferior in grade to, or different in variety from, the faced or shown surface of such package.

And subsection 2 of section 4 reads:

(2) Every person who, by himself or through the agency of another person, repacks fruit in a closed package intended for sale, shall cause such package to be marked in a plain and indelible manner, before it is taken from the premises where it is repacked with the words "repacked by" followed by the initials of his Christian names and his full surname and address or in the case of a firm or corporation with the firm or corporate name and address, together with one of the nine grade marks prescribed in subsection one of this section.

Hon. Mr. BRADBURY: That clause really referred to the jobber and not to the retail fruit-dealer on the street who juggles with the boxes or baskets. That is going on all the time.

Hon. Mr. DANDURAND: In the past we had no grade for the basket.

Hon. Mr. BRADBURY: Oh, yes, we had. Last year we had a grade.

Hon. Mr. DANDURAND: We are now standardizing the box to conform with the American box. That will prevent the temptation to take two American boxes of berries and make three Canadian boxes of them.

Hon. Mr. DANIEL: Can the Minister give us the mathematical rule by which the cubic content of an octagonal berry box could be measured?

Hon. Mr. MURPHY: That is a good deal easier than the measurement of the barrel.

Hon. Mr. DANIEL: I think it would be necessary to be able to measure the standard box. I am sure I could not measure it.

Hon. Mr. MURPHY: If you could not measure that, how would you measure a barrel?

Hon. Mr. DANDURAND: That would be the work of the seventy inspectors.

Hon. Mr. ROBERTSON: I think my honourable friend stated the other day that the proposed new box in which fruit was to be packed was larger than the one heretofore in use in Canada. Now I understand him to say that the reason the boxes are to be standardized is to prevent abuses such as the honourable member from Selkirk (Hon. Mr. Bradbury) has mentioned, whereby three American boxes are filled with two boxes of Canadian fruit.

Hon. Mr. DANDURAND: No; the contents of two American boxes are transferred into three Canadian boxes.

Hon. Sir JAMES LOUGHEED: Which is the larger—the American box?

Hon. Mr. DANDURAND: The American box is the larger.

Hon. Mr. ROBERTSON: I would refer my honourable friend to almost any store now handling fruit. You will see a little box with about six sides to it and with the bottom half way up, and containing about two teacupfuls of strawberries—certainly not half of what are contained in the ordinary box that is used as a standard in Canada. That can be verified by a visit to almost any fruit store in this city any day.

Hon. Mr. DANDURAND: Those small boxes to which my honourable friend alludes are pint boxes.

Hon. Mr. ROBERTSON: Half-barrels, in other words?

Hon. Mr. DANDURAND: And they are covered by a description in this Bill.

Paragraphs j and k were agreed to.

On subsection 2 of section 10:

(2) On and after the first day of October, nineteen hundred and twenty-four, all berry or currant boxes manufactured in Canada shall have a capacity measurement of, and all boxes containing berries or currants packed in Canada for sale, shall contain when level full as nearly as practicable one or other of the following quantities;

(a) 67.2 cubic inches;

(b) 33.6 cubic inches.

Right Hon. Sir GEORGE E. FOSTER: When are these inspected—at the time they are sent out to market, or after they arrive at their destination?

Hon. Mr. DANDURAND: The inspection is made generally at the point of distribution, but so far as possible at the point of shipment also.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend will see that there might be a great difference. You might have the box level full of blueberries when it started, but it might not be level full by nearly half, after it had been shaken down by five or six hundred miles of railway travel and various changes. How does the Department get over that?

Hon. Mr. DANDURAND: Naturally allowance would be made for that condition of things. The box was full when it left.

Right Hon. Sir GEORGE E. FOSTER: How does the inspector know?

Hon. Mr. DANDURAND: It has not been touched. The bulk has not been broken. The box at destination contains all that was in it at the start; the contents are a little more compact, that is all. Allowance is made for such a state of things.

Right Hon. Sir GEORGE E. FOSTER: But how does the inspector know when the box arrives in Montreal that it was full when it started from New Brunswick?

Hon. Mr. DANDURAND: He has enough experience to judge of the condition.

Hon. Mr. BRADBURY: Does not that very illustration demonstrate the reason why small fruit should be sold by the pound? If you want to protect the consumer, that is the proper way to sell small fruit.

Hon. Mr. SMITH: I might point out in that case that a basket of very soft, over-ripe

fruit of poor quality weigh very much heavier than an equal bulk of fruit of good quality.

Hon. Mr. DANDURAND: I am informed that the matter has never been seriously discussed—

Hon. Mr. BRADBURY: I can understand that.

Hon. Mr. DANDURAND: —because of various difficulties which should be met, but could not be overcome.

Hon. Mr. BRADBURY: My impression is that nearly all small fruits, including strawberries, are sold by the pound in England. That was my experience when I was in London. Why should it not be the practice here?

Hon. Mr. THORNE: Any dealer who would cheat in measurement would cheat in weight. you could not prevent dishonesty that way.

Hon. Mr. BEIQUE: I would like to know why the words, "shall contain when level full as nearly as practicable one or other of the following quantities," are contained in subsection 2, and are not to be found in paragraphs i, j and k.

Hon. Mr. DANDURAND: I draw my honourable friend's attention to the fact that it is to be found in nearly all those subsections of Clause 10.

Hon. Mr. BEIQUE: In this section there are both the cubic inches and the quantities.

Right Hon. Sir GEORGE E. FOSTER: I do not think you can make any improvement on this so long as you adopt the system of selling by measurement. But, if you adopt the system of selling by weight, the package when it arrived would contain about the same weight as when it started, although there might be a settling. The juices might be expressed to a larger extent and so permeate the whole mass; but there would be very little difference in the weight. So long as you keep to the measurement basis and only inspect the fruit at the place of arrival, it is a rule of thumb kind of thing—it is only approximate.

Hon. Mr. SMITH: I submit that when packages are standardized, as they are under this Act, it is impossible to cheat anybody. Standardized packages are so widely different in their sizes that the consumer cannot make any mistake. If he is fooled, he is fooled with his eyes wide open. If the fruit has settled down and the container is not full, and the consumer is fool enough to pay full price for it, it is his own fault.

Hon. Mr. BRADBURY: That is a very good argument from the fruit-grower's standpoint, but I contend that it is no argument at all so far as the general public is concerned. This House can protect the public, if it will, by insisting that small fruit shall be sold by weight. As my honourable friend said a moment ago, if a basket or a crate of berries is shipped from Ontario, it is shipped full; when the berries get to their destination, if they have not been tampered with, they have not lost weight; consequently there would be no hardship worked upon the fruit-dealer.

Hon. Mr. SMITH: The amount of work involved in weighing all the fruits handled would be tremendous.

Hon. Mr. BRADBURY: I submit, honourable gentlemen, that you could have a standard box which would hold a pound of berries. All I want to insist upon is that when the consumer buys it he gets a pound of berries. I presume the packer is honest and puts up a pound of berries, but very often before it reaches the consumer there has been a great loss somewhere.

Hon. Mr. DANIEL: I think the difficulty is that the seller does not sell a pound, but a box of berries: and if the consumer gets a box full, that is all he asks.

Subsection 2 of section 10 was agreed to.

Subsection 3 was agreed to.

On subsection 4 of section 10—packages manufactured for sale outside of Canada:

Hon. Mr. DANDURAND: This is new.

Hon. Mr. ROCHE: What is the meaning of it?

Hon. Mr. DANDURAND: It is to allow of manufacturers accepting orders from other countries on some other standard.

Subsection 4 was agreed to.

Subsection 5 was agreed to.

On section 11—powers of inspectors:

Hon. Mr. DANIEL: I notice that this Bill refers several times to inspectors, and "inspectors appointed under this Act," but I see no clause empowering the Government to appoint them. Where does the Government get the power in this or in any other Act to appoint inspectors?

Hon. Mr. DANDURAND: My attention is drawn to paragraph b, which says:

"Inspector" means any person charged by the Minister with the enforcement of this Act.

Hon. Mr. DANIEL: But that does not authorize the appointment of inspectors.

Hon. Mr. MURPHY: How do they determine the qualifications of the inspectors?

Hon. Mr. DANDURAND: They come under the Civil Service Commission and have to pass an examination.

Hon. Mr. MURPHY: I ask that question because I happen to know at least one inspector who has no qualifications at all and never had any experience in the packing and marketing of fruit.

Hon. Mr. DANDURAND: I think it would be the duty of my honourable friend to let the Department know of any lack of qualifications on the part of officers of the Department.

Hon. Mr. MURPHY: Do you not think it would be the duty of the Department to see that such a man was not appointed, rather than that a Member of Parliament should have to tell them?

Hon. Mr. DANDURAND: If the inspector has been selected by the Civil Service Commission, the fault is not at the door of the Department.

Hon. Mr. BRADBURY: Are the inspectors supposed to inspect among the retail fruit-dealers, or just among the wholesalers?

Hon. Mr. DANDURAND: It is their duty to inspect fruit wherever they see it, from the orchard to the retailer.

Section 11 was agreed to.

On section 12—violation of Act:

Hon. Mr. DANDURAND: No change.

Section 12 was agreed to.

Sections 13 and 14 were agreed to.

On section 15—certificate prima facie evidence:

Hon. Mr. DANDURAND: This is a new clause. Certified reports of food-products inspectors in the United States are received in court as prima facie evidence, and it is felt that similar provision should be made in respect of our inspectors' reports, thus preventing the necessity of subpœnaing inspectors in prosecutions made by the Department, which are defended.

Section 15 was agreed to.

Sections 16 and 17 were agreed to.

On section 18—unlawful use of mark:

Hon. Mr. DANDURAND: This is a new clause. Under section 4 numbers or marks used by members of co-operative associations, when shipping to a wholesale firm, must be approved by the Minister of Agriculture. This requirement is met by having these marks registered with the Fruit Branch. This clause is included to povide a penalty in the case of any such mark being used by any person other than the person to whom it has been assigned.

Section 18 was agreed to.

On section 19—unlawful use of brand:

Hon. Mr. DANDURAND: This is a new clause. It has been found in rare cases that a growers' or a shippers' brand has been used by a person not entitled to it. This section provides a penalty to cover misrepresentation of this kind.

Section 19 was agreed to.

Section 20 was agreed to.

On section 21—penalty for destroying or pilfering fruit:

Hon. Mr. DANDURAND: The first part of this section is new. The section was originally passed to assist in preventing rough handling and pilfering of fruit, particularly in transit. It has been found, however, that a great deal of the damage to fruit, resulting in slack packages and generally inferior quality on arrival at destination, is due to careless handling during the picking and packing processes. The inspectors have had no jurisdiction over that, but the amendment as proposed will give them power to assist owners in preventing careless and rough handling of fruit in orchards, packing-houses, etc.

Section 21 was agreed to.

Sections 22 to 25, both inclusive, were agreed to.

On section 26—remedies preserved:

Hon. Mr. DANDURAND: This is a new clause, which merely states specifically what is sometimes not recognized, namely, that a prosecution under this Act in no way prevents any person taking civil action to enforce a contract.

Section 26 was agreed to.

On section 27—repeal:

Hon. Mr. DANDURAND: Section 27 is new. In the Revised Statutes of Canada, 1906, the Fruit Marks Act of 1901 was codified in the Inspection and Sale Act, Part IX. Section 27 of the Fruit Act, therefore, merely repeals certain specified sections of the Inspection and Sale Act, Part IX.

Section 27 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

PATENT BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 20, an Act to amend and consolidate the Act relating to Patents of Invention.

Hon. Mr. Bradbury in the Chair.

Hon. Mr. DANDURAND: I have received a number of copies of memoranda from the Department indicating and explaining the changes that are made by this Bill. This document I have had distributed. It contains simply a reproduction of the old clauses, which members of the Senate can refer to and compare with the Bill. There are two main changes, and if the Senate is not disposed to discuss thoroughly this matter now, we may go through the Bill and defer consideration of those modifications that are important in their application.

Section 1 was agreed to.

On section 2—definitions:

Hon. Mr. DANDURAND: Paragraph e is new. It is added for the purpose of making it clear that the term "patentee," which is used throughout the Act, includes the assignee or legal representative of the grantee.

Sections 2, 3 and 4 were agreed to.

On section 5—powers of Commissioner:

Hon. G. V. WHITE: It seems to me the words "or clerk" in line 15 should be stricken out.

Hon. Mr. DANDURAND: There is no special objection except that this is the expression used in the Civil Service Commission Act.

Hon. G. V. WHITE: The point I would make is that naturally an officer of the Department would have certain technical qualifications, whereas a clerk might not.

Hon. Sir JAMES LOUGHEED: What is the distinction between an officer and a clerk? I am not aware of any. I think one term should be used.

Hon. Mr. DANDURAND: We are using the language of the Civil Service Act.

Hon. Mr. BEAUBIEN: What is the change in this section?

Hon. Mr. DANDURAND: The power was given to the Minister, but the old Act provided that it could be exercised by the Commissioner. This section gives power direct to the Commissioner.

Sections 5 and 6 were agreed to.

On section 7—who may obtain patents:

Hon. Sir JAMES LOUGHEED: What is the difference between the two sections?

Hon. Mr. DANDURAND: In the old section the word "process" does not appear in the list of inventions for which patents may be granted. Patents for processes were supposed to be included in the term "art" in the old section, but this having been questioned, the insertion of the term "process' in this section makes the matter clear.

Hon. Sir JAMES LOUGHEED: What is the distinction between an art and a process? Is there any judicial authority?

Hon. Mr. DANDURAND: No. That question was raised, and it is sought to make it clear.

Section 7 was agreed to.

On section 8—inventions for which foreign patents have been taken out:

Hon. Mr. DANDURAND: This change is for the purpose of preventing undue extension of the term of protection of inventions. A case was reported to the Patent Office in which an inventor, by taking advantage of the delays afforded by the rules of the United States Patent Office, kept his application before that office for 10 years. The application was not filed in Canada until about the expiration of the year allowed by the old section, as some time was necessary to deal with the application, and the life of the Canadian patent is 18 years, so that from the date of the filing of the application in the United States until the invention became open to use by the Canadian public over 30 years elapsed.

Hon. Sir JAMES LOUGHEED: But how is the applicant protected in the meantime in Canada during the 10 years of preventing the protection in the United States? By caveat?

Hon. Mr. DANDURAND: He had always 12 months after the granting of the United States patent.

Hon. Sir JAMES LOUGHEED: But what if applications had been made in the interim by other parties for a patent on the same article or art? How would it be determined? Surely we have not been living under an infirmity of that kind, by which for a period of 10 years it would be impossible to secure recognition of a patent?

Hon. Mr. DANDURAND: The applicant in the United States whose application had hung fire for so many years could come here and claim his prior right to the invention, and even if another party obtained a patent in the meantime the Court would confirm his prior right.

Hon. Sir JAMES LOUGHEED: But surely there must be some practice by which, when a man makes an application in a foreign country for a patent, it becomes a matter of publicity or notoriety that such a discovery has been made. I would think there should be a caveat simultaneously placed on record in Canada, in order to protect the applicant when the matter properly comes before the Department; otherwise it seems to me the way is open for anyone to apply in Canada for that particular patent.

Hon. Mr. PARDEE: I understand the Minister to say that if he did apply for that patent, and if in the meantime a patent had been granted, the only course would be to go to the Courts and have the patent nullified.

Hon. Sir JAMES LOUGHEED: That is unsatisfactory.

Hon. Mr. PARDEE: Certainly.

Hon. Mr. DANDURAND Under this Bill he would have to come within a year from the moment he had applied in the United States or other foreign country.

Hon. Sir JAMES LOUGHEED: Would it be an unreasonable thing to engraft upon our law a provision that when a foreign patentee makes an application in his own country or in a foreign country for a patent, he should simultaneously file a caveat in another country, particularly in our own, showing that he is the applicant for the particular patent?

Hon. Mr. FOWLER: Why should he be allowed to have a year?

Hon. Sir JAMES LOUGHEED: I do not see why he should, unless he placed something on record to show that he was the applicant for the patent.

Hon. Mr. CURRY: The section says "two years."

Hon. Mr. DANDURAND: We are now legislating under the International Convention, which covers the case of nearly every country to-day, and which allows to an inventor twelve months from the date that he applies in his own country to make his demand for a patent in other countries.

Hon. Mr. FOWLER: Is this section in accordance with any international agreement?

Hon. Mr. DANDURAND: It is, and the change is made for the purpose of conforming to the International Convention.

Hon. Mr. FOWLER: I think it is an unreasonable length of time.

Hon. Sir JAMES LOUGHEED: That is to say, 12 months from the time he makes his application, not from the time his patent is issued?

Hon. Mr. DANDURAND: Twelve months from the time he makes application in his own country.

Hon. Sir JAMES LOUGHEED: What is the explanation of the two years clause in subsection 2 of section 8?

Hon. Mr. DANDURAND: The last clause of this subsection reads as follows, at line 15:

> But no patent shall be granted on an application for patent for an invention which had been patented or described in a patent or printed publication in this or any foreign country more than two years before the date of the actual filing of the application in Canada, or which had been in public use or on sale in Canada for more than two years prior to such filing.

This subsection 2 will put our law in harmony with the terms of the International Convention as to the protection of industrial property, to which reference will appear later in the Act. At present the publication of an invention before filing an application is a bar to a Canadian obtaining a patent in most countries. For instance, if a patent is published in the Canadian Patent Record before the filing of an application for the patent in Great Britain, the application will be refused. If Canada should decide to adhere to the Convention, this subclause would be necessary, and a Canadian would have one year from the date of filing his application in Canada to file it in other countries, and publication in the meantime would be no bar.

Hon. Sir JAMES LOUGHEED: But it seems to me that does not deal with this last part of the subsection—the two years clause.

Hon. Mr. DANDURAND: I would draw my honourable friend's atention to section 7, which provides that no patent can be granted in Canada for any invention that has been in use for over two years.

Hon. Sir JAMES LOUGHEED: May I ask this question, which may not seem pertinent: If an article has been in use, say for one year, and has been generally adopted as an article that can be used by the public, and is not part of a patented article, why should a patent be

issued for it? It seems to me that, if an article is in general use for two years, or even for a lesser period, then it is not the right of anyone to make an application for a patent.

Hon. Mr. FOWLER: I thought the party owning the patent had only a year from the time he applied first for the patent. You are giving him two years by this section.

Hon. Mr. CURRY: It certainly conflicts with the other.

Hon. Sir JAMES LOUGHEED: The Act does not contemplate patenting an article that has been in general use for even a year.

Hon. Mr. FOWLER: No. We do not have to follow the American practice.

Hon. Mr. DANDURAND: Under the present law one year is allowed. It is now made two years.

Hon. Mr. FOWLER: For what reason?

Hon. Mr. DANDURAND: I am informed that there has been a general request to extend the time to two years, and the time allowed conforms with that of the American Act.

Hon. Mr. FOWLER: From whom is the general request? From the general public?

Hon. Mr. DANDURAND: I should say the general request would come from the people interested in patents.

Hon. Mr. FOWLER: Exactly, but not from the general public, who are interested in the use of patents. There are three reasons why, in my opinion, this should not pass. In the first place it does not come from the great general public, who have the largest interest in the matter. The second reason is that it is not necessary for us in this legislature to follow American precedent. Thirdly, this conflicts with another section and practically gives a man two years instead of one, and during that second year, he may roll up a number of lawsuits against people. I think this is very ill-digested legislation, and I shall certainly oppose that section.

Hon. Sir JAMES LOUGHEED: Is it a principle of the patent law that an article may be in public use—I am now using the term of the Bill—that an article may be in public use either for two years or for a lesser period,—say, for one year, before a patent is applied for? That according to the principle of the patent law, as I understand it, a person who has invented a device should make his application for a patent immediately. In the meantime the article does not come into public use, but is practically proscribed until he gets his patent. When the article has come into public use or becomes public property, no one is entitled to a patent on it.

Hon. Mr. DANDURAND: My honourable friend is under the impression under which most people have been labouring, but I am informed that for the past fifty years the law has been that an inventor may put his invention on the market and at any time within twelve months thereafter may ask for his patent.

Hon. Mr. FOWLER: Yes, within twelve months.

Hon. Mr. BEIQUE: But that is not the case suggested by my honnourable friend.

Hon. Sir JAMES LOUGHEED: Let me ask this question. Here is an article in public use. The assumption is that the public have the right to use it. Some enterprising manufacturer enters upon the manufacture of that article, investing a considerable sum of money in building, plant, etc. Now is he to be protected? No application has been made so far as he knows; and in fact, so far as the law is concerned, no application need be made. I think the principle of the patent law should require the inventor to make application for a patent for his device before it comes into public use.

Hon. Mr. CURRY: I think that is the practice. I have to do with a great many patents on rolling stock. In case a thing is to be patented and there is a desire to use it before the patent is issued, it is customary to stamp right on the article: "Patent applied for." You will see that on a great many Pullman cars, and passenger cars generally.

Hon. Mr. FOWLER: And on agricultural implements.

Hon. Mr. CURRY: When an improvement is invented and it is desired to place it on the market, if the article is of brass or bronze there is cast right on it the notice, "Patent applied for."

Hon. Mr. DANDURAND: I am informed that the practice of marking on an article "Patent applied for" means nothing under the Act. That has been the practice.

Hon. Mr. CURRY: It shows who claims it.

Hon. Mr. DANDURAND: But nothing can be claimed legally by it. Section 7 of the present Act reads as follows:

> Any person who has invented any new and useful art, machine, manufacture or composition of matter, or any new and useful improvement in any art, machine, manufacture or composition of matter, which was not known or used by any other person before his invention

thereof, and which has not been in public use or on sale with the consent or allowance of the inventor thereof, for more than one year previously to his application for patent therefor in Canada, may, on a petition to that effect, presented to the Commissioner, and on compliance with the other requirements of this Act, obtain a patent granting to such person an exclusive property in such invention.

Hon. Mr. FOWLER: Exclusive property from what time? From the time he made the application, or from the time he invented the article? There is a very important difference.

Hon. Sir JAMES LOUGHEED: The all-important words of the old section are omitted from the new section:

Which has not been in public use or on sale with the consent or allowance of the inventor thereof.

These words are left out, and the omission changes the section entirely.

Hon. Mr. DANDURAND: The section which is now in force, and which I have just read, entitled an inventor to twelve months before he applied for his patent—twelve months in which to put it on the market or offer it for sale.

Hon. Mr. FOWLER: But now you are giving him twenty-four months.

Hon. Mr. DANDURAND: Yes; the present amendment gives him twenty-four months.

Hon. Mr. FOWLER: And for a year longer everybody is tacitly invited to use the patent, and a number of lawsuits may be rolled up. Under the attempted improvement—which is not an improvement at all—the inventor has only to lie back and wait the second year, and in the meantime he accumulates a fine crop of lawsuits against people who have infringed the patent. Thinking it was not his intention to take out a patent in this country, because he had passed twelve months during which he might have taken it out, they have proceeded to use it as common property.

Hon. Sir JAMES LOUGHEED: Furthermore, under the new Act, apparently, the consent of the inventor is dispensed with. He can allow the article to go upon the market and public use to be made of it, and can thus ascertain whether it is going to be popular or not, and at the expiration of two years he may make his application.

Hon. Mr. PARDEE: It means there is no restriction at all.

Hon. Sir JAMES LOUGHEED: No. The principle has been entirely departed from.

Hon. Mr. FOWLER: It is simply ridiculous.

Hon. Mr. DANDURAND: The principle is the same.

Hon. Mr FOWLER: It is lack of principle.

Hon. Mr. DANDURAND: This amendment is more restrictive in its terms, only the period of delay is doubled.

Hon. Sir JAMES LOUGHEED: Oh, no; quite the contrary.

Hon. Mr. FOWLER: More restrictive? It is less restricitve.

Hon. Sir JAMES LOUGHEED: The element of consent is dispensed with.

Hon. Mr. FOWLER: Yes.

Hon. Mr. DANDURAND: Under the Old Act the inventor must have consented to the public use of his invention, or the use of it by a third party.

Hon. Sir JAMES LOUGHEED: Formerly it had to be done without his consent.

Hon. Mr. PARDEE: And now it has not.

Hon. Mr. FOWLER: Of course, if he consented he would not have any action under the law—I mean not the Act, but the common law.

Hon. Sir JAMES LOUGHEED: The public use had to be without his consent. The language is:

And which has not been in public use or on sale with the consent or allowance of the inventor thereof.

Now you have left that element entirely out. So he can throw the article on the market for public use, and at the end of twelve months or two years can apply for his patent. I think my honourable friend had better allow this Bill to stand until we can peruse the different clauses, and particularly acquaint ourselves with the memorandum. Men spend a whole lifetime studying the patent law and then do not feel themselves equipped with an adequate knowledge of it. Copies of this memorandum have been distributed among us within the last half hour, and we are expected to familiarize ourselves with this, the most complicated branch of law that I know of.

Hon. Mr. BENNETT: Let me make this suggestion to the honourable minister. Why not compel the inventor to file a caveat? That is not an expensive proceeding. It would cost only $5 to file it, and the preparation of the papers is very simple.

Hon. Sir JAMES LOUGHEED: It seems to me a caveat should be filed at once—immediately he contemplates an application.

Hon. Mr. BEAUBIEN: May I ask the Minister whether or not there is a standard form of legislation which has been adopted by a convention, and if there is, to what extent must we adhere to the form of this Bill in order to obtain the protection provided by the convention? That is a very important point.

Hon. Mr. DANDURAND: I will ask that the Committee rise, report progress and ask leave to sit again.

Progress was reported.

IRRIGATION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 112, an Act to amend the Irrigation Act.

Hon. Mr. Bennett in the Chair.

On section 1—water areas may be leased for mining purposes:

Hon. Mr. REID: I would like to know what is the purpose of this Act. The reason I ask the question is that, as I understand, it has been decided that the provinces own the land under water.

Hon. Sir JAMES LOUGHEED: No, not under the Irrigration Act.

Hon. Mr. REID: I wanted just to be sure that this was not interfering with provincial rights with regard to land under water.

Hon. Mr. DANDURAND: I have already given the following explanation:

Section 7 of the Irrigation Act provides that no grant shall be made by the Crown in such terms as to vest in the grantee any exclusive or other property or interest in or any exclusive right or privilege with respect to any river, stream, watercourse, lake, creek, spring, ravine, canyon, lagoon, swamp, marsh or other body of water, or any exclusive or perpetual property, interest or privilege in the land forming the bed or shore thereof.

Under Section 37 of the Dominion Lands Act regulations have been established for the leasing of mining rights, and the Deputy Minister of Justice holds that such leases are grants of land, and that the issue of a mining lease comprising a submerged area is a violation of the provisions of Section 7 of the Irrigation Act.

As mining locations leased under the provisions of the regulations frequently comprise an area of 1,920 acres it is practcially certain that almost every location so leased includes within its boundaries water areas as defined by Section 7 of the Irrigation Act.

It was suggested that legislation be introduced which would admit of lands defined as water areas in the said Act being leased for mining purposes, and made retroactive, and Mr. Chisholm of the Department of Justice, after consultation with his Deputy Minister has submitted the attached draft amendment to Section 7 of the Irrigation Act, designed to overcome this violation.

Sir JAMES LOUGHEED.

Hon. Mr. REID: Are there any lawsuits in connection with this?

Hon. Mr. DANDURAND: None whatever.

Hon. Mr. REID: So that the retroactive right under this Act would not jeopardize any person who would have a claim or who had been working for years?

Hon. Mr. DANDURAND: No, there is no claim before the Department; and this legislation may affect some 50,000 leases.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

ADMIRALTY BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 117, an Act to amend the Admiralty Act.

He said: Honourable gentlemen, this Bill proposes to give to the Governor in Council power to appoint deputy local judges to act as judges in Admiralty, and provides for a salary to be paid to the deputy judge, which is not now provided for.

Hon. Sir JAMES LOUGHEED: How much?

Hon. Mr. DANDURAND: I do not see any figure mentioned.

Hon. Sir JAMES LOUGHEED: What do you mean by a "deputy local judge"? Is this for the purpose of giving the present officers jurisdiction in Admiralty?

Hon. Mr. DANDURAND: For example, the province of Quebec has two divisions of the Admiralty Court, one in Quebec and one in Montreal. At the present time the judge in Admiralty is a judge of the Superior Court of Montreal. There is no deputy for the district of Quebec: there is only one registrar, whose office is in the city of Quebec, and no deputy registrar.

It is also provided that, when the local judge resides in Montreal and receives the salary which is provided for in the general statute, the deputy local judge residing in Quebec shall receive the same salary; and if the deputy local judge resides in Quebec, the deputy local judge residing in Montreal shall also receive the same indemnity.

Hon. Sir JAMES LOUGHEED: When you say, "deputy local judge residing in Quebec," do you mean a deputy local judge appointed exclusively for or having jurisdiction in Admiralty proceedings?

Hon. Mr. DANDURAND: The practice has been to add these jowers to those of a judge of the Superior Court.

Hon. Mr. FOWLER: What is the salary of an Admiralty judge in Montreal?

Hon. Sir JAMES LOUGHEED: And how many deputy local judges would be appointed? It seems to me that this means practically the creation of a new court.

Hon. Mr. DANDURAND: If the honourable gentleman will look at the statute, he will find that it transfers the power of appointment to the Governor General, whereas under the present Act the appointment is made by the judge in Admiralty on the approval of the Governor in Council. This provision will allow the Governor in Council to appoint the deputy local judge directly.

Hon. Mr. FOWLER: And you are giving him the same salary as a judge in Admiralty?

Hon. Sir JAMES LOUGHEED: Coming from the prairies, I have not a knowledge of judges in Admiralty. Is it intended simply to confer jurisdiction upon existing local judges, or is it the intention to appoint judges for the exercise of this particular jurisdiction? If the latter is the case, one would wish to know how many judges the Government proposes appointing, what their salaries will be, and what will be the cost to the country.

Hon. Mr. BEIQUE: This is a jurisdiction exercised only by special judges appointed for the purpose.

Hon. Mr. DANDURAND: I will get the statute.

Hon. Sir JAMES LOUGHEED: Are they to be judges appointed exclusively for this purpose; men at present not occupying judicial offices?

Hon. Mr. BEIQUE: They may occupy judicial offices.

Hon. Sir JAMES LOUGHEED: What has the Government in view in this legislation? I think my honourable friend had better secure the information the Act as at present on the Statute Book will not disclose that to us. I hope I am not too inquisitive but I should like to know whether we are establishing practically a new court.

Hon. Mr. DANDURAND: No, we are not.

Hon. Mr. FOWLER: The practice in my province, which is washed by the sea, is to appoint one of the judges of the Supreme Court a judge in Admiralty. At the present time the chief justice is also the judge in Admiralty. I presume that in Montreal one of the Superior Court or High Court judges is the judge in Admiralty. I take it that this Bill proposes to appoint a judge for the city of Quebec at the same salary, and to call him a deputy. It is not usual to put a deputy on the same plane financially as his principal. It is the intention to appoint a new person, one not necessarily now holding judicial office.

Hon. Sir JAMES LOUGHEED: That is the way I read it.

Hon. Mr. FOWLER: The salary in St. John is $500 or $1,000, I have forgotten which—it is only a small salary.

Hon. Mr. CASGRAIN: The judge in Montreal is Judge Francis Maclennan, and I think he receives $2,000 a year in addition to his ordinary salary. Before he was appointed Sir Adolphe Routhier was the judge in Quebec; and I know he was getitng $2,000 additional as judge of the Admiralty Court

Hon. Sir JAMES LOUGHEED: But this is not for Quebec alone; it will be in force throughout Canada.

Hon. Mr. DANDURAND: I told my honourable friend that there was but a slight change. The Bill says:

> Chapter 141 of the Revised Statutes of Canada, 1906, is hereby amended by repealing section 11 of the said Act and substituting therefor the following:

What does the Act say? It says:

> A local judge in Admiralty may, from time to time, with the approval of the Governor in Council, appoint a deputy judge; and such deputy judge shall have and exercise all such jurisdiction, powers and authority as are possesed by the local judge.
>
> 2. The appointment of a deputy judge shall not be determined by the occurrence of a vacancy in the office of the judge.
>
> 3. A local judge in Admiralty may, with the approval of the Governor in Council, at any time revoke the appointment of a deputy judge.

As I have explained, the amendment seeks to withdraw from the local judge the appointment of the deputy judge, and to vest it in the Governor in Council.

Hon. Mr. FOWLER: But this is not a judge for all Canada.

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: For any Admiralty district.

Hon. Mr. DANDURAND: There will be none in Calgary.

Hon. Sir JAMES LOUGHEED: Not until it becomes an ocean port.

Hon. Mr. FOWLER: Suppose there is a collision between prairie schooners, who is going to adjudicate upon it?

Hon. Sir JAMES LOUGHEED: My honourable friend's statement does not throw any light upon what is in the contemplation of the Government. How many judges are to be appointed?

Hon. Mr. FOWLER: One.

Hon. Mr. DANDURAND: It is to be found in clause 3 of the Bill.

Hon. Sir JAMES LOUGHEED: That deals only with Montreal and Quebec.

Hon. Mr. DANDURAND: Yes. I may say that the explanation which I have given is the only explanation the Minister of Justice gave in the other House.

Hon. Mr. FOWLER: The other House does not require as much explanation as we do.

Hon. Mr. DANDURAND: I should think they would need more.

Hon. Mr. FOWLER: They need more, but they do not ask for more.

Hon. Mr. BENNETT: Take the case of Ontario. Mr. Justice Hodgins, one of the judges of the Supreme Court of Ontario, tries all the cases in Admiralty. I take it that under this provision the Government can appoint someone else as his deputy, who will then come in for a salary.

Hon. Mr. MURPHY: In my province conditions are vry much the same as those in the province of New Brunswick. Heretofore the chief justice of the Supreme Court was always the judge in Admiralty, and he received an additional salary of $500 a year. On the death of the late Chief Justice, Judge Stewart was appointed, and he was also the judge in Admiralty. Is there any reason for the appointment of these extra judges? Why should not the judge in Quebec be able to carry on the functions of the judges in Admiralty?

Hon. Mr. DANDURAND: The power is only shifted; it is given exclusively to the Governor in Council, whereas previously it was shared with the local judge in Admiralty. It is for the Senate to say whether the change is a good one.

Hon. Mr. FOWLER: I have not read the Bill, so I am not speaking with a very certain knowledge of it; but is it the intention to dismiss all the present judges in Admiralty throughout Canada and to make new appointments? Is that the game?

Hon. Sir JAMES LOUGHEED: Power is taken to do it.

Hon. Mr. FOWLER: The Bill may contain a bit of a joker, the Government having changed within the last twelve months. I trust the leader in this House would not be a party to it. It lacks his usual frankness.

Hon. Mr. DANDURAND: Subsection 3 of section 11 of Chapter 141 of the Revised Statutes read as follows:

> A local judge in Admiralty may, with the approval of the Governor in Council, at any time revoke the appointment of a deputy judge.

If this Bill passes, clause 3 will read:

> The Governor in Council may at any time revoke the appointment of a deputy local judge.

Hon. Sir JAMES LOUGHEED: But have you the two amending Acts of 1920 and 1922? This again shows the necessity of our having before us the law as amended.

Hon. Mr. FOWLER: I got the impression from what the honourable gentleman said in the first instance that this only applied to the difficulty in Quebec and Montreal.

Hon. Mr. DANDURAND: No.

Hon. Mr. FOWLER: It applies all over?

Hon. Sir JAMES LOUGHEED: Yes. The Governor in Council may appoint from time to time one or more deputy judges for any Admiralty district. If the chief justice of a province or a Superior Court judge is the Admiralty judge, discretion is vested in him as to the assistance which should be given him in the different districts, and he will exercise that discretion moderately, and presumably disinterestedly.

Hon. Mr. DANDURAND: With the consent of the Governor in Council.

Hon. Sir JAMES LOUGHEED: Yes. We would look with every confidence on the exercise of such a discretion by a Superior Court judge; but now the Government takes the power to revoke the jurisdiction of all judges in Admiralty and appoint deputy local judges for all districts—and not only one for each district, but more than one if necessary. That might result in the organization of an Admiralty court with a couple of dozen judges created exclusively for that particular purpose. If that is the policy of the Government it is very desirable that we should know it. It may not be objectionable; but still, being

possessed of an inquisitive mind, we naturally ask the question.

Hon. Mr. MURPHY: Could my honourable friend tell us what is the necessity for the change?

Hon. Mr. PARDEE: There is very great necessity for it as I know from my practice before the Admiralty court. At the present time in every Admiralty case that is to be tried we have to go to Toronto. There is no reason at all why that should be so: it is an absolute system of centralization and one which I have several times complained about.

Hon. Sir JAMES LOUGHEED: Could not jurisdiction be given to the County Court judges?

Hon. Mr. PARDEE: Is that not what this means?

Hon. Sir JAMES LOUGHEED: No. That is where the mystery of the problem lies. If the Bill provided that jurisdiction be given to district or County Court judges it would remove all objection.

Hon. Mr. PARDEE (reading):

The Governor in Council may, from time to time, appoint for any Admiralty district one or more deputy local judges, and any such deputy local judge shall have and exercise all such jurisdiction, powers and authority as are possessed by the local judge.

The appointment of a deputy local judge shall not be determined by the occurrence of a vacancy in the office of the local judge.

The Governor in Council may at any time revoke the appointment of a deputy local judge.

No judge, local judge or deputy local judge shall take or receive any fee of office upon the trial of any cause.

Hon. Mr. CURRY: He gets a salary.

Hon. Mr. PARDEE: No, I do not take it as such.

Hon. Mr. FOWLER: He does not take any fee from the litigant.

Hon. Mr. PARDEE: Nor is there any provision for a salary.

Hon. Mr. FOWLER: It is provided somewhere else.

Hon. Sir JAMES LOUGHEED: He shall be paid a salary.

Hon. Mr. PARDEE: It does not say so.

Hon. Sir JAMES LOUGHEED: I did ask the question of my honourable friend, if it was intended to give jurisdiction in Admiralty to existing judges. If that is the case, it removes all criticism, and I am perfectly satisfied that the Bill should go in that form; but if it means the creation of new judges exclusively to act in this capacity, that is a different matter.

Hon. Mr. REID: I do not agree with the honourable Senator from Sarnia (Hon. Mr. Pardee) about the great difficulty of trying a case in the province of Ontario. Even if it were necessary to go to the city of Tornoto, I do not think it would be a very great hardship, Toronto being the centre of the province. But, as I understand the Act, if it were necessary to try a case in Sarnia or any other place, the judge in Admiralty would go wherever it was nost convenient or where it was necessary to try the case. I never yet heard that because the judge appointed happens to reside in Toronto, therefore every case must be tried in Toronto.

Hon. Mr. PARDEE: Yes, the Admiralty judge lives there now—Judge Hodgins.

Hon. Mr. REID: Does the law say that the case must be tried in the city of Toronto?

Hon. Mr. PARDEE: We have to go to the city of Toronto with all our witnesses, which is surely unfair.

Hon. Mr. REID: Cannot he go to other places than Toronto?

Hon. Mr. PARDEE: He does not go.

Hon. Mr. REID: In Nova Scotia we had cases in which the judges went from one part to another.

Hon. Mr. BEIQUE: The Bill provides for a salary only for the local judge in Quebec or Montreal, not for other local judges.

Hon. Sir JAMES LOUGHEED: That is a clause dealing exclusively with Montreal and Quebec.

Hon. Mr. BEIQUE: Yes, but there is no other provision for salaries.

Hon. Mr. FOWLER: I think you had better let this stand.

Hon. Mr. DANDURAND: Yes. I confess that I have received no memorandum from the Department of Justice; but, in answer to my honourable friend who has asked me what were the changes brought about by the statutes of 1920 and 1922, I may say that section 11 of the 1920 Admiralty Act, chapter 141 of the Revised Statutes, was amended by repealing section 11 of the said Act, and substituting therefore the following:

1. The Governor in Council, or a local judge in Admiralty, with the approval of the Governor in Council, may from time to time appoint a deputy judge, and such deputy judge shall have and exercise all such jurisdiction, power and authority as are possessed by the local Judge.

2. The appointment of a deputy judge shall not be determined by the occurrence of a vacancy in the office of the judge.

3. The Governor in Council, or a local judge in Admiralty, with the approval of the Governor in Council, may at any time revoke the appointment of a deputy judge.

The statute of 1922 again amends chapter 141 by inserting the words, "a deputy registrar" immediately after the word "registrar," in the third line thereof. But section 11 is again tampered with as follows:

Section eleven of the said Act, as enacted by chapter thirty-three of the statutes of 1920, is hereby repealed and the following is substituted therefor:

The Governor in Council may appoint a deputy jusdge of admiralty and such deputy judge shall have and exercise all such jurisdiction, power and authority as are possessed by the local judge.

So that we did last year eliminate the action of the local judge and the appointment of his deputy, and transferred the appointment to the Governor in Council.

Hon. Sir JAMES LOUGHEED: It may be that the Interpretation clause of the Admiralty Act defines what the deputy local judge is. I have not the statute before me, and I do not know what the term means.

Hon. Mr. DANDURAND: The Governor in Council; that is the provision of the Act. I draw the attention of my honourable friend to that, because we are now starting from there to further legislate in 1923:

The Governor in Council may appoint a deputy judge in Admiralty and such deputy judge shall have and exercise all such jurisdiction, power and authority as are possessed by the local judge.

The appointment of the deputy judge shall not be determined by an occurrence of a vacancy in the office of the judge.

Such deputy judge shall hold office during good behaviour and may be removed by the Governor in Council.

So that all the fear that my honourable friend had that so many heads should fall into the basket could have been realized since June, 1922.

Hon. Sir JAMES LOUGHEED: Why is that not good enough?

Hon. Mr. DANDURAND: I would need to examine the amendment which I am moving in order to compare it with this one.

Hon. Mr. FOWLER: Perhaps they found they were not able so surely to decapitate, and so they want further powers.

Hon. Sir JAMES LOUGHEED: Get us full information on the subject, and we can then discuss it more intelligently.

Hon. Mr. McMEANS: Might I ask the honourable leader to inform the House if there is any qualification required for the position of a deputy local judge?

Hon. Sir JAMES LOUGHEED: Should he know the bow of a ship from the stern?

Hon. Mr. MURPHY: Or know an ordinary schooner from a brig?

Hon. Mr. McMEANS: I would like to know if there is any qualification required of the appointee, such as whether he can read and write, whether he is 21 years of age, and belongs to the male sex.

Hon. Mr. DANDURAND: I can quite understand my honourable friend putting such questions, since he informs us that most of the magistrates in the west can neither read nor write.

Hon. Sir JAMES LOUGHEED: No wonder he wants a Court of Appeal.

On motion of Hon. Sir James Lougheed, the debate was adjourned.

LIVE STOCK BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 10, an Act to amend and consolidate the Acts respecting Live Stock.

He said: The Live Stock and Live Stock Products Act, 1917, is designed to provide for the improvement in the marketing of live stock, through a regulation of maintenence, construction and operation of public stock yards and standarization of stock yards charges, commission charges, etc. And further, it is intended to provide protection for the shipper of live stock, whose product is consigned on commission for sale. It also provides for regulations under which live stock products shall be graded, branded, marked and offered for sale. The Act has been in operation since August 1918, was amended on June 6, 1919.

The main changes made in the Act by Bill 10 are as follow:

1. Providing for an extension of the meaning of the word "stockyards," so as to include any area of land used for live stock at ocean ports of export.

2. In making it a part of the regulation that every dealer doing business at the stock yards, as well as every commission merchant, must become a member of the Live Stock Exchange. This is to protect the shipper.

3. In providing extension of privilege of membership in the Exchange to all persons who desire to carry on business as dealers under the by-laws of the Live Stock Exchange.

4. To provide that the Minister may require Live Stock Exchanges, operated under the Act, to adopt and amend such by-laws as may be in force.

5. To provide for regulation as to the manner in which live stock products, imported into Canada, shall be inspected, graded, branded or marked.

6. To provide for the manner in which complaints against traders shall be made and investigated.

7. To provide for ante-mortem inspection, and the kind of inspection, on all calves offered for sale.

8. To provide for the manner in which live stock products, imported into Canada, shall be graded, branded, or marked, offered for sale, and the manner in which certificates shall be prepared in reference to same.

9. Also the manner in which eggs found to be unfit for human consumption shall be valued and disposed of.

10. To provide that no persons shall offer or accept live stock or products for shipment unless requirements regarding inspection of branding and marking have been complied with.

This Bill consists in the main of a consolidation of the original Act and its amendments. It also more clearly defines the powers of the Minister under the Act.

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

COLD STORAGE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 9, an Act to amend The Cold Storage Act.

He said: I would like to give a few explanations.

Hon Sir JAMES LOUGHEED. Do it without explanation.

Hon. Mr. DANDURAND: Then I move the second reading of the Bill.

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

DIVORCE BILLS

SECOND READINGS

Bill M4, an Act for the relief of Edgar Lindsay.—Hon. Mr. Reid.

Bill N4, an Act for the relief of Charles Marigoli Hare.—Hon. Mr. Green.

Bill P4, an Act for the relief of Esther Levin —Hon. Mr. McCoig.

Bill Q4, an Act for the relief of Hilda Marguerite Watt Black.—Hon. Mr. Robertson.

Bill R4, an Act for the relief of Abigal Aileen Beryl McCrea Tull.—Hon. Mr. Ratz.

PRIVATE BILL

SECOND READING

Bill O4, an Act respecting The Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.—Hon. Mr. McCoig.

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

THE SENATE

Tuesday, May 8, 1923.

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

Prayers and routine proceedings.

CHINESE IMMIGRATION BILL

FIRST READING

Bill 45, an Act respecting Chinese Immigration.—Hon. Mr. Dandurand.

EXPLOSIVES BRANCH

INQUIRY

Hon. Mr. BOYER inquired of the Government:

1. What are the names of the officers and other employees of the Explosives Branch of the Department of Mines?
2. What is the salary of each of them?
3. What is the object of this Branch and the duties pertaining to it?
4. What places were visited by the officers of this Branch during the past year and what were the travelling expenses of the officers who performed these inspections?
5. How many manufactures of powder, dynamite and other explosives in operation presently are there in the country?
6. Who are the officers employed in the Explosives Branch who are really technical experts in the matter of explosives?

Hon. Mr. DANDURAND: Honourable gentlemen, as this answer is somewhat voluminous I will lay it on the table of the House.

JOINT COMMITTEE ON LEGISLATION

MOTION

Hon. Mr. DANDURAND: Honourable gentlemen, I gave notice of this motion, and left a blank or two in it. I desire to move it in this form:

That a Message be sent to the House of Commons requesting that they will concur in the appointment of a Joint Committee, to be composed of an equal number of members, not exceeding five of each House, to consider the following matters:

1. The forms of Bills and the best means of affording information and assistance in the consideration thereof at all stages of legislation in both Houses of Parliament;

2. The better distribution of the work of legislation between the two Houses;

3. The practical operation of the provisions of The Senate and House of Commons Act, R.S.C., 1906, Chapter ten, respecting the attendance of Senators and Members of the House of Commons, and the expediency of making any alterations in those provisions.

And that the Hon. Messrs. Béique, Belcourt, Calder, Green and Pardee have been apointed by the Senate to serve as members of such Joint Committee, if appointed.

The motion was agreed to.

RAILWAY RATES FOR THE MARITIME PROVINCES

MOTION

Hon. J. A. McDONALD rose to move:

That in the opinion of this House the railway freight rates now effective on consignments from the Maritime Provinces are proportionately higher than those effective in regard to consignments from the western provinces and seriously handicap the industries of the Maritime Provinces and should be substantially reduced and that the Government should take steps forthwith to cause such reduction.

He said: Honourable gentlemen, in discussing my motion regarding freight rates, I am going to open up the whole Maritime Province situation. The people are getting tired of expensive commissions, delegations, examinations, with no results and no action. Somehow I feel that I am doing right in placing the case of the Maritime Provinces before this House. We have some of the ablest men in Canada here, and I want to, if possible, interest them and show them how serious our condition is. More and more the people are looking to this Chamber for justice, and I hope I may be able to place before the honourable gentlemen a few facts that will justify my action in taking up their time to-day.

The Maritime Provinces, in entering Confederation, did so with a purpose as honourable and as conscientious as can inspire any solemn pact. We considered that Confederation would increase the prestige, nationally and commercially, of the Dominion of Canada, and form within the Empire the basis of a nation. What prompted the Maritime Provinces to enter Confederation no doubt prompted the other Provinces as well, all living in the hope that the ideals and aspirations of Confederation would be fulfilled. I do not wish to dwell upon the loyalty of the Provinces to the Crown of England, or to minimize the loyalty of the Provinces to-day to the Dominon of Canada, although some misguided enthusiasts seek notoriety in propagating and endeavouring to raise a feeling against Confederation. It is our wish, and the wish of all, that the Dominion of Canada grow, that the citizens be a happy and contented people, and that nothing will emerge from any province to disturb the rapid progress Canada is making.

In the British North America Act it is distinctly stated that a railroad would be built from Halifax to some point on the St. Lawrence River, and it was intended that that railroad should be connected with a large centre and terminus at Montreal. This point is borne out by the utterances of the big men of that day, and particularly by the actual accomplishment of extending the old Intercolonial to Montreal city. Both the spirit and the letter of Confederation in that regard were amply fulfilled in the building of the Intercolonial Railway and the acquisition of another road connection with Montreal, which right we enjoyed for years; but to-day we find ourselves retrograding, and, instead of our Atlantic region terminating in the city of Montreal, it is ended in the woods of Rivière du Loup.

We have suffered tremendously from having our ports at Halifax and St. John robbed of the exporting of our Western grain. We have borne these iniquities with patience and fortitude, but we do not wish to be treated as vassal states. We have not complained at the tremendous expenditures for canals in Upper Canada; we have not complained at cheaper freight rates for western products over the Government roads as enjoyed by the western farmer. We are not complaining to-day. We are demanding our right that on the question of railway freight rates, commercial privileges, and expenditures the Maritime Provinces be justly dealt with.

The products of the Western farmer are given consideration in railroad freight rates. I want special rates for our lumber, our minerals and our fish. Last year about $80,000,000 of Canadian money was sent to the United States for American coal. The Maritimes are fairly teeming with the best grade of coal. Why not cheaper freight rates on coal? The same applies to fish and lumber. Make the freight rates attractive enough so that the $80,000,000 spent for American coal will be spent in the Dominion of Canada.

Supposing, for instance, that $80,000,000 worth of wheat was purchased in the United States last year, the freight rates on wheat would be so reduced so as completely wipe out foreign competition. I think that would be done, and as a true Canadian I would

concur in keeping our dollars in Canada. We are willing to pay our share, and we are willing to unite with all to advance the whole of the Dominion of Canada; but we want justice. There must be a remedy such as I suggested, and it is in the hands of the Government, and we are going to demand it in the strongest terms and most forcible manner, and I believe our appeal will be heard by every patriotic legislator.

I find that the average man is willing to give the Maritime Provinces fair play, but does not appear to understand what our claims are. I take this opportunity of explaining the situation as I see it. I wish honourable gentlemen to bear with me in my endeavour to sound a warning that some effort must be put forth to maintain in some degree a standard of justice and equality in the commercial relations of one province with another.

The situation in the East is critical. I can understand the anxiety of the Government, and it is perfectly legitimate to try to make these 22,000 miles of railroad pay, but that was not the understanding when we entered into the pact. Manufacturers built their factories and investors invested their money in industry counting on the promises made that we would have the market west when we lost our market south. We are told that it is a question how we must raise money for these enormous deficits. In any business that I am associated with we try to overcome our overhead either by increasing our products or by reducing expenses.

I would like to ask if prohibiting trade by excessive freight rates on shipments East-West and West-East, is increasing production. I would like to ask if the present Government considers making presents of fortunes to wealthy men, economy. I refer to the bonuses and presents given the late President of the Canadian Government Railway and other officials. I have seen some statement that this money should be paid back; I have not seen any official statement as to when it was received. When we understand that hundreds of families are being taken from their homes in Moncton, leaving their money invested in Government property, making sacrifices and suffering as a result of this change, I would like to know if there is any effort being made on the part of the Government to compensate these people. Is it fair when the deficits on the road are so great that freight rates are charged that make transportation impossible, and firms are becoming bankrupt? Is it fair, when these same rates are ruining the East and the West, that one million dollars should be paid for a ticket office in Toronto? When the workingman of to-day sees the spectre of starvation and want staring in his window, is it any wonder that these gifts and extravagances have, to say the least, not a beneficial effect, provincially or federally?

Upon representations from the people of Saskatchewan and Alberta, the Government has reduced the rates on staple articles produced in these Provinces, notwithstanding the fact that such matters ordinarily fall under the jurisdiction of the Board of Railway Commissioners. If the Government was right in so helping the prairie people and enabling them to obtain a higher price for their products, then it is doubly under obligation to aid the Maritime Provinces, because of their equal or greater need, and because the Maritime Provinces came into Confederation, as I said before, with the full assurance of favourable conditions as to freight rates over the Intercolonial Railway, then being built to establish railway communication and transportation facilities with the other Provinces. There is a serious and alarming depopulation now in progress in the Maritime Provinces, due to the stagnation of industry and consequent unemployment. Surely it is the duty of the Government to relieve conditions in the Maritime Provinces.

Now, to make one point very clear. In 1876 there was a differential or through rate arrangement made to assist the Maritimes and to carry out the pledges made at Confederation; for instance, a differential or through rate was fixed at 20 cents first-class and 10 cents fifth-class with a difference of one cent between Halifax and St. John. This differential was added to the Montreal rate, and constituted the through rate. There was no particular percentage in which this rate was figured out; it was merely carrying out the Confederation pledges in giving the Maritimes this differential, and for forty years this was in existence. Trusting to the Confederation promises, trusting to them being honourably carried out, and trusting to the permanency of this differential, manufacturers built up their industries, investors put in their savings, and business was in a fairly prosperous condition. In 1916 the trouble began. They commenced to make the Intercolonial Railway a commercial proposition; freights were raised 15 per cent, then 25 per cent, and then 45 per cent. I consider that they had no right to put up the rates on the Intercolonial Railway. They were prohibitory, and absolutely built up a railway wall so that we could not use the market promised us when we were induced to enter Confederation. But, worse than this, if there was any excuse

for raising these rates on the Intercolonial Railway, there was certainly no excuse for raising the differential which had remained unchanged for forty years; but they did this. They increased the differential correspondingly with the rates, and that completed the obliteration of practically all our trade.

Honourable gentlemen, as I said at the beginning, I hope I have made clear to you the cry that has come up from Eastern Canada for fair play. I hope that this Chamber will see its way clear to call on the Government, not to appoint any commission, not to send any delegates, or to waste two or three years in dickering with the problem; but, if my statements can be verified—and I will be pleased to furnish all data necessary—that the arbitrary or differentials be restored to what they were in 1916; that the Government of Canada be called upon to carry out the promises and pledges given and the bargain made, when New Brunswick, Nova Scotia, and Prince Edward Island entered Confederation and became a part of the Dominion of Canada, and that rates be arranged so that we can reach the market west promised us in exchange for the southern market we had at the time we entered the Dominion.

Hon. O. TURGEON: Honourable gentlemen, I trust you will grant me your indulgence for a few moments if I take the liberty, in the exercise of my duty, to add a few remarks to those just made.

Hon. Mr. DANDURAND: If my honourable friend will allow me, I will, with some diffidence, draw the attention of His Honour the Speaker to the fact that there is nothing before the Chair. The honourable gentleman from Shediac (Hon. Mr. McDonald) has presented to us the grievances of the East, but he has not moved his motion. I am glad that he has not done so, because he cannot expect that this Chamber will pass judgment on the question of freight rates throughout Canada. If we did, an honourable member from British Columbia might likewise rise and ask for a reduction of the mountain rate. This is not the tribunal to decide the question, although it is a forum in which grievances may be expressed. Those grievances will be conveyed through Hansard and through my instrumentality to the management of our National Railways. That is all that I can promise. But I would draw the attention of my honourable friend to the fact that no motion is before the Chair and that no discussion can ensue.

Hon. Mr. McDONALD: Honourable gentlemen, I may have erred in the manner which I have presented the matter; but if a serious situation exists in any part of this Dominion, should its interests suffer because I have not represented them properly? Has the matter proceeded too far for me now to make that motion? Is it possible that, by insisting on the procedure of the House, you will disallow my claim because I am technically in error, and will not allow me to present our case in a proper way?

Hon. Mr. DANDURAND: No.

Hon. Mr. McDONALD: Then I will make my motion.

Hon. Mr. DANDURAND: I thought the honourable gentleman had purposely refrained from moving it.

Hon. Mr. McDONALD: I certainly did not.

Hon. Mr. DANDURAND: The honourable gentleman may move it.

Hon. Mr. McDONALD: I intend to make my motion. I now have the honour to move:

That in the opinion of this House the railway freight rates now effective on consignments from the Maritime Provinces are proportionately higher than those effective in regard to consignments from the western provinces and seriously handicap the industries of the Maritime Provinces and should be substantially reduced and that the Government should take steps forthwith to cause such reduction.

Hon. Mr. TURGEON: Honourable gentlemen, I am pleased that, after all, the honourable leader of the Government in this august assembly has given me the opportunity to make the few remarks which I wish to add to those already made in such a timely and impressive manner by the honourable gentleman from Shediac (Hon. Mr. McDonald) with regard to the present transportation situation, more particularly as it relates to the Maritime Provinces. The question of freight rates is, however, one which affects the whole Dominion. It is the most substantial matter to-day affecting every portion of Canada.

My honourable friend has mentioned the Pact made at Confederation, when the Maritime provinces were invited to join with Upper and Lower Canada in the union of British American possessions, not under one flag, but in a common purpose—the creation of what may in the near future be called another British Empire on the Western continent. I wish to point out that without the adhesion of the Maritime Provinces there would have been no Confederation. Nor would Confederation have been brought about without the construction of the Intercolonial Railway or without the concessions made by

the provinces at that time. Therefore when the Maritime Provinces desire to be heard, their views are entitled to consideration by the people of the great province of Ontario and Quebec, and the West as well. Without Maritime Province ports such as St. John and Halifax, ready to receive in the coming years the expanding trade of Canada with the same facilities as exist to-day—without those ports, Ontario would still be the hinterland of the United States. Therefore we have a right to be heard, and we know that our prosperity means the prosperity of Canada as a whole.

My honourable friend has mentioned the differential of rates, which to-day makes it practically impossible for the producers or manufacturers in the Maritime Provinces to send their goods to the markets which are awaiting them. It was understood from the Confederation pact that rates on the Intercolonial would be such as to permit the flow of products from the Maritime Provinces towards the great markets of Canada, more particularly Montreal, and thence to Toronto, to Hamilton, to Buffalo and other American centres, which are ready to receive our natural products. Unfortunately, a few years ago rates were raised so high that production in the Maritime Provinces has been, we might say, reduced to nothing.

In the exercise of my duties as a member of the Lower House at that time, I expressed my opinion in reference to those rates. I have at times criticized, perhaps severely, but always honestly, my honourable friend from Grenville (Hon. Mr. Reid) when he was at the head of the Railway Department. But, before going any further, I may say to him, and to this House as well, that, for all that, I owe him a debt of gratitude for the sympathy and interest he has manifested, in some portions, at least, of the Maritime Provinces, more particularly the County of Gloucester, and because of the fact that he took under his direction that branch of the National Railways known as the Caraquet and Gulf Shore Railway. That will certainly prove to have been good policy on his part; and I may tell him while I have the opportunity, that the people of the county of Gloucester still thank him for his generous and timely idea of giving them a chance to expand further their industries by a better service along that railroad of 85 or 86 miles, bringing thousands of tons of freight every year to the Intercolonial. I hope that the wholesome breezes of the Gulf may bring the messages and an echo of the prayers of the people of Gloucester as far as Grenville to add to his domestic felicity.

I criticized at the time that increase of rates, not only from the point of view of the Maritime Provinces, but also in the interest of the country at large. When it was rumored in 1920 that the railroads intended applying to the Railway Commission for an increase of rates, I warned the honourable the Minister, the Government, and the House that there should be no application for a further increase, because our industries could not afford to pay any higher rate.

Of course, the railway representatives appeared before the Commission. I have always thought that it had been the practice, particularly in the United States, when rates were to be increased or there was supposed to be a need of increase, that shippers would be brought together to consult with the managers of the railroad, and come to an agreement according to the ability or otherwise to make the projected increase. I am positive that if the shippers of the Maritime Provinces had met with the representatives of the C.P.R. and Canadian National railways at that time and conferred together, such an increase would never have taken place, because the shippers in the name of the producers and the customers would certainly have convinced the members of the Railroad Commission that such increase in freight rates should not be made. The increase certainly did not encourage industry, but on the contrary paralyzed it, and created stagnation in the Maritime Provinces as well as other places. We were actually put in such a position at that time that our lumber camps were closed, our lumber mills were stopped, because there was no possibility of our lumber products reaching Montreal and Buffalo and other places where there is a market for them. During the course of a whole year our industries were practically paralyzed.

I have always taken the ground that freight rates should be adjusted with the view to the greatest development of the natural resources of the country, and to the products of our manufacturers reaching the markets where they are needed. It is of no use to produce lumber or agricultural products if they cannot be marketed. In the Maritime provinces our lumbermen can in one day produce and manufacture all the lumber that would be required in those provinces for a year, and they must find an expanding market for their labour for the other three hundred days of the year. Our fishermen along the coast can catch in one morning all the fish that would be required by the population of the Maritime provinces in a year, and therefore the results of the labour of the balance of the

year must find a market. Our railway system should be so arranged that our farmers, labourers, and men engaged in industry would receive all the products of their exertions and patriotism; and we know how much the eastern provinces can contribute to the happiness and prosperity of the people of Canada if we could only find the necessary market for the development of our resources.

There are regions throughout Canada where prosperity is absolutely dependent upon freight rates, and one of these regions is the Maritime provinces, which contain all the products and resources I have enumerated. But the same remark applies to the prairie provinces, which must be in a position to transport their grain over great distances in order to reach ocean ports and foreign markets.

To-day we hear a great deal about conditions in the West, to which no doubt the heavy freight rates have contributed, and the problem to-day is to find the most rapid and the cheapest channel for the products of the prairie provinces to the seaboard in order that Western farmers may be able to compete in the markets of the world. Of what use it is for the people of the prairie provinces to give their time, labour, and ambition to produce wheat if excessive freight rates handicap them in marketing those products, so that they have to accept 5, 6, or 10 cents a bushel less than they otherwise would, and thus not be able to enjoy the prosperity which their labour deserves?

My honourable friend has referred to the divisions into which the National Railway System has been arranged. I have always contended that under our circumstances the railway should be divided into three or four regions, and I was pleased with the announcement last year that there would be three divisions, which would counterbalance the centralization, and give every portion of this Dominion the possible means of reaching satisfactorily the various sections of our people.

My honourable friend has mentioned that the Maritime division, or, as it has been officially named, the Atlantic region, only extends as far as Rivière du Loup. I must say that the people of the Maritime Provinces were amazed when they heard that announcement from the National Railway management. The newspapers had stated that Rivière du Loup was the original terminus of the Intercolonial Railway for collecting the products of the Maritime Provinces. That statement is quite erroneous. In 1832 a movement was made to have a railroad connecting Halifax with Quebec by the shortest possible route. It was intended to bring Halifax and St. John together, not Halifax and Rivière du Loup; and a portion of that railway had been built before the understanding had been reached between the different provinces and the Government.

While waiting for the decision of the British Government as to whether they would give assistance to that railway scheme, the Government of Nova Scotia and the Government of the old provinces of Canada commenced some portions of that railroad themselves, hoping that the time would come when the Government of the Empire would assist them in building that road. In 1832 that commencement was made, and later on, in 1836, an engineer started at Point Levis to make measurements; but at the time there were civil troubles in the country, and everything was stopped. The province of Quebec gave a subsidy to the Grand Trunk Railway to extend from Quebec to Rivière du Loup the line they had been building from Sarnia to Quebec, in the hope that the Government would be able to come to an understanding with the Imperial Government. Meanwhile the Government of Nova Scotia had also started the Intercolonial, and built as far as Truro before Confederation. A few months after the British North America Act had been passed, namely, on the 12th of April, 1867, the Imperial Parliament passed a second Bill in the interest of Canada, entitled. "An Act authorizing the guarantee of interest on a loan to be raised by Canada for the construction of a railway connecting Quebec and Halifax." It appears from all this that the railway had been built temporarily, merely awaiting the decision as to assistance from the Imperial Government; so that it is misleading for any person to mention that Rivière du Loup was the original terminus of the Intercolonial Railway.

As soon as the Intercolonial Railway was completed, the Parliament of Canada in 1879 voted immediately the amount necessary for the purchase from the Grand Trunk of the portion of that road which had been built from Quebec to Rivière du Loup. The same thing was done for the section from Halifax to Truro. Hence one might as well say that Truro would have been the terminus of the Intercolonial Railway as to say that Rivière du Loup was the terminus of the western district of the Maritime provinces.

I do not say this with the idea of condemning or criticising Sir Henry Thornton, the new President of the Canadian National Railway System; but I want to impress the people of Canada with the facts, and show that Rivière du Loup was never contemplated as the terminus of the Intercolonial. No one has more

confidence than myself in the ability of Sir Henry Thornton, who has before him a task of great difficulty, namely, to place our National Railways in a condition acceptable to the people of Canada and to the financiers of the world. Such an achievement would be nothing less than marvellous.

Some people have no faith in the ability of the Government to administer railways; but for my part I have always said that there was a possibility of having a good service from our railways given to the people at cost without imposing any further taxation upon the people of Canada. I have the same faith to-day, notwithstanding the opinion of some strong men in business and finance, in Montreal, Toronto and other places. I believe that the railway situation to-day is not due to the national operation of the road, or to the deficits which have been produced by national conditions during the last two or three years; but it is the result of the lack of ability of our railroads under private enterprise to meet the necessities of the commerce of the Canadian people, so that the Government had to come to their assistance, and take the railroads and make the best of them. It is true that some one has suggested giving our National Railways for a dollar to the Canadian Pacific Railway; but I notice that those men are very careful in expressing their willingness to accept the roads and operate them. Even if we could hand over our railways, we would have to assume the millions of dollars of fixed charges as part of our national debt without any hope of return, and we would have to offer to those who took the roads, above the cost of operation, a surplus of 7 per cent, amounting to seventy or eighty million dollars yearly. If we, in operating the National Railways, could possibly bring them to the same standard of efficiency as the Canadian Pacific, we would save for ourselves that 7 or 8 per cent, and add it to the profit of the enterprise.

It is difficult for the people of Canada to be hopeful, but our present conditions are not without hope. For myself, I take new courage when I see some expressions made by the director of our railroads, in whose hands largely rests the prosperity of the country. Only yesterday I noticed that in an interview which Sir Henry Thornton gave, he said that he proposed to expend in the Atlantic region at least seven million dollars this year in the purchase of steel rails, and that an honest endeavour was to be made to have freight rates on coal so apportioned that Nova Scotia coal would shortly reach the Upper Canadian markets.

Certainly by such measures we would put what is called the Atlantic region in a position to contribute not only to its own prosperity but to the prosperity of Canada. It is only by putting our railroads in such a condition that they can carry a large amount of traffic, with big trains and big cars, as fast and as many as possible, that they can possibly bring the resources of one portion of the country to another with the least possible cost of operation. It was with that object in view that in 1903 that great Canadian, whose memory is still living and will live for centuries in the admiration of every man in Canada, to whatever party he belonged, conceived the idea of bringing closer together the prairie provinces to the Canadian ports in order that they might produce to greater advantage. That railroad not only contributed to the better distribution of the products of the West, but, being 215 miles shorter than any other line between Winnipeg and the ports of Quebec and St. John, enabled our ports to compete with the American ports. That road was scientifically built, and the grades were such that a train of 75 or 80 or 90 cars could be transported over it as easily as could a train of 40 or 45 cars be hauled on the Canadian Northern or the Grand Trunk. If it were used, there is no doubt that the expenses of transportation would be reduced by 25 per cent. Therefore it is time for the people of Canada to look to the past in order to secure the future.

It was my pleasure last year to read the report of a Committee of this august assembly presided over by the honourable member from the Gulf (Hon. Mr. L'Espérance). There is a time when considerations of party have to be effaced, and when we have to look solely to the future prosperity and interests of our country, and I was pleased to read the evidence given before that Committee and submitted with its recommendations to this body in the month of June last—evidence which should convince members of the Senate, regardless of the party to which they may have belonged in the past. This evidence, given by authorities on transportation not only in Canada but also in the United States, was to the effect that the Transcontinental Railway from Winnipeg to Quebec would have been of the greatest possible benefit to the people of this country if the railroad had been used for the purpose for which it was built. I trust that this House and the people of this country will conduct themselves in accordance with the recommendations made in that report, which has commanded not only my attention but my admiration. The

utilization of that road would enable the Maritime Provinces to enjoy the same advantages which the West enjoys to-day, and would enable the West to enjoy the benefit of our ports, and the reciprocal trade which would come from Halifax and St. John, and would soon put an end to these millions of deficits which occur from year to year.

When the Transcontinental Railway was built, it was said that we had too many railroads. Time has already proved to people who make a study of transportation conditions in Canada that we did not have too many railways, but that we did not use the railways we had, and that from 75 to 90 per cent of our grain had gone to the ports of New York, Philadelphia, Portland, and Boston, instead of going to Quebec, Montreal, St. John, and Halifax. We have lost not only the shipment of that grain, but the return trade which would have come in imports if the exports had been made in that way. Import trade follows export trade. We have been contending that the reason why we could not use Canadian ports to advantage was because of the high rates the insurance companies put on ships travelling the St. Lawrence route in summer, or from St. John and Halifax in winter. As I have had occasion to say several times in the other House, let the Government that has control of that railroad tell the world and the producers of the West that the Transcontinental Railway will be used exclusively, or as much as possible, to carry grain to the coast, and they will soon find that the producers of the West will not use the ports of the United States because of the overwhelming advantages of the Transcontinental line from Winnipeg to Quebec. It was proved before the Committee to which I have referred, and whose report I have read with much satisfaction, that for a few months in 1916 the traffic agents of the railway had given a special rate of six cents a bushel to Quebec. During that period the grain was shipped on the Transcontinental. If a rate of six cents caused a loss, why did they not make the rate eight cents or nine cents; and then the people of the West would have saved from $5,000,000 to $6,000,000 every year, and there would have been no deficit, and to-day we would not hear so many complaints from the West that we hear in the other House, because our farmers would have been able to establish themselves on a good footing and would have been able to stand a bad year or two. I think the directors of the Canadian National Railways would be well advised to look into the best means possible of putting our Canadian National railways in such condition that they could haul larger trains of freight at less expense, more particularly in the winter-time. What would be the saving in fuel from Winnipeg to Quebec on the Transcontinental as against the other railroads? There would be not only a saving of fuel, but a saving of time in carrying the products of the West to that port.

To-day the Canadian National railways are operated under the control of the Government, and, although we do not interfere with the Management, still we are responsible to the people of Canada for what they do. We hear it said that profitable Government operation of railroads is not possible, and will never cease to bring deficits and increased taxation. It is said that other countries have tried it, and have made a failure of it: it is said that France has made a failure of it, and that Germany and Austria before the war were not successful; it is said that when the United States undertook the Government operation of their railways, they made a worse mess of it than other countries had done. Every time I hear such statements I ask myself how it is that the people making them do not remember that the railroads in France and Germany and Austria were military railroads, and were used for the mobilization of their armies. That is one of the reasons why those roads were not a success. They were kept ready for military operations, and were engaged in the transportation of munitions and similar products.

Then, it is said that the experience of the United States is convincing proof to the rest of the world that Government operation should not be practised. When I read in our Canadian papers articles blaming the Government of the United States for the deficit on the operation of the railroads during the war, I say they do not do justice to the American Government and the American people of the day. They took over the railroads because of the war, in order to serve the Allied nations to the best of their ability. They were taken over from private corporations, because those corporations could not meet the demands made upon them. The Government unified the railroads at great expense, their only consideration being the successful prosecution of the war to which they gave all their energy. I know the people of the United States to-day look upon the deficit in the operation of the railways as an addition to their contribution to the war, and glory in that contribution. That was not a time when we could judge of the success of national operation.

It is true that, so far as the Maritime Provinces are concerned, we find ourselves in a worse position than we have been in in the past.

because by the acquisition of the Grand Trunk Railway we have also acquired an American port which will be to the detriment of the ports of St. John and Halifax. I for one cannot be blamed for that, because when the question came before the lower House, of which I was a member at the time, I made it clear that we should settle with the Grand Trunk so far as the western portion, the Grand Trunk Pacific, was concerned, and should let the Grand Trunk proper look after its own future. My honourable friend the ex-Minister of Railways (Hon. Mr. Reid) will remember that I put him on his guard against the acquisition of certain portions of the road because of the port of Portland, which would be particularly detrimental to the Maritime Provinces. He said that he would do all in his power to prevent any such condition. Unfortunately, the people of Canada did not give him time to put his views into effect. I warned him that once that port was opened to Canadian trade it would be very difficult to close it. To-day some of the people of the Maritime Provinces say that we must sell the Grand Trunk in order to stop the flow of the grain trade of the West through Portland.

We must make the best of conditions as they exist. It has been said by men of higher repute than the honourable member from Gloucester that we should dispose of that portion of the Grand Trunk. But I say now, as a Canadian, that by opening the Transcontinental from Winnipeg to Quebec we should control the trade that has previously gone from Port Arthur across the Lake to American ports; and if we can only gain for our National Railways those hundreds of millions of bushels of grain and bring them to the ports of Quebec, St. John and Halifax, we shall be able to stand the onus of the port of Portland. So, after all, although we hear bitter complaints from the Maritime Provinces, complaints which come from the heart of the people owing to present business conditions, I am as hopeful as I have ever been that Canada will soon be in a state of prosperity. We want immigration; we want good immigrants—immigrants who will stay in Canada; we want immigrants from the British Isles and from France and from Belgium and from Finland; and I for one am always disposed to do all that I possibly can for such immigrants, whether they come from the British Isles or from other countries. At the same time, I cherish the hope that we may keep them in this country, and I contend that while we are expending large amounts of money to bring in immigrants, we should devote our efforts not only to that but to keeping our children at home, and to bringing back those who have gone from us during the past few years. It would cost less money to bring back 10,000 or 20,000 Canadians who have gone across to the other side during the past few years than it would to bring in 5,000 or 10,000 immigrants from other countries. Therefore let us do the best we can to awaken the people of Canada to expectation of prosperity in the near future, which is dependent, as I say, upon the transfer of the products of the people of this country to their markets. It is only by unity that we can possibly become a happy people.

I thank my honourable friend from Shediac (Hon. Mr. McDonald) for having brought up this subject to-day. I have been frank in my expression of opinion, and have spoken the feelings of my heart and my aspirations as a Canadian.

Hon. E. L. GIRROIR: I am sure, honourable gentlemen, that if this House were holding its session in the city of Halifax or in St. John or Charlottetown and had an opportunity of getting close to the situation in the Maritime Provinces, it would realize how grave and important the question is. We from the Maritime Provinces who are naturally in close touch with our people, being advised day after day, week after week, as to the commercial and business situation in those provinces, are perhaps in a better position to judge of the necessity for some effort by the Canadian Government, which is charged with the conduct of the affairs of this country, to remedy conditions if it is possible to do so.

The situation is a very simple one. If we remove from our minds the differences that are involved in the main question, and get down to the real point at issue, there is not so very much to discuss; but, while there is not much to discuss, it is of great importance, because the very moment that we permit conditions which force upon any one part of this country a situation calculated to do grave injury to its business and commercial interests, then we are attacking the very groundwork of Confederation.

Everyone knows that Confederation arose from a spirit of compromise. The Fathers of Confedration, looking upon the situation in Canada, found what? They found that the people of this portion of the continent were conducting their trade through the natural channels of trade. They found that Halifax, St. John and Charlottetown could trade more cheaply and more easily with the United States than with Toronto, Winnipeg, or Van-

couver. They knew that the central provinces could trade more easily and more advantageously by dealing with manufacturers and business people in the United States. The farmer of the West found that he could export his wheat through American ports more cheaply, more easily, and to better advantage than through Canadian ports. So—without going into further detail—what could they expect would happen if these conditions continued to exist. If our people, instead of trading with each other, instead of holding together and working together to build up a great country here, continued to do business on a very large scale with the United States, they knew that the result would be that in years to come the people would find that their commercial interests were so bound up with those of the American people that they might look for a closer union between Canada and the United States. Therefore the leading men of the various provinces met and sat down in council and conference and endeavoured to find some solution of the difficulty; and the solution of it was Confederation.

There were two things that the Fathers of Confederation built upon for the purpose of enabling the scattered colonies to hold together. These two things were transportation and a tariff. They said: "If we open up this country and build railways, we shall have an interprovincial trade; we shall enable the provinces that are far away from the sea to ship their goods down to the sea and on to the market. If we build up a tariff wall against imports from the United States and other countries, we shall foster our home market and enable our people to manufacture and build up in the country industrial concerns that will eventually redound to their great prosperity."

Confederation having been brought about, these things having been accomplished, we having gone on for a number of years, each part standing loyally by Confederation, we find ourselves to-day in a situation in which a large part of this Dominion is practically unable, owing to the very high freight rates on our railways, to do business with other parts of the country.

The people of Nova Scotia, New Brunswick and Prince Edward Island were in no great haste to come into Confederation. I know that in the province of Nova Scotia the great leader Sir Charles Tupper was afraid to put this question before the people. With a wider, greater vision than the ordinary voter could have, he decided that in the interest of the whole country it was necessary to force the plan through, and therefore he called upon his majority in the provincial House to vote for Confederation. There was great opposition to Confederation, and at the election held immediately after the vote for Confederation was forced through the provincial House only one man was left of those who had supported it. But, as I have said, the men of broader and greater vision wanted to accomplish Confederation; they wanted to build up a great country here; they wanted to unite this country, to hold it together, and preserve it to the British Crown. They wanted to make this forever a British country. They said to Nova Scotia: "You will lose your trade with the United States, but we will give you transportation so that you may sell your products in the central and western provinces of Canada. We will build up a tariff wall which will prevent American goods from coming in and competing to too great an extent with your manufactured products." Finally the people of Nova Scotia, New Brunswick and Prince Edward Island made up their minds that in a big, broad and great way Confederation was perhaps after all the very best thing for this Dominion.

Now, the situation has so developed that the people of these provinces are absolutely shut out from doing business with the United States, because of the high tariff, which possibly would not exist as against this country if we did not have a high tariff as well. They are shut out from trade with the United States. They cannot trade with central Canada, because of the enormous freight rates. Business is practically at a standstill. They are looking to the Government of this country to give them some relief, and I think it is only the duty of the Senate, the highest Court of Appeal in Canada, to discuss this question with a view of seeing if there is not some way by which freight rates can be lowered so as to allow goods to move from point to point and give the people of these provinces an opportunity of getting into business again.

We are not asking any more than that the agreement and promises made at Confederation be kept. It is not the first time that this country has been asked to make some little sacrifice for the general good. Not many years ago we had in this country railway situations which threatened the western part of Canada. The Canadian Northern was in such a state that no one knew how long it would continue to run. Later on the Grand Trunk became almost bankrupt, and had it not been that the people of all Canada were

ready to put their hands into their pockets and pay millions of money, in an earnest desire to give railway transportation to the people of the western provinces and continue the conditions as they were, where would we be to-day? Again, when the people of the Prairie Provinces desired assistance for the purpose of buying seed, financial assistance was given them. After all, it is the duty of Governments—and, thank God, they usually perform their duty well—to assist the country in any great crisis. They have to govern the whole of Canada, and unless each part is properly protected and given such assistance as is possible, we cannot have Canadian and national prosperity. If there is some way that can be worked out whereby cheaper and easier transportation can be given to the people of the Maritime Provinces, I think it should be given. We have a great debt, and we have every year a large railway deficit; but, after all, people who are doing business must make investments: they must put their money out and take a chance on it, in the hope and expectation that some day returns will be received which will justify their investment. Now, we in Canada have invested in a great railway system which I hope and believe will one day become a paying system. It will take time and it will take effort. I do not believe this system is going to be made to pay any better by having railway rates so high that people are unable to do business on the railways. The railways need all the business they can get, but if they do not charge reasonable rates, such as will justify the people in shipping their goods, then they cannot get business.

I do not know that there is anything more for me to say at the moment. We should not forget that this country has to be kept alive artificially. If you look at the map of the country, what do you find? A stretch of country running across the North American continent from coast to coast. It is bounded on the south by the United States with its excellent harbours, its great national prosperity, its tremendous transportation systems, with their lines of railway looking in over the Canadian border and inviting more freight, more business and yet more business. We cannot possibly live as a country and become a great and prosperous part of the British Empire unless we are able by artificial means to stimulate trade along the channels from west to east and from east to west. If I were a shipper with a lot of wheat in Winnipeg, I would certainly want to ship through an American port. There is no sentiment in trade. The business people of Canada will ship by the easiest, cheapest, and best possible route. But the country as a whole, if it is to keep together, be prosperous, and become great, must to a certain extent regulate these matters so that our Canadian ports will be used, and American ports only to the smallest possible extent.

We from the Maritime Provinces have the reputation of very seldom saying anything in this House, and it was with some diffidence that I rose this afternoon. I did so only because I felt it my duty, in this crisis which has arisen in the eastern part of Canada, to say something in an effort to cause everyone to realize that the situation is so grave that something should be done. If we fail to realize the importance of this question and the gravity of the situation, if we fail to realize the feelings that exist in the Maritime Provinces to-day, we may live to regret it. The men who built up Canada and made a great Dominion of it laboured night and day, unceasingly, to achieve that great purpose. They have done good work, and their work is in our hands. It is for us to carry it on and bring it to successful completion. We can never make Canada a great country if we allow unrest, ill-feeling, and suspicion to be aroused or to continue in any part of this country. It is our duty, and it should be our greatest effort by every means in our power, to convince the people of the West, the people of central Canada and the people of the East that the Government of this country are ready and willing to do all they can to remedy conditions that arise from time to time and upset the industrial stability of any part of the Dominion. I feel that the Government of the day are seized of the importance of this question, and I believe they will do their utmost to remedy the existing conditions. There is only one remedy, and that is a lowering of freight rates. You cannot force people to ship their goods to certain centres and endeavour to sell them when conditions are such that the goods on arriving at their destination cannot be sold at a profit. Unless we can transport our goods in such a way that the manufacturers can make a profit, we will not ship at all. To-day the business of the Maritime provinces is bottled up. The manufacturers cannot, at present costs of production, sell their goods at a profit in central or western Canada, and they will never be able to do that until the freight rates are lowered. The freight rates were raised during the war, but although the war is over they still remain. The great boom that swept over the country at that time has passed away, and

now we are back to conditions as they were before the war, yet we have to carry a very much higher freight rate. There could be no other result than what has happened—manufacturers trying to put their goods on the market; but being up against this enormous freight rate, which eats up their profits and more.

You cannot expect people to do business under those conditions, and they will not do it. I am sure that other members of the Maritime delegation, if I may call it such, will be able to throw better and clearer light upon this question than myself; but I have placed the matter before the House as it appears to me, and I have confidence that the representatives from all Canada will take a lively interest in this debate, with the sole object of finding some solution of a very difficult and embarrassing situation.

Hon. F. B. BLACK: Honourable gentlemen, I have no address prepared, but as a member coming from the Maritime provinces I feel that I owe it to those provinces as well as to the rest of Canada to express my opinions briefly.

The question of the conditions of Confederation have been so frequently discussed in this and another Chamber that it would be only waste of time to refer to them. Ontario and Quebec at the time of Confederation found themselves entirely subject to their neighbours to the south. Their only method of getting their products to the ocean and Europe, which was their big market, was through the St. Lawrence river during five or seven months of the year, according to the severity of the season. The rest of the time they were entirely dependent on United States ports for getting their products to market. I am quite aware that the chief idea which dominated the fathers of Confederation was that of creating a great Empire on the northern half of this continent which would be British in its aims, its ideals and its future; nevertheless the people of Ontario and Quebec were animated greatly by the commercial idea. They saw that they would be entirely dependent on our neighbour to the south for the control of their trade unless they got a permanent means of export for their products the year round. It was as much a necessity for the people of Ontario and Quebec, therefore, to get the use and control of the Maritime ports as it was necessary to have bread in order to live. That is the commercial reason why those two great provinces of Canada favoured Confederation.

As far as the Maritime provinces are concerned, there was a bond given, upon condition of which those provinces entered Confederation. That bond was the Intercolonial Railway. True, it was only to have gone to Levis, and until the time that we had a Railway Commission the rights that were given to the Maritime provinces—given tacitly, because of an unwritten agreement, but as binding as any agreement could be or ought to be —were observed fairly well. Up to that time we of the Maritime provinces had at the head of the railway system a Maritime Minister, a man who knew the conditions under which we came into Confederation, who was subject to the influence of the people of those provinces, and was therefore ready and willing to carry out the Confederation agreement. I may say frankly that, in my opinion, since we ceased to have a Maritime man as the Minister of Railways, those provinces have never received justice from the rest of Canada. I am not going into details, but I want to put the blame where I think it belongs—not that the action is intentional, but rather perhaps because the attention of certain people has not been called to the matter frequently and closely enough.

We have heard in this House and in another place various remarks as to dissatisfaction with Confederation. I want to say that I deplore in the extreme any utterance that would suggest that any part of this Dominion desired to separate itself from this Confederation; nevertheless we hear it from the East and from the West. One would almost be led to believe that what Kipling suggests—

> East is East, and West is West,
> And never the twain shall meet,

—might apply to this Dominion of Canada. In my opinion the reason why there is some difference between the East and the West is because the two great central provinces of Canada do not realize what the East and the West are sacrificing because they belong to this great Dominion. It is true that Ontario and Quebec are great provinces, with immense natural resources and large manufacturing industries, and with our ports East and West they are able to get along, and because of the magnitude of the area which they have developed and of that which is to be yet developed, they are inclined to lose sight of the fact that the two extremes of this Dominion are, after all, just as important as the centre. If the people of these two central provinces, which have the majority of the voting power in any House of Parliament, and which at the present time control very largely the industry of this country, would realize a little more fully than they now do what transportation means to

the East and the West, I think some of our problems would be solved very much more easily and readily than appears at the present moment.

The West has the same kind of problem that we have—that of transportation. The West had a solemn agreement on freight rates, the violation of which was attempted last year, in my opinion; and no violation of such an agreement ought to be made except with the consent of both parties. If the Crow's Nest Pass agrement was wrong, if it was made at a time when everybody believed that freight rates would go down rather than up, nevertheless it was made by two contracting parties—the people who are settled in the West and the Government who were representing the railways that were doing business in the West. No Government can afford to break its word, any more than can any individual. The Government of Canada cannot afford to break its word so far as the Crow's Nest Pass agreement is concerned, and that agreement should not be changed except by consent of the other contracting party. Neither the Dominion nor the other provinces of Canada can afford to violate an agreement that was made with the Maritime Provinces at the time of Confederation, without the consent of the Maritime provinces themselves. If they do, they violate that very pact of Confederation, and they give a sound and just reason why the Maritime provinces should, at their discretion, sever themselves from the rest of the Dominion.

I am quite aware that the Government will say that this matter is entirely in the hands of the Railway Commission, and that therefore that Commission is responsible for what happens to Canada. Now, the representatives of the people are the persons who must see that both East and West get their just deserts in any adjustment or readjustment of freight rates.

I am aware also that, even if we return to the rates established under those differentials which were mentioned by the honourable member for Shediac (Hon. Mr. McDonald), we would still only get into certain markets of Canada which buy only under certain conditions. Still they would be a great boon to Eastern Canada, and would give us at least an opportunity to hold on to the manufactures which we now have, and to continue to do business. But we want more than that, and we are entitled to more; and if we do not get it we shall not receive justice—and if there is anything the British race stands for on God's green earth, it is justice. That alone is what the people of the Maritime provinces ask, and nothing else. You who are under the Anglo-Saxon flag, being Frenchmen and Englishmen, both of whom fought and bled and died for justice, hand in hand and shoulder to shoulder, know what it means as well as the rest of us, and we depend on you, and we ask for fair play from the provinces of Ontario and Quebec.

There is another matter closely tied up with this, which was mentioned in this House by the honourable member from the West a day or two ago (Hon. Mr. Barnard), and which would be of very material assistance in the readjustment of present conditions which are causing decidedly strained relations both east and west. That is, the connecting of the East with the West by water transportation.

With regard to railway rates, I am quite aware of the enormous expenditures facing the Government, and the heavy deficits which the Canadian National Railways are experiencing year in and year out. In the face of these things, we can only ask for what would give us the advantages offered at Confederation, and nothing else. Beyond that we ask no special favour. It was suggested that the establishment of boats to ply between the Pacific and the Atlantic through the Panama Canal would be of great benefit to both East and West, and give us an opportunity to exchange products which we do not possess and which we cannot get under the most favourable rail conditions. One very high official of the Railway Commission is said to have expressed the opinion that this was entirely out of the question; but I want to say that no railway official or other official who makes that statement can have given consideration to the facts and carefully calculated the financial trend at the present time, or knows the difference between rail rates and water rates.

I want for a moment to tell you what would occur. We cannot now get our products to the West by water because we cannot pass through the Panama Canal in our own boats, as we have not boats running on that route. We cannot ship goods to New York and then forward them by the boats running from New York and through the Canal and up the Pacific coast, because we have no means of getting those goods through free of duty. We have no Customs agent representing Canada either at New York or Boston, and therefore goods going around that way in the United States bottoms and through United States ports of export have to pay duty. But we could have a line of our own boats running from British Columbia and through the Panama Canal and around the Atlantic coast, and bringing cargoes of timber for as many boats as could be put on the route. We could put 36 of our steamers on that route, and 10 of those

36 would be going to United States Atlantic ports, with cargoes of Britsh Columbia pine and similar products. This year already three large cargoes from British Columbia have passed through the Panama Canal and into the port of New York; and if we had regular lines of boats running they would get cargoes this way year in and year out, month in and month out. True, they would not bring to Canada very much of that timber, because we have timber of our own in the East; but they would bring timber that we do not produce, large square timber in great lengths, and kinds of timber which are very largely used but which we do not produce in the East. They could bring also enormous quantities of canned salmon and such goods from the Pacific coast around to the Atlantic coast, and supply eastern markets with goods which now come by rail. Here you have the reason why the railway authorities said they could not listen to the proposition—because it would deprive the railway of a very large volume of freight. I quite agree with this, but the whole country should not be penalized merely because some freight may be taken away from the Canadian National and Canadian Pacific railways.

It has been said that we have no goods on the Atlantic coast to be shipped to the Pacific; but every steel rail, every bit of woven wire fencing, practically all the nails, galvanized iron wire, and steel and iron rods that are used on the Pacific coast go from the United States of America—why? Because transportation rates by rail from the East are so great that we cannot send our products to the Pacific coast. We have at Sydney some of the finest steel mills in the world that produce steel rails, bolts, iron sheets, galvanized wire, galvanized fencing, and all that sort of thing. At New Glasgow we have another steel mill producing all kinds of steel products. We have mills and industries producing the very things the West wants, and of which the West to-day is buying 90 per cent from the United States. Therefore, we have the products of the East to go to the West, and products of the West to come to the East. We have the ships built by the Government, which are rotting at their ports or losing money on their present routes and this route could be developed at least as an experiment, and give to the East and the West some of the facilities for transportation to which we think we are entitled.

Railway rates on lumber are 90 cents per hundred pounds, or $27 per thousand feet, computed on the basis of heavy timber that weighs 3,000 pounds to the thousand feet. Carried by water to New York with a percentage allowed for transportation from that port to our ports, the rate would be 50 cents per hundred pounds, or $16.20 per thousand feet. Comparing $16.20 with $27, you have a saving of $10.80 per thousand feet of lumber. In the matter of iron and steel which the West wants, and which the West is to-day buying from the United States, these goods could be supplied by the industries of Eastern Canada—in Montreal, in Quebec, and even in Toronto—taken to St. John and Halifax, and shipped through the Panama Canal by our own boats and up the Pacific coast. They could be laid down there much cheaper than by rail, and at a price that would pay, and give us a business over the American business. Steel and iron by rail costs to-day 65 cents per hundred pounds in carload lots. By water it would cost 48 cents, or 30 per cent less. As 10 per cent or 12½ per cent is a good wholesale profit, the 30 per cent saved would give shippers from 12½ to 17½ per cent margin over the stocks they buy from the United States, which would give them a fair profit. Ordinary shelf hardware such as goes into buildings and all kinds of household uses, can be laid down by water for 40 per cent less than by rail; and those same figures apply to every item of commerce or trade to be exchanged between Eastern and Western Canada.

It may occur to some people that these remarks are irrelevant to the question under consideration; but, after all, transportation is the question under consideration—the means whereby we can get the products of one part of Canada to another part where they may be required.

I do not desire to take more of your time, honourable gentlemen, although I would like to have more time to go into this matter in greater detail; but that has been done already, and others are going to speak. With respect to the differential rates established on the Intercolonial Railway—which, it is true, were created, not at the time of Confederation, but in compliance with and in the carrying out of the agreement of Confederation—those rates as they were applied before the war should be re-established so far as the Maritime Provinces are concerned. In asking that, we are not asking for any bonus or gratuity: we are simply asking for that which is our due and just right. Give us that, and you will not hear much of this criticism and this talk by people who may be irresponsible, but not altogether irresponsible, as to separation from this Confederation of ours.

Canada a few years ago had a national spirit, and, if this is going to be a great country, it has to develop a national spirit. If you go into the United States you will

find there a real national spirit. It was not so after the American war, it is true; but to-day, no matter where you go in that country, you will find a loyalty to everything that appertains to the United States—its flag, the country, and its institutions. I regret to say that there is not so much national spirit in Canada as there was six or eight years ago. That is a most deplorable condition, and it exists because the people of the East and the West and the middle portions of our country do not work hand in hand, and do not endeavour to understand each other's difficulties and each other's requirements. If all will give consideration to requirements which relate solely to the East or to questions which pertain solely to the West, then we may reasonably look forward to the time when we shall have a real national spirit, when the aims which were in the minds of the founders of this Confederation will be carried out and we shall have on this continent a group or provinces forming one harmonious whole working together for one common object. Then, and only then can we confidently look forward to the time

> When, as their varying hopes unite
> They will form in heaven's light
> One arch of peace.

Hon. G. W. FOWLER: Honourable gentlemen, I must congratulate the members of this honourable body on the intense and overmastering interest which they take in this question, as is evidenced by the fact that about twenty-five per cent of the seats are occupied and the balance are vacant. It is a matter of some importance to a very considerable part of this country of ours. Three provinces at least are interested in this question that is being discussed this afternoon, and I regret that there is not more interest shown on the part of members from other provinces. If it were a question of one of the larger provinces that was being discussed, there would be scarcely a vacant seat in the Chamber; but the extreme East seems not to be able to arouse that interest and enthusiasm which the centre of Canada arouses among the members of this House, when matters pertaining to either of the great provinces are under discussion.

Now, as there is considerable business on the Order Paper, and as a number of other persons wish to speak, and as I suppose the House wishes to adjourn at six o'clock, I will move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

GOVERNMENTAL PRIVATE CARS AND MOTOR CARS

INQUIRY FOR RETURN

On the Orders of the Day:

Hon. Mr. FOWLER: Has the Minister received any information with regard to the return for which I moved?

Hon. Mr. DANDURAND: I may say that I have that report, but as I looked through it I received the impression that the report from the Department of Militia was not complete, although it had been sent before all the others. Looking at the questions put, it seemed to me that there were one or two to be answered. I telephoned the Department, and I thought I would have got the answer before six o'clock. If I get it before eight o'clock the honourable gentleman shall have it.

Hon. Mr. FOWLER: It is rather unfortunate that you had not examined it when you first received it.

Hon. Mr. DANDURAND: I did; but when the various Departments were circularized, I expected I would receive a new report from the Militia Department.

THE COPYRIGHT BILL

On the Orders of the Day:

Hon. Mr. CHAPAIS: I would like to ask the leader of the House whether, previous to the second reading of Bill 24, an Act to amend the Copyright Act, he will place on the Table of the Senate a statement defining the status of Canada, Great Britain, union and non-union countries respectively on the matter of copyright.

Hon. Mr. DANDURAND: If it is available, I will try to have it for to-morrow.

Hon. Mr. CHAPAIS: I am informed that it is available.

FRUIT BILL

THIRD READING POSTPONED

Hon. Mr. DANDURAND moved the third reading of Bill 11, an Act to regulate the Sale and Inspection of Fruit and Fruit Containers.

Hon. Mr. DANIEL: I would like to ask the Minister whether he is quite satisfied that the wording of the interpretation clause gives the Government authority to appoint inspectors. I am not a lawyer, but I asked a lawyer whether in his opinion the interpretation clause, which was only explanatory, was

sufficient to authorize appointments—mandatory, in other words; and he said no. I do not see where you get any authority to appoint these inspectors. I think you ought to put something in the Bill to give you authority.

Hon. Sir JAMES LOUGHEED: The same as in the Patent Act. You will find a clause making provision for the appointment of officials. There should be a clause of that kind.

Hon. Mr. DANDURAND: I find that there is none, except in the interpretation clause. To this day it seems to have been sufficient to maintain the whole corps of inspectors. I think we should allow the Bill to go through, and next Session, if some amendments are brought in, that one may be considered.

Hon. Mr. DANIEL: Meanwhile these men are appointed illegally: you have no authority to appoint them; and if a case should come up in the courts, I think probably the inspector would be knocked out.

Hon. Mr. BEIQUE: I would be inclined to think the power is there. It is an implied power, and is sufficient to authorize the Minister to appoint inspectors, because "inspector" is defined in the Act—he is the person appointed by the Minister.

Hon. Sir JAMES LOUGHEED: Will my honourable friend pardon me for interrupting him? According to the policy of the law, it is not intended that the Minister should appoint the inspectors. Those officers should be appointed by the Civil Service Commission. There certainly should be a clause in this Bill giving the Government power, through the proper channels, to apoint the necessary officers to administer the Act.

Hon. Mr. DANDURAND: My impression is that nearly all the Acts that govern departments preceded the beginning of the Civil Service Commission, and that they have not been amended, while the Civil Service Act, which we have deemed it to be sufficient, has clothed the Civil Service Commission with the powers which formerly belonged to the Minister or the Governor in Council.

Hon. Sir JAMES LOUGHEED: I recall that a Session or two ago we had a discussion in this Chamber upon that very subject. The Bill before us was silent as to the appointment of officials to administer the Act, and it was deemed necessary by the Government to give express power for the appointment of officers. If my honourable friend will have that looked up, I think he will find that it is apropos of the discussion on this Bill. I think my honourable friend should postpone the third reading to get information on that. Let us have the opinion of the Department of Justice.

Hon. Mr. DANDURAND: I have no objection to placing the Bill on the Orders of the Day for Tuesday next, although I may say that I have been informed that the regulations have to go out before the first of June.

Hon. Sir JAMES LOUGHEED: The Bill will not come into force until the Governor's assent is given to it.

Right Hon. Sir GEORGE E. FOSTER: Get the information before Monday.

The order was discharged.

DIVORCE BILLS

THIRD READINGS

Bill M4, an Act for the relief of Edgar Lindsay.—Hon. Mr. Reid.

Bill N4, an Act for the relief of Charles Marigoli Hare.—Hon. Mr. Green.

Bill P4, an Act for the relief of Esther Levin.—Hon. Mr. McCoig.

Bill Q4, an Act for the relief of Hilda Marguerite Watt Black.—Hon. Mr. Robertson.

Bill R4, an Act for the relief of Abigal Aileen Beryl McCrea Tull.—Hon. Mr. Ratz.

SECOND READINGS

Bill S4, an Act for the relief of Christina Julia Hamilton.—Hon. Mr. Gordon.

Bill T4, an Act for the relief of Smith Kain.—Hon. G. V. White.

Bill U4, an Act for the relief of Gladys Malcolm Mushett.—Hon. Mr. Hardy.

Bill V4, an Act for the relief of William Francis Rafferty.—Hon. Mr. Hardy.

OPIUM AND NARCOTIC DRUG BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 72, an Act to prohibit the improper use of opium and other drugs.—Hon. Mr. Dandurand.

Hon. Mr. Gordon in the Chair.

On section 4—offences and penalties.

Hon. Mr. DANDURAND: I move that section 4 be amended by striking out all that part of the section from the word "upon" in the twenty-fourth line thereof to the word "month" in the twenty-eighth line thereof and substituting therefor the following:

Shall be guilty of a criminal offence and shall be liable—

(a) Upon indictment to imprisonment for any term not exceeding seven years and not less than six months and to a fine not exceeding one thousand dollars and costs and not less than two hundred dollars and costs, or

(b) Upon summary conviction to imprisonment for any term not exceeding eighteen months and not less than six months and to a fine not exceeding one thousand dollars and costs and not less than two hundred dollars and costs;

Provided that—

And the rest of the clause is not altered. This proposed amendment is in accordance with one of the suggestions made.

Hon. Mr. McMEANS: Are you quite sure now that the accused has not a right to elect by whom he shall be tried?

Hon. Sir JAMES LOUGHEED: This deals with summary convictions, not summary trials. There is a distinction between summary conviction and summary trial.

Hon. Mr. McMEANS: Oh, yes.

Hon. Sir JAMES LOUGHEED: This is all summary conviction.

Hon. Mr. McMEANS: I do not understand. I supposed the one who lays the complaint would select the tribunal or decide whether he would go before the magistrate or before a judge.

Hon. Sir JAMES LOUGHEED: That would depend on the charge.

Hon. Mr. FOWLER: The defendant does not select. It is the prosecutor who selects.

Hon. Mr. McMEANS: That is what I say. So a man charged with a crime might be in one section of the country indicted, and in another section be sent before a magistrate.

Hon. Mr. FOWLER: Let him move into the other section, then.

Hon. Mr. McMEANS: Personally I think that the man accused of the crime, no matter where the charge is laid, should, if found guilty, receive the same penalty as if he had been accused in another part of the country, and I think it very easy for the Government to arrange that.

Hon. Sir JAMES LOUGHEED: Are not the different methods of trial for different charges?

Hon. Mr. McMEANS: I do not think so.

Hon. Mr. FOWLER: The prosecutor judges of the circumstances and the heinousness of the offence, and if the circumstances are very glaring and it is a very serious offence, he chooses indictment; but if it is a small affair and not very glaring he takes the other method. He should not be restricted in his choice.

Hon. Mr. DANDURAND: I am informed that from 75 to 80 per cent of the offences are minor ones, and they are prosecuted summarily.

Hon. Mr. FOWLER: Carried.

Hon. Mr. McMEANS: I do not like to press this matter, but I desire to have it clear in my own mind. What I do not understand about it is this, that if a man is indicted and goes before a judge he may get a lesser penalty than he would on summary trial before a magistrate. Am I right in that?

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: No; that is amended.

Hon. Mr. DANDURAND: The complaint of my honourable friend has brought about the amendment.

Hon. Sir JAMES LOUGHEED: Would my honourable friend (Hon. Mr. Dandurand) read that amendment again and state its application, please?

Hon. Mr. BEIQUE: Read the section as it will be.

Hon. Mr. DANDURAND (reading):

(e) Unlawfully, sells, gives away or distributes any drug to any minor;

shall be guilty of a criminal offence,

(a) and shall be liable upon indictment to imprisonment for any term not exceeding seven years, and not less than six months and to a fine not exceeding one thousand dollars and costs and not less than two hundred dollars and costs, or

(b) upon summary conviction to imprisonment for any term not exceeding eighteen months and not less than six months and to a fiine not exceeding one thousand dollars and costs and not less than two hundred dollars and costs;

Provided that notwithstanding the provisions of section ten hundred and twenty-eight of the Criminal Code.....

Hon. Mr. FOWLER: What is the minimum of imprisonment?

Hon. Mr. DANDURAND: The minimum is six months in both cases.

Hon. Mr. McMEANS: On indictment.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BENNETT: How does this work out? Take an actual case. A policeman detects a crime. He goes for the magistrate. In nine cases out of ten, in Ontario, the magistrate would then consult the County Attorney, and the County Attorney would decide whether to press for the adjudication

and final disposition of the case by a magistrate or simply for a committal, followed by an indictment before a judge. Is that not the way it would actually work out, may I ask?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BENNETT: Then what happens? As I understand it, he is liable under an indictment to a sentence of seven years, but in a summary trial before the police magistrate the limit of imprisonment is only eighteen months. So it depends on what the County Attorney does. That is the position. If the prisoner is not conversant with the law, he may be indicted and may get seven years, whereas on a summary conviction he would get only eighteen months.

Hon. Mr. DANDURAND: Yes, but he has not the choice.

Hon. Sir JAMES LOUGHEED: Then you are vesting the choice in some officer of the law. That is entirely wrong. When my honourable friend read that, I was under the impression that the offence which would be dealt with under a summary conviction would be a different one from the offence triable by indictment, but apparently from the amendment which has just been read, and from the restatement of the case, it is the one offence. The judge does not decide it. It may be decided by the constable who arrests the man. He may lay the information and bring the accused at once before a magistrate. In the next block another man may be arrested for precisely the same offence, and he may be tried by a judge under indictment.

Hon. Mr. FOWLER: That is the case today.

Hon. Sir JAMES LOUGHEED: Surely a distinction of that kind is illogical and does not contribute in any way to a proper administration of justice. It seems to me that the offence triable under summary conviction should be entirely different from, and much less serious than, the one triable by indictment. That is the policy that runs through the whole Criminal Code.

Hon. Mr. McMEANS: Surely.

Hon. Sir JAMES LOUGHEED: Distinctions are drawn. For instance, a common assault is triable by summary conviction, but an assault with intent would not be triable by summary conviction: it would be an indictable offence. Therefore there should be a grade of offences, the more serious ones, triable by indictment, and another grade, the less serious, triable by summary conviction. I have never seen this so-called principle of placing both on a parity ingrafted upon the Criminal Code. I do not think my honourable friend will find any parallel case in the whole Code.

Hon. Mr. FOWLER: You can find plenty of cases in which you may proceed either by indictment or by summary conviction.

Hon. Sir JAMES LOUGHEED: Can the honourable gentleman think of any just now?

Hon. Mr. FOWLER: Yes: the case of an assault.

Hon. Sir JAMES LOUGHEED: A common assault, yes.

Hon. Mr FOWLER: The honourable gentleman asked me to think of one, and I thought of one.

Hon. Sir JAMES LOUGHEED: But that is a very general term. Common assualt would be triable by summary conviction, but the more serious offence of assault with intent would not.

Hon. Mr. FOWLER: An offence like murder could not be tried by summary conviction.

Hon. Sir JAMES LOUGHEED: Here it is practically the same offence. The Government have been complaining that they are not able to stamp out the trade in dope, yet at the same time they are introducing what to my mind is the most illogical principle that I have seen—the principle of penalizing the offender without any distinction between the very serious class of offences and the less serious.

Hon. Mr. FOWLER: You must put some confidence in the officer.

Hon. Sir JAMES LOUGHEED: What officer?

Hon. Mr. FOWLER: The officer who is entrusted with the enforcement of the Act.

Hon. Sir JAMES LOUGHEED: Yes, but he will not know anything about it.

Hon. Mr. FOWLER: He does.

Hon. Sir JAMES LOUGHEED: In this case the ordinary policeman will determine whether the accused shall be tried by the magistrate or by indictment. You should not vest the administration of criminal law in that class of officer.

Hon. Mr. FOWLER: You give a great deal of power to the policeman; therefore

the policeman should be a very intelligent man, in order to exercise that power in a proper way.

Hon. Sir JAMES LOUGHEED: He has his proper functions, but it is not a function to determine the seriousness of an offence.

Hon. Mr. FOWLER: My honourable friends, it seems to me, are exercising a great deal of ingenuity to try to assist the fellow who is peddling dope.

Hon. Mr. McMEANS: Not at all.

Hon. Mr. FOWLER: I would exercise whatever ingenuity I possess in trying to tangle him up and catch him and punish him; because this is much more serious than the liquor business. It is much worse. A dope vendor would do a great deal more harm than a bootlegger, because if a bootlegger bootlegs good whiskey it may not do very much harm, but the dope vendor is vending something that is destroying people, and the dope evil is becoming very widespread. I think we should not scan too closely the authority that we give to these people who are endeavouring to carry out the law. I am very strongly in favour of that.

Hon. Mr. McMEANS: I would much prefer to see the section drafted in such a way that a vendor would be liable to the seven years in penitentiary.

Hon. Mr. LYNCH-STAUNTON: He is not before the magistrate.

Hon. Mr. McMEANS: No, but he is before the judge, and I do not see why you should draw a distinction between a magistrate and a judge.

Hon. Sir JAMES LOUGHEED: This is entirely wrong.

Hon. Mr. McMEANS: The last subsection says that he must be tried by indictment, but it leaves other subsections—a, b, c, and d—so that it all depends whether he goes before a magistrate or an information is laid in which the court will send him up for trial. It seems extraordinary that you cannot punish a man properly without drawing the distinction that there shall be a different punishment whether he is tried before a magistrate of before a judge. I quite endorse the remarks made by the Senator from New Brunswick (Hon. Mr. Fowler): we want to stamp this crime out, but we ought to do it properly.

Hon. Mr. DANDURAND: I do not see that there is any difficulty in this Act. The minimum is the same in both cases—six months, before a judge or a jury. If the Crown Attorney or the Department feels that the offence is so serious that the accused must be tried before a judge or a jury, they so direct. Of 1,850 convictions last year, perhaps a maximum of 20 per cent of the cases went to a jury.

Hon. Mr. McMEANS: Might I ask what the charges were? Did they come under subsection e?

Hon. Mr. DANDURAND: Principally under subsection d.

Hon. Sir JAMES LOUGHEED: I hope my honourable friend will not think I am interrupting him when I ask this. Let us assume the charge is under paragraph e; that is a very serious offence—selling to minors.

Hon. Mr. DANDURAND: There is no option in that instance; it must be tried by indictment. That is at the end of the section.

Hon. Sir JAMES LOUGHEED: Well, let us go back to d. A constable in the prosecution of his duty finds an offender violating the law, and he arrests him on sight, and at once brings him before a justice of the peace. The Department knows nothing about this. The officer who is charged by the Government with the administration of this very important statute knows nothing about it. The case comes next morning before the justice of the peace, on summary conviction, and is disposed of. Now, it may be the most serious case in all this calendar of crime, but the offender cannot be tried twice, and nobody can intervene, because he has been tried.

Hon. Mr. FOWLER: No; the magistrate decides whether he will try him by summary conviction.

Hon. Sir JAMES LOUGHEED: We have not been attributing any too much intelligence to these magistrates and the magistrate proceeds to deal with the subject—in fact, is flattered that the case is brought before him, and he proceeds to deal with it. A summary conviction is made, whereas the man should be tried by indictment. I say that the Department does not appreciate the seriousness of the duty imposed upon them, and if they fail properly to prosecute, it is entirely owing to their own ignorance, and they have shown a degree of ignorance in asking us to deal with the Criminal Law in this way.

Hon. Mr. BENNETT: Take, for instance, a case in the county of Simcoe. The Crown Attorney resides at the town of Barrie, and there are police magistrates at Collingwood,

Penetanguishene, Orillia, and Midland. Assuming that a man is caught in the act of selling by the local constable, who takes him to the police magistrate in the town. If he secures the services of a lawyer the latter will say at once: "You go before the police magistrate; we will hurry the case on, and he will give you only 18 months, if he gives you the limit." But if the case is not hurried through, it may come to the ears of the Crown Attorney, and he will come up, because he is paid fees for going, and when he comes up he will say: "This is not a case, Mr. Magistrate, for you to dispose of summarily; this is a heinous affair; send him down for trial." Then an indictment follows, and he may get 7 years; but it is only a question of activity whether the man gets eighteen months or seven years. I appeal to my honourable friends, the lawyers from Ontario, if I do not state the matter correctly.

Hon. Mr. DANDURAND: I may inform the Chamber that this Act has been on the Statute Book for the last 3 years. It was my honourable friend who convinced us that this was the proper way of dealing with this question and defining the offence, because my honourable friend, if he looks at the clause we are now discussing, will see that it was passed under his direction on the 4th of June, 1921.

Hon. Sir JAMES LOUGHEED: But my honourable friend will pardon me if I say this —that I took what was handed me, just as he is doing to-day, and I venture to say that I knew as much about the Act then as my honourable friend knows about it to-day, and I will not say that that is very much. But not having the responsibility of putting through this House everything that has been handed to me, I have looked into it critically, and I am satisfied that this is entirely wrong.

Hon. Mr. DANDURAND: Well, I may tell my honourable friend that he did no wrong. His legislation was good. It has been applied through the whole length and breadth of Canada, and it has served the purpose. The hypothesis which my honourable friend from Midland (Hon. Mr. Bennett) states would cover minor offences. The Federal Government and the Department watch the whole trade and assist in arresting all the small traders and traffickers, but they are mostly brought before magistrates. You could not think of having 450 cases, as they did in Montreal last year, before a judge or a jury.

Hon. Sir JAMES LOUGHEED: We are not complaining about that. We are complaining about disparity between the two sentences for the same offence.

Hon. Mr. BENNETT.

Hon. Mr. DANDURAND: But the disparity is only on the surface. In reality the minimum is six months, and if the Crown believes that an example must be made, and that a trafficker, for instance, who had 400 pounds of opium, and who is a large distributor and trader, should be punished in a more severe way, then a charge is laid and the Crown proceeds by indictment against him.

Hon. Sir JAMES LOUGHEED: But what if the trial takes place before the Departmer knows anything about it? Suppose a local constable hales an offender before the magistrate; he is arrested to-night and appears before the magistrate to-morrow morning; the magistrate disposes of the case summarily, and even goes to the extent of the maximum; can it be said that that is a proper administration of justice? In the next block a man may be arrested by another policeman, who may consult the Crown prosecutor, and the latter may say, "We won't allow this man to go before the magistrate: we will treat it as an indictable offence."

Right Hon. Sir GEORGE E. FOSTER: If you were to make the limit seven years in both cases, would not that be better?

Hon. Mr. DANDURAND: The Department has no objection to drawing attention to the danger of a magistrate coming down very heavily and sometimes fining or judging very severely cases which are of a minor order. Of course, you are putting into his hands the right of giving 7 years. The Department has no objection to drawing that to his attention.

Right Hon. Sir GEORGE E. FOSTER: But the offences are of such a nature, and the people who commit them are of such a quality, that I do not think they ought to get much sympathy for their hard pleas.

Hon. Mr. FOWLER: It is not a question of sympathy.

Right Hon. Sir GEORGE E. FOSTER: Make it 7 years, and you have it logical.

Hon. Mr. FOWLER: But police magistrates are selected from men trained in the law; almost invariably they are lawyers.

Hon. Mr. McMEANS: That is not the case always.

Hon. Mr. FOWLER: But what they do in the wild West does not indicate what they do in the cultivated provinces.

Hon. Mr. McMEANS: But I am taking the city of Ottawa.

Hon. Mr. FOWLER: It is the custom in the Maritime provinces to appoint lawyers; consequently the difficulty which my honourable friend has pointed out would not apply. If you are going to make the penalty 7 years in the penitentiary, and have no summary conviction at all, it seems to me you will throw upon the courts a tremendous amount of work, particularly in the big centers like Montreal and Toronto, where this vice is rampant.

Hon. Mr. SCHAFFNER: Do you think any of those courts are overworked?

Hon. Mr. FOWLER: They are not down in our country, because we are a law-abiding and God-fearing people, but in the great centers like Montreal and Toronto the courts are worked hard, and have a great deal to do. It seems to me we have it pretty well fixed now just as it is—seven years as a maximum, with a minimum of six months, and eighteen months with a minimum of six months.

Hon. Mr. DANIEL: And a fine of $1,000 isn't it?

Hon. Mr. FOWLER: Yes; and $200 minimum. Now, you cannot put any fine by indictment?

Hon. Sir JAMES LOUGHEED: Oh, yes, the fine is by indictment. Will my honourable friend read again about the summary conviction?

Hon. Mr. DANDURAND: It is as follows:

Upon summary conviction to imprisonment for any term not exceeding 18 months and not less than 6 months, and to a fine not exceeding $1,000 and costs, and not less than $200 and costs.

Hon. Mr. FOWLER: That was not in before?

Hon. Mr. DANDURAND: No.

Hon. Mr. LYNCH-STAUNTON: Does anybody suggest that all those crimes should be indictable?

Hon Sir JAMES LOUGHEED: No, that is not the suggestion at all.

Hon. Mr. DANDURAND: The suggestion is that the same maximum should prevail, and that the magistrate should have a right to sentence to 7 years, as in the case of a jury trial.

Hon. Mr. LYNCH-STAUNTON: Then you might as well do away with the indictment altogether.

Hon. Mr. DANIEL: I think if you get $1,000 out of them, and eighteen months in jail, they will probably stop doing it.

Hon. Sir JAMES LOUGHEED: We discussed here at very great length—I think we took several days to discuss it—the desirability of uniformity of sentences; and upon the very first occasion we are implanting on the statute a provision by which the greatest disparity as to the same offence may be had in the sentence.

Hon. Mr. BENNETT: I will venture to say that this would happen in the county of Simcoe or any other county in the province of Ontario where there was a lawyer with any brains at all. He would understand that section, and if he were at the county town in Simcoe, the Crown Attorney would hear of the case, and he would go down there to the magistrate; and when one honourable gentleman talked about those magistrates being lawyers, it is not so in Ontario.

Hon. Sir JAMES LOUGHEED: It is not so in the West; they are nearly all laymen.

Hon. Mr. BENNETT: There is only one lawyer in the whole list that I named, and he is not in the county town. The result would be this—that the Crown Attorney, having heard of it, would very soon load up the police magistrate with the indictment idea. Pointing it out to him, he would say, "The Act contemplates indictment; there it states indictment;" and the result would be he would commit the man for trial, and the indictment would follow in the Superior Court. But if anyone consulted a lawyer he would say: "You are in custody now, but we will have you out by night before the Crown Attorney hears about it."

Hon. Mr. FOWLER: You would wipe out the indictment altogether?

Hon. Mr. BENNETT: Make it 7 years each.

Hon. Mr. DANDURAND: My honourable friend is not stating the true state of things in Ontario. Of 350 convictions last year in Ontario only 5 cases were by indictment.

Hon. Sir JAMES LOUGHEED: Then, let me ask, why make a provision as to indictment at all, if you are not going to make use of trial by indictment? I say with every confidence that in my own city the police magistrate is a layman, and a very good magistrate at that; and if the most serious offences covered by this Bill should be committed I know the accused would be at once brought before the magistrate, not before the judge; and the magistrate will continue to try all those cases. Now, it seems to me it is a farce to talk of trying these cases by indict-

ment, and imposing such a sentence as is mentioned, if it is not intended to make use of that particular machinery of the law. I say without any hesitation that in the West all those offences will be tried by magistrates.

Hon. Mr. LYNCH-STAUNTON: Does the honourable gentleman forget that that is just exactly what the law is now?

Hon. Sir JAMES LOUGHEED: But we are amending the law.

Hon. Mr. DANDURAND: But the law has been that since 1921.

Hon. Mr. LYNCH-STAUNTON: It appears to me that there may be some very important and serious cases that it would be proper to try by indictment; but unless there has been some dissatisfaction with the administration of the law as we put it through before I do not see why we should change it.

Hon. Sir JAMES LOUGHEED: I take it for granted that the Department is here to get more drastic remedies for enforcing the law. If that has been the law I would like to know why they are here to-day seeking to amend it.

Hon. Mr. DANDURAND: No, this is an edition of the Act with a few changes.

Hon. Mr. LYNCH-STAUNTON: I agree with the honourable leader that we should be given some reason why we should change it at all.

Hon. Mr. DANDURAND: There was no desire expressed to change it except by the representation of some members of this House as to the minimum penalty, and there has been a modification just to meet the wishes of the members of the Senate.

Hon. Mr. LYNCH-STAUNTON: I should have thought these people would be treated, as the honourable leader says, as vagrants, who are all tried by summary conviction; but some person must have had some reason why some of these cases should be made indictable. I cannot see any particular reason why they should be indictable.

Hon. Mr. PARDEE: Suppose a man were found with 400 pounds of opium, would not that be an indictable offence?

Hon. Mr. LYNCH-STAUNTON: If he is found with 400 pounds of opium he could get a larger sentence; that is the only distinction.

Hon. Mr. PARDEE: A man found with a pipe smoking opium should not get seven years.

Hon. Mr. LYNCH-STAUNTON: I think it would be the public desire that they should all be indictable.

Hon. Mr. FOWLER: I think a man who is an habitual offender, who kept on breaking the law again and again, should have a heavier punishment than a first offender.

Hon. Mr. McMEANS: Look at subsection e: you must try that case by indictment.

Hon. Mr. FOWLER: A habitual offender who had been prosecuted, paid his fine, and was going on again with the same trade, should be indicted.

Hon. Mr. McMEANS: Is there not provision made for whipping in this case?

Hon. Mr. DANDURAND: I am informed that in Vancouver just such a case was mentioned. A man had been convicted and on the third time he was tried he got seven years. I am informed that one of the best magistrates who tries cases to the satisfaction of the Department and of the city in which he lives, is the magistrate my honourable friend mentioned, from Calgary. The vast majority of cases fall under the minor penalty; but surely it should be left to the Department to decide when they shall proceed by indictment.

Hon. Sir JAMES LOUGHEED: My contention is that you should state the class of case to be tried by indictment; you should draw a distinction, because 90 per cent of these cases, I don't care how serious they may be, will be tried by a magistrate.

Hon. Mr. DANDURAND: My honourable friend will notice that it is only under paragraphs a and d that there is any option: under e there is none.

Hon. Mr. BENNETT: May I ask what becomes of a fine? Does part of it go to the municipality?

Hon. Mr. DANDURAND: No, the whole of the fine goes to the party that prosecutes —either the municipality or the province or the Federal Government.

Hon. Mr. BENNETT: That is, the informer.

Hon. Mr. DANDURAND: No.

Hon. Mr. LYNCH-STAUNTON: No informer gets anything.

Hon. Mr. BENNETT: The magistrates dearly love to deal with these cases. The constable goes to the magistrate in the evening and says: "I have a man in the coop

accused of dealing with opium;" and he tells a lawyer, and the lawyer goes and sees the accused. "Well," he says, "we had better get you before the magistrate before the Crown Attorney hears of it, because then I can get you off under the eighteen months' clause, perhaps; but if the County Crown Attorney hears of it he will be up and will persuade the magistrate to indict you."

Hon. Mr. DANDURAND: For the first offence, 99 per cent get the minimum.

Hon. Sir JAMES LOUGHEED: Let it go. The Department will be back next Session asking for an amendment.

The amendment was agreed to.

At six o'clock the Committee took recess.

The Committee resumed at 8 o'clock.

On section 14—onus of proof on charge of importing, etc.:

Hon. Mr. DANDURAND: I stated that I would move to strike out the words: "that the accused did not commit the offence or". I now ask leave to withdraw that amendment, as I am moving to strike out the whole clause and to replace it with the following:

Where any person is charged with an offence under paragraphs a, d or e of section 4 of this Act—

b is dropped—

it shall not be necessary for the prosecuting authority to establish that the accused had not a license from the Minister, or was not otherwise authorized to commit the act complained of, and if the accused pleads or alleges that he had such license or other authority, the burden of proof therof shall be upon the person so charged.

Hon. Mr. McMEANS: Why do you not use the word "onus"?

Hon. Mr. DANIEL: "Burden" is better. "Burden" is Saxon; "onus" is Latin.

The proposed amendment was agreed to.

The title was agreed to.

The Bill was reported, as amended.

ADMIRALTY BILL

SECOND READING

The Senate resumed from May 7, the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 117, an Act to amend the Admiralty Act.

Hon. Mr. DANDURAND: I stated last evening that the information which I had furnished to the Senate had been secured from official reports, and that I had received no direct memorandum from the Department of Justice. I read the Revised Statutes, Chapter 141, to indicate that the object of the Bill seemed to be to give exclusively to the Governor in Council jurisdiction which previously had been divided between the local judge and the Governor in Council. As the discussion proceeded I cited the Acts of 1920 and 1922, stating that the latter seemed to have already given the authority to the Governor in Council; but I find from the memorandum handed me that such was not exactly the situation.

There was some confusion about the former legislation. According to the Admiralty Act, Revised Statutes, Chapter 141, a local judge in Admiralty was authorized to appoint a deputy judge with the approval of the Governor in Council, and the appointment might be revoked in the like manner. By Chapter 33 of 1920 it was provided in alternative that the Governor in Council, or a local judge in Admiralty with the approval of the Governor in Council, might appoint a deputy judge, and that such appointment might be revoked in the like manner. This Act however was not brought into force.

Then, by Chapter 4 of 1922, it was provided that the Governor in Council might appoint a deputy judge; that such deputy judge should hold office during good behaviour, and might be removed by the Governor in Council. This Act also has not been brought into force.

Hon. Sir JAMES LOUGHEED: Would you state the reason? Was it to come into effect by Order in Council?

Hon. Mr. DANDURAND: Perhaps by proclamation.

By the present Bill it is proposed to repeal both the Act of 1920 and the Act of 1922, neither of which, as I have said, has come into operation, and to vest the power of appointment as well as the power of removal, in the Governor in Council, so that the effect of the proposed legislation, so far as section 11 is concerned, will be to leave the law as originally enacted in the Revised Statutes, except that the appointment of a deputy judge will be made direct by the Governor in Council and not through the medium of the local judge. The former method of appointment, I may say, was found cumbersome and dilatory as it depended upon the exercise of two distinct authorities, the local judge and the Governor in Council, and the proposed amendment is designed to simplify and accelerate the procedure.

Some years ago the judge of the Exchequer Court made rules authorizing local or deputy judges to receive fees of office. This was done principally to provide some compensation for the deputy judge at Montreal, who was transacting considerable business there, while the local judge resided at Quebec. More recently the judges salaries have been raised, and by section 2 of Chapter 59 of 1919 it was provided that no salary shall be paid to any local judge in Admiralty who is a judge of any provincial superior court, although this provision was not to apply to local judges appointed before the coming into force of the Act. In view of this provision and of the increase of judical salaries, and in view of complaints made by suitors against the payment of fees, it is considered advisable to abolish these fees.

In the Province of Quebec there are two large shipping centres at Montreal and at Quebec, and presumably there would always be a local judge or a deputy judge at each of these places. It is considered that they should be on the same footing with regard to remuneration; and therefore, while the judicial fees are abolished, it is provided by section 3 of the proposed Act that a deputy judge at Montreal or Quebec, when the local judge resides at Quebec or Montreal, shall receive the same salary, if any, as if he were the local judge.

As to the Senate questions: the salary of the local judges is regulated by the Judges Act, Chapter 138, Revised Statutes, section 5, and is $1,000, except for the Toronto Admiralty District, where it is $600. This, of course, is subject to the said Chapter 59 of 1919, subsection 2; that is, the new appointees are not entitled to remuneration.

A deputy judge will not receive any salary except one in the Province of Quebec, and then only if he be not a judge of a superior court.

There is no power given by this Bill to dismiss any judge except a deputy local judge, and the tenure of the local deputy judges has always been during pleasure.

This is signed by the Deputy Minister of Justice.

Hon. Sir JAMES LOUGHEED: What is a deputy local judge? That is the question I was particularly anxious to get some information upon. The memorandum which my honourable friend has just read, except in the last line or so, uses the term "deputy judge." From my observation, the only time the term "deputy local judge" is used, is towards the end of the memorandum. Clearly this Bill would permit of the appointment by the Government of deputy local judges with jurisdiction in Admiralty in all Admiralty districts, and there is nothing in the Bill to signify in any way what is the intention of the Government as to local judges. That is to say, at the present time, as I understand, most of the county court judges living in Admiralty districts in Ontario have Admiralty jurisdiction attached to their office. This clearly would give to the Government power to appoint one or more local judges in every Admiralty district in Canada.

Hon. Mr. DANDURAND: No, deputy judges.

Hon. Mr. TESSIER: But how can you appoint a deputy judge if there is no judge?

Hon. Sir JAMES LOUGHEED: "One or more deputy local judges." What is a "deputy local judge"? I have not seen the phrase used elsewhere. I can understand what a local judge is, but I do not understand what is a deputy local judge.

Hon. G. G. FOSTER: Is not Judge McLennan a deputy local judge in Montreal?

Hon. Mr. DANDURAND: I remember that Sir Adolphe Routhier was the local judge in Admiralty, and then under section 11 of chapter 141 of the Revised Statutes he had a deputy judge appointed in Montreal.

Hon. G. G. FOSTER: Judge McLennan.

Hon. Mr. DANDURAND: I am under the impression that Judge McLennan was appointed.

Hon. Sir JAMES LOUGHEED: Shortly before the late Government went out of office he was appointed.

Hon. G. G. FOSTER: I am quite certain he acted as deputy judge before the death of Judge Routhier.

Hon. Mr. DANDURAND: Then probably he has become the local judge, and the one to be appointed in Quebec will be a deputy judge. I am not absolutely au fait. I am under the impression that there is at present no deputy judge in Quebec.

Hon. Mr. TESSIER: Is there any judge at all? Formerly we had for a good many years a Judge of the Admiralty Court in Quebec—Judge Black. There was no judge in Montreal at that time.

Hon. G. G. FOSTER: There was a deputy judge, though.

Hon. Mr. TESSIER: Not at that time. All the business used to be done in Quebec. Judge Black was succeeded by Judge O'Kill Stuart. But now is there a Judge in Admiralty? I do not see how you can appoint a deputy judge if there is no judge. It would be nonsense.

Hon. Mr. DANDURAND: I think that goes without saying.

Hon. Mr. BEIQUE: If you will allow me, I will refer to Chapter 141 of the Revised Statutes—section 11:

A local judge in Admiralty may, from time to time, with the approval of the Governor in Council, appoint a deputy judge.

The honourable gentleman (Sir James Lougheed) asked, what is a deputy judge.

Hon. Mr. TESSIER: Deputy judge of what—Admiralty?

Hon. Sir JAMES LOUGHEED: He may appoint a deputy judge, but it does not say he shall be a deputy local judge.

Hon. Mr. BEIQUE: Section 8 provides for the appointment of local judges in Admiralty, and section 11 provides for the appointment of deputy judges. Section 11 continues in this way:

and such deputy judge shall have and exercise all such jurisdiction, powers and authority as are possessed by the local judge.

Hon. Mr. DANDURAND: I think my honourable friend will find that the situation is not peculiar to Montreal and Quebec.

Hon. Sir JAMES LOUGHEED: No, it is not.

Hon. Mr. DANDURAND: He will find that there is a local judge in Admiralty in Halifax. and that that local judge in Admiralty has a deputy at Sydney, where such a court is neded. That deputy judge at Sydney may be a county court judge residing in that district.

Hon. Mr. PARDEE: I think that where the appellation "local judge" comes in, it is on account of the county judges being local judges of the County Court.

Hon. Sir JAMES LOUGHEED: Yes, they would be.

Hon. Mr. BENNETT: Is it contemplated that in Ontario these so-called local judges may be, as read from the memorandum, either judges of the Superior Court or judges of the County Court?

Hon. Mr. PARDEE: That is what it means. That is where the appellation "local judge" comes in.

Hon. Sir JAMES LOUGHEED: It does not say so. I think it would be at the discretion of the Government to appoint anyone a deputy local judge. The Act is quite silent as to its being limited to members of the judiciary. It is simply a matter of designation, and the Government may say by Order in Council: "We appoint John Smith a deputy local judge in Admiralty."

Hon. Mr. McMEANS: There is no qualification.

Hon. Mr. DANDURAND: Under section 11 there is no change as to the jurisdiction or the payment of the local judge or deputy judge. Clause 11 simply transfers the powers which were held jointly by the local judge and the Governor in Council to the latter exclusively. That is all there is in section 11. Section 2 says:

No judge, local judge or deputy local judge shall take or receive any fee of office upon the trial of any cause or upon any other judicial proceeding.

As this is an amendment to the Admiralty Act, I take it for granted that this applies to the Admiralty judges.

Hon. Sir JAMES LOUGHEED: But you will come down by and by with an estimate for the payment of something to the local judges.

Hon. Mr. DANDURAND: No. My honourable friend will find that section 3 declares that there is to be a payment, but only in Quebec and Montreal. We are privileged.

Hon. G. G. FOSTER: That is special.

Hon. Mr. DANDURAND: There will be a payment if the deputy judge is not a judge of the Superior Court. I do not know why this clause provides for the possibility of a deputy judge not being a judge of the Superior Court, but this is the clear explanation that the Deputy Minister of Justice gives. He indicates that under this Act it is impossible for a judge of the Superior Court to receive any fee or salary.

Hon. Mr. BENNETT: But in the memorandum from which the Minister read it was stated that the judge to be appointed might be either a Superior Court judge or a County Court judge. Now I ask, is that same principle to be followed in the province of Ontario?

Hon. Mr. PARDEE: Why not?

Hon. Mr. BENNETT: To my mind it is a great mistake to appoint County Court judges in Ontario to take the place of the Superior Court judge who now presides.

Hon. Mr. DANDURAND: Will the honourable gentleman tell me if there are County Court judges already acting as deputy judges to the Judge in Admiralty?

Hon. Mr. PARDEE: No.

Hon. Mr. BENNETT: No, I do not think there are. This must be borne in mind, that the litigation that comes before the Court of Admiralty is very often of a serious nature. I saw reported only the other day a case tried by Judge Hodgins. He is the only judge in Admiralty in Toronto and for the province. It was a case in which a dredge had been sunk. The question was which of two tugboats or steamers had sunk the dredge. I have no knowledge of what damage was done. My recollection is that no amount was stated in the verdict, but that a reference was to be made to ascertain the damages. Now, Judge Hodgins in his position as the sole Admiralty judge acts in all cases that come up.

Hon. Mr. DANDURAND: And he has no deputy?

Hon. Mr. PARDEE: No.

Hon. Mr. BENNETT: I have never heard of any complaint. He has become conver-

sant with the law. I assume that if this Bill goes into force in its present form there would be in all probability a judge appointed to reside at Kingston and dispose of business in that district of the St. Lawrence river and Lake Ontario; then there would probably be a judge for either Welland or Lincoln, those districts being adjacent to the Welland Canal; and of course there would be one at Sarnia, which is on the main artery; and it might be that the judge of the county of Simcoe would be appointed too, because the main port of the C.P.R. and the G.T.R. is situated on the Georgian Bay. Here you are going to appoint four County Court judges—

Hon. Mr. DANDURAND: Where does my honourable friend get that?

Hon. Mr. BENNETT: Well, you are to have the power to appoint local judges.

Hon. Mr. DANDURAND: That is the law as it stands. It is not changed.

Hon. Mr. BENNETT: But the appointments have never been made, apparently.

Hon. Mr. DANDURAND: Why should we make them now? Why should the Governor in Council appoint deputy judges in Ontario if there have been none so far?

Hon. Mr. BENNETT: Then why take the power that you do in the Bill?

Hon. Mr. DANDURAND: No, no; the Act is not changed in that respect. The power is vested in the Governor in Council to-day to appoint deputy judges in Admiralty.

Hon. Mr. BENNETT: The chief cause assigned last night during the debate was the difficulty in having cases tried outside of Toronto, owing to the fact that the judge resided there; and the honourable gentleman seemed to assent to that view as showing a very good reason for having this power in the Act.

Hon. Mr. DANDURAND: Oh, no, I did not assent.

Hon. Mr. BENNETT: I will not say the honourable gentleman assented, but at all events he did not demur.

Hon. Mr. DANDURAND: I know nothing about Ontario, and would not venture to express an opinion about the needs of that province.

Hon. Mr. BENNETT: But the honourable gentleman would take power under this Bill to appoint four salaried judges, who may be County Court judges and exercise the same power as Judge Hodgins has to-day. Experience in the province of Ontario has shown that by the increase of the jurisdiction of County Court judges, whereby they have become entitled to try cases involving much larger amounts than formerly, there have been a lamentable number of appeals to the Supreme Court judges at Toronto. I do not think that a County Court judge, who is not conversant with admiralty law at all and who may try an Admiralty case only once in twenty years, should have handed to him for trial a case that may involve thousands of dollars, when you have in Toronto to-day a judge who tries all the cases that come up and who must of necessity be more conversant with the law than a judge who has hitherto had no cases at all before him. Yet this Bill is going to provide that the Government may appoint, if they so desire, say half-a-dozen local judges, County Court judges, in the province of Ontario; and, furthermore, they will be salaried.

Hon. Mr. PARDEE: With regard to the honourable gentleman's remarks as to the extension of the jurisdiction of County Court judges in Ontario, I desire to say that I cannot agree witih him in the least. He says there are more appeals.

Hon. Mr. BENNETT: From County Courts.

Hon. Mr. PARDEE: That argues nothing whatever. The same cases would have been tried before the Supreme Court judge, and appeals might have been made in exactly the same way. I have had some experience with the enlarged jurisdiction of the County Courts, and my observation is that it has given the utmost satisfaction. It provides a better opportunity for the more rapid trial of cases, and almost invariably you get the same amount of satisfaction from a County Court judge as you would from a Supreme Court judge. The experience in our part of the country under the enlarged jurisdiction of the County Court has been extremely satisfactory.

With regard to Admiralty practice, in my experience County Court judges as a rule are quite as capable of trying the class of cases that are brought up under Admiralty as they are any other class. There are not, as a matter of fact, very many Admiralty cases tried in the province of Ontario. I firmly believe that it would be far better for the litigant—much less expensive and much more convenient—to have these cases tried by the ordinary County Court judges than to send them to Toronto for trial. The one thing needed in litigation these days is

to have excessive costs done away with. This is absolutely a step in the right direction. My experience of County Court judges is that nine times out of ten you get just the same degree of satisfaction and just the same careful consideration of the law as you do from Supreme Court judges.

Hon. Mr. McMEANS: The only difference is that they make the first guess.

Hon. Mr. PARDEE: Perhaps they all guess to some extent; but a good many of us, even lawyers, do guess.

I may say, along this very line, that at the time when Sir Allen Aylesworth was Minister of Justice I tried to impress upon him the fact that centralization in the city of Toronto for the trial of Admiralty cases was entirely wrong, and that, so far as he possibly could, he should extend the jurisdiction and have someone appointed in the local district to try this class of cases. It is not breaking confidence to say that Sir Allen Aylesworth would not listen to me. He said no, it was wrong—that this class of cases ought to remain just where they were. To that I took strong exception, and I take exception to-day. I am absolutely convinced that this Bill is exactly on the right lines, and for that reason I will support it as strongly as I can.

I might point out to the honourable leader on the other side of the House where, in my opinion, the difficulty as to the appellation "deputy local judge" arises. It did bother me at first, I must say. I believe that is due to the fact that in the counties of the province of Ontario the judges are termed local judges of the County Court. That in all probability is the reason the expression "deputy local judge" has crept in. I cannot see any other reason for it. I do not think that I should be in favour of granting the Governor in Council the right to appoint any person at all as a deputy local judge. I think the appointment ought to be strictly confined to the Bench itself.

Hon. Sir JAMES LOUGHEED: I think so too.

Hon. Mr. BENNETT: The fact that this is the law, as it has been for many years past, certainly proves—

The Hon. the SPEAKER: I would point out to the honourable gentleman that this is a discussion on the second reading.

Hon. Mr. BENNETT: With the indulgence of the House I may add just one word by way of explanation. This law has been administered under the Government of both political parties, and neither of them have, so far as the province of Ontario is concerned, appointed any of those judges. My honourable friend from Lambton (Hon. Mr. Pardee) has stated that Sir Allen Aylesworth, who was no mean authority, was very strongly against conferring the power on County Court judges.

Hon. Mr. PARDEE: No; he was against taking it out of Toronto.

Hon. Mr. BENNETT: It was then relegated to one Superior Court judge. Now, if the House approves, there are to be at least five or six Admiralty judges appointed in Ontario. However, there will be leave to appeal.

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

LIVE STOCK BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 10, an Act to amend and consolidate the Acts respecting Live Stock.

Hon. Mr. Smith in the Chair.

Hon. Mr. DANDURAND: I would ask leave of the House to bring in Mr. Arkell.

Hon. Mr. DANDURAND: This is a consolidation of the present Acts, with the additions which I indicated last night.

Sections 1 to 8 were agreed to.

On section 9—regulations:

Hon. Mr. STANFIELD: I would ask the honourable leader of the Government, what relation has wool to poultry, eggs, etc.? Wool is not eatable.

Hon. Mr. DANDURAND: It is because it is a live stock product.

Hon. Mr. STANFIELD: So are hides and feathers. There is too much regulation in all departments now. People don't know where they get off at.

Hon. Mr. DANDURAND: Well, we have provided for an egg-smashing machine.

Hon. Mr. DANIEL: I would like the Minister to say what it is proposed to do with eggs which are not fit for human food—make fertilizer of them?

Hon. Mr. DANDURAND: They are to be destroyed. I hope they may be turned into good fertilizer.

Hon. Mr. DANIEL: The Bill speaks of valuing them. Are you going to value them if you are going to destroy them?

Hon. Mr. DANDURAND: It is in order that judgment may be passed upon them, declaring them to be valueless.

Hon. Mr. DANIEL: I do not see that there is much value in them if they are going to be destroyed.

Hon. Mr. DANDURAND: So that it will be stated in the judgment.

Section 9 was agreed to.

On subsection 2 of section 10—inspectors' certificates:

Hon. Mr. DANIEL: Where does the Government get the authority in this Act to appoint inspectors?

Hon. Mr. DANDURAND: Is it in the interpretation clause?

Hon. Mr. DANIEL: There is no authority in this Act.

Hon. Mr. DANDURAND: We have just the same form as the one the honourable gentleman objected to in regard to fruit inspectors. Section 2, paragraph b, says:

(b) "Inspector" means any inspector or other officer or person appointed by the Minister to perform any duty under this Act or under any regulation.

Hon. Mr. DANIEL: That is only the interpretation clause, which is merely an explanatory clause; it does not authorize anything.

Hon. Mr. DANDURAND. It is supposed to illuminate and explain the clause that is to be found in the Act.

Hon. Mr. DANIEL: What clause authorizes the appointment of inspectors?

Hon. Mr. DANDURAND: The answer I get from the Department is that there is an amount in the Supply Bill providing for a certain number of inspectors to be appointed by the Governor in Council. That is the regular procedure.

Hon. Mr. DANIEL: Does that mean that the Government can put anything in the Estimates that they please, to pay for appointments anywhere and everywhere, whether authorized or not? I do not think that is correct.

Hon. Mr. DANDURAND: My honourable friend will recognize the supremacy of Parliament, and, if Parliament so decides, there is nothing to be said. By whatever instrument or Act Parliament decides to do a thing, then it supersedes any regulation or Act to the contrary.

Hon. Sir JAMES LOUGHEED: Yes, if expressly stated; and it must be expressly stated in order to operate as a rule of an existing statutory provision. As I said this afternoon, we discussed this matter either last Session or some Sessions ago, and it was quite recognized that there must be a special provision inserted in the Act, and that has been done in the Patent Act which was before us yesterday, and which is on the Order Paper. It will be found in subsection 2, of section 3, reading as follows:

(2) There may be appointed from time to time, in accordance with The Civil Service Act, 1918, and any amendments thereto, such officers and clerks as are necessary for the purposes of this Act.

It is manifest that there must be some statutory authority for the appointment of the necessary staff. Moreover, it is very desirable that there should be some uniformity about our statutes. Unfortunately every Session there is scarcely a Department that does not come here and ask us to amend or consolidate its Acts. There is no attempt made to scientifically draft Acts of Parliament. Each Department has its own legal adviser, and he drafts an Act, it is put in the hands of a representative of the Department, is brought up here, and Parliament swallows it holus bolus almost invariably, instead of there being one law adviser of the Crown through whose hands every Act should pass. We pay no attention to uniformity, and the consequence is that our Statute Book is being filled to overflowing with all kinds of amendments, and complexities proceeding therefrom, and it is difficult for the public to know what the law really is.

Now, there should be uniformity in the drafting of statutes. There should be certain standard clauses, which manifestly must be applicable to all Departments. It is idle to suppose that one Department requires a clause such as I have read and other Departments can do without it. I do not wish to hark back to what took place this afternoon, but there was another example of the disparity which exists in our statutes—the absence of anything like scientific exactitude in the drafting of statutes. You have, for an offence, a magistrate imposing one penalty and a judge imposing an entirely different penalty; and notwithstanding the attention Parliament gives Session after Session to these matters, they are passed idly by. It seems to me that my honourable friend could not

do any public service so valuable as to direct the attention of the Government to the necessity of adopting some method of preparing our statutes that would result in uniformity about them, and likewise in other matters which apply to the public service.

Hon. Mr. BEIQUE: I call attention to paragraph j of section 9. Section 9 begins, "The Governor in Council may make regulations prescribing"—and then we have:

(*j*) Generally for carrying into effect the provisions of this Act.

Then paragraph b of section 2 defines "inspector or other officer or person appointed to perform any duty under this Act or under any regulation."

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to subsection 2 of section 10:

(2) Inspectors shall issue certificates for all live stock or live stock products inspected and approved or branded or marked by them. Such certificates shall be in such form as may be prescribed by regulation.

There is a very broad general power for carrying into effect the provisions of this Act, but there is no reason, since there is a definition of the word "inspector," why we would not have a clause in the Act giving the power to appoint the inspector. If my honourable friend thinks—

Hon. Sir JAMES LOUGHEED: I would say that the references made by my honourable friend from De Salaberry (Hon. Mr. Béique) are not sufficient. That is simply an interpretation. The Governor in Council certainly cannot exercise greater powers than the Act itself, and the authority given to the Governor in Council is simply to carry out, by Order in Council, the provisions of this Act. But if there is no provision in the Act for the appointment of staff or of clerks, it is manifest that he cannot pass an Order in Council.

Hon. Mr. DANDURAND: At all events, there is no objection to taking the clause from the Patent Act and incorporating it. We will go through the Bill and report progress.

Hon. Sir JAMES LOUGHEED: If my honourable friend will put that in the Bill it is quite satisfactory to me.

Hon. Mr. BRADBURY: There seems to be an overlapping between the Live Stock Act and the Inspection of Meats Act.

Hon. Mr. DANDURAND: What clause is my honourable friend referring to?

Hon. Mr. BRADBURY: I am speaking of the Act in general. You are taking the power to appoint inspectors to inspect live stock. But you have an Act already with inspectors, governing the inspection of all canned meats and all products of animals. Would not that be an overlapping of the two Acts?

Hon. Mr. DANDURAND: The Act my honourable friend refers to concerns exclusively health, while this simply covers trade. This Act has not the same object in view as the other. This is trade, while the other is a sanitary Act.

Hon. Mr. BRADBURY: The other Act refers to trade also. It refers to every product of an animal—to all canned meats, to carcasses killed and shipped out of this country when inspected by this Department. They have a staff of highly trained inspectors, I think 80 or 90, from one end of the Dominion to the other, and surely those inspectors would be able to inspect any products of animals.

Hon. Mr. DANDURAND: I am informed that the training required is absolutely different.

Sections 10 to 18, inclusive, were agreed to.

The preamble was agreed to.

Progress was reported.

SEEDS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 12, an Act respecting the Testing, Inspection and Sale of Seeds.

He said: Honourable gentlemen, the Seed Control Act of 1905 restricted the weed-seed content in grass and clover seeds and seed grain. The Seed Control Act of 1911 established compulsory grades for timothy, alsike, red clover and alfalfa seed; and by regulation optional grades were established for seed grain and other kinds of grass and clover seeds. It also established standards of vitality for all kinds of field seeds and also for garden vegetable seeds.

The new Bill aims to make a further substantial step in advance by providing for the compulsory grading of all kinds of grass and clover seeds and seed grain, and also, at the option of the seller, for the grading as to quality of field root and garden vegetable seeds. In addition, provision is made for controlling the vitality of all kinds of field and garden seeds, and provisions were introduced by the provisional Seed Board which have for their object the restriction of the use of spurious variety names and the multiplicity of new variety names, which it is proposed shall be licensed for the future. Also in

clause 7 it is proposed to suppress false representation in any form of advertising.

Wise and necessary exceptions contained in the old Act, as applied to the farmer, are carried forward into the new Act; and also the general provisions which give directions to the public or to the inspectors for carrying the provisions of the Act into effect.

A new principle is introduced in the establishment of an Advisory Board of experts, which Board will have to do with the making of necessary regulations. Experience in the administration of the Seed Control Act, the Feeding Stuffs Act and the Fertilizers Act, has shown that more efficient service is provided to the better satisfaction of the interested public by the adoption and application of this principle.

Hon. Sir JAMES LOUGHEED: I am not at all opposed to the policy of the Bill. I think it is an excellent one, and should receive the support of this House. However, I would desire, as an example of what I pointed out to the House a few minutes ago, to direct the attention of my honourable friend to paragraph e of section 2, which says:

"Inspector" means any inspector or other officer charged by the Minister with the enforcement of this Act.

The other Bill has an almost similar paragraph, which reads:

Any inspector appointed by the Minister for the enforcement of this Act.

There is clearly a distinction between the two. One pre-supposes that the appointment shall be made by the Minister; the other that the appointment shall be made by the Civil Service Commission, I apprehend, and that the Minister shall charge the appointee with the performance of his duties.

There is another rather singular section in this Bill, dealing with the same subject. I fail to understand why there should be so much dissimilarity in these Bills as to the appointment of staffs. Section 25 of the Bill reads as follows:

Such inspectors and official analysts may be appointed as required for the purposes of this Act.

What that means I cannot say. My honourable friend will probably look into the matter before we go into Committee so that there may be some clarity about the subject which will enable us to deal more intelligently with it than if we had not any information upon it.

Hon. Mr. DANDURAND: My knowledge of the matter dealt with in this Act is rather limited. If there is any honourable member of this House who takes a special interest in these matters, and who has read the Bill, I shall be very happy to have him by my side when we go into Committee.

Hon. Sir JAMES LOUGHEED: We will look around for him.

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

TRADE MARK AND DESIGN BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 21, an Act to amend the Trade Mark and Design Act.

He said: Honourable gentlemen, this Bill is for the purpose of bringing our law in respect of registration of industrial designs into harmony with the Articles of the International Convention for the protection of Industrial Property, to which Canada has decided to adhere. Article 2 of the Convention is in the following terms:

The subjects or citizens of each of the contracting countries shall in all the other countries of the Union as regards patents, utility models, industrial designs or models, trade marks and trade names, indications of origin, and the suppression of unfair competition, enjoy the advantages that their respective laws now grant or may hereafter grant to their own subjects or citizens.

Our Act at present allows only residents of Canada to register industrial designs. There is no reason for this restriction, and it should be removed in any case. Under our law all applicants, without regard to residence or nationality, may obtain patents and register trade marks. There is no reason for the distinction.

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend, while he is on his feet, what countries adhere to this particular Convention? We are now permitting foreigners to come into Canada and to enjoy all the privileges which to-day are confined to Canadians. It seems to me that we should assure ourselves that we are obtaining reciprocal advantages.

Hon. Mr. DANDURAND: I read from the British ratification deposited at Washington on April 1, 1913. We may find references to some people who have changed their vocations since then. I shall not personally shed any tears over the loss of some of the crowns that are mentioned in this preamble:

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India: His Majesty the German Emperor, King of Prussia, in the name of the German Empire; His Majesty the Emperor of Austria; King of Bohemia; etc.—

Hon. Sir JAMES LOUGHEED: They are gone.

Hon. Mr. DANDURAND: Yes, they are gone.

—and Apostolic King of Hungary, for Austria and for Hungary. His Majesty the King of the Belgians; the President of the United States of Brazil; the President of the Republic of Cuba; His Majesty the King of Denmark; the President of the Dominican Republic; His Majesty the King of Spain; the President of the United States of America; the President of the French Republic; His Majesty the King of Italy; His Majesty the Emperor of Japan; the President of the United States of Mexico; His Majesty the King of Norway—

Hon. Mr BEIQUE: That is enough.

Hon. Sir JAMES LOUGHEED: All those countries belong?

Hon. Mr. DANDURAND: Yes.

—Her Majesty the Queen of the Netherlands; the President of the Provisional Government of the Republic of Portugal; His Majesty the King of Servia; His Majesty the King of Sweden; the Federal Council of the Swiss Confederation; and the Tunisian Government.

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

CRIMINAL CODE BILL

SECOND READING POSTPONED

Hon. Mr. PARDEE moved the second reading of Bill 102, an Act to amend the Criminal Code.

He said: Honourable gentlemen, the memorandum which the honourable the leader of the House has asked me to take shows that the purpose of the Bill is to repeal certain sections of the Criminal Code dealing with opium joints, so as to bring the Code into agreement with the provisions of the Opium and Narcotic Drug Act; to prohibit the furnishing of any tips, selections, odds, winning money prices or other similar intelligence with respect to horse-races, or intended to assist or to be used in connection with bookmaking, pool selling, betting or wagering upon any fight, game, sport, or race other than a horse-race; to raise the age of consent from 14 years to 16 years with regard to certain offences against young girls; to make it a criminal offence to obtain a passage on any carriage, tramway, railway or vessel by the fraudulent use of a badge; and to extend the right of appeal to the Supreme Court of Canada given by section 1024A of the Code to cases of acquittal as well as conviction. This is a rather large programme.

Hon. Mr. McMEANS: Would the honourable gentleman explain what is meant by the appeal in cases of acquittal?

Hon. Mr. PARDEE: It is an amendment to section 1024A, Chapter 43 of the Statutes of 1920. The present Act reads:

Either the attorney-general of the province, or any person convicted of an indictable offence may appeal to the Supreme Court of Canada from the judgment of any court of appeal setting aside or affirming a conviction of an indictable offence, if the judgment appealed from conflicts with the judgment of any other court of appeal in a like case—

and so on. The amendment proposes the insertion, after the word "conviction," in the fourth line, of the words "or acquittal." In other words, as I take it, it would mean that even in the event of an acquittal there might still be an appeal taken to the Supreme Court of Canada from the Court of Appeal. I do not know what the House may say regarding the matter.

Hon. Sir JAMES LOUGHEED: What is that again?

Hon. Mr. PARDEE: It means in certain cases, if there has been an acquittal, although no appeal is possible to the Supreme Court, that by this legislation, which would become ex post facto, as I understand it, an appeal might be taken to the Supreme Court in order to upset the acquittal. As I say, I do not know what the House will say in regard to this legislation. Two or three honourable gentlemen expressed themselves with regard to it this afternoon. I leave it in the judgmet of the House whether the Bill should stand in the meanwhile.

Hon. Sir JAMES LOUGHEED: The honourable gentleman from Middleton (Hon. W. B. Ross) takes a very deep interest in this Bill, particularly in relation to certain sections of the Criminal Code, and has given a great deal of attention to the law as it stands to-day upon the Statute Book. Session after Session attempts have been made to repeal the legislation which, after very great thought and deliberation, this Chamber has framed and placed upon the Statute Book. In the absence of the honourable gentleman from Middleton, I should not like to see any disposition made of the Bill, particularly of those sections in which he is deeply interested. I expect that he will be here to-morow; certainly he will be here when we resume our sitting after the adjournment.

Hon. Mr. PARDEE: We might take the second reading of the Bill, and then consider it in Committee.

Hon. Mr. McMEANS: I would like to hear the principle of the Bill discussed, because I must confess that I do not understand the explanation given by the honourable gentle-

man. A man is acquitted after trial by a jury, and there is an appeal to the Court of Appeal, and he is acquitted there; and now you provide that an appeal can be taken to the Supreme Court. If a man is charged with an offence, when is he ever going to get free? You may ruin a man by simply bringing a charge against him. It does seem to me to be opposed to every principle of British justice.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that there is more than one principle in the Bill—it is an omnibus Bill.

Hon. Sir JAMES LOUGHEED: It covers almost every conceivable offence.

Hon. Mr. DANDURAND: Yes, there are three or four clauses. Of course, if a majority of the Senate were to dissent from the principle contained in each and every clause, that would settle the Bill on the second reading. I may say that I was spoken to by a representative of an association whose name I now forget, and I stated that I did not intend to bring before the Senate the clause that had already been rejected two or three times.

Hon. Sir JAMES LOUGHEED: Half-a-dozen times.

Hon. Mr. DANDURAND: But he informed me that he had seen some of the leading members of this Chamber, and that he had asked for a reference of this Bill to one of the Standing Committees or to a Special Committee of the House, in order that he might lay before the Committee the reasons for the legislation. If we decide to give a hearing to outside parties upon one or two or more of the clauses of this Bill, perhaps we could take the second reading and send to to Committee.

Hon. Mr. WILLOUGHBY: The honourable gentleman from Lambton (Hon. Mr. Pardee) says that to some extent this is ex post facto.

Hon. Mr. PARDEE: Yes.

Hon. Mr. WILLOUGHBY: What particular act or circumstance was in the mind of the honourable gentleman when he made that observation?

Hon. Mr. PARDEE: I would rather my leader would explain that part of the Bill. There is some special case which this is intended to cover, in regard to some device—a slot machine or something of that kind—in which there has been a conviction, and this legislation aims at that particular class of case. An acquittal, I understand, has already taken place. If this Bill is to hark back, then I describe it as I have done.

While on my feet I should like to say also that there is something further in this programme. A memorandum has been handed to me, which states:

> The Minister of Justice desires that if convenient the above Bill be amended in the Senate by adding thereto the following clause:—
>
> Section 242A of the said Act, as enacted by chapter 13 of the statutes of 1913, is amended by inserting the words "upon indictment or" after the word "liable" in the first line thereof.

So the section would read as follows:

> Everyone is guilty of an offence and liable upon indictment or on summary conviction to a fine of five hundred dollars, or to one year's imprisonment, or to both, who—
>
> (a) as a husband or head of a family, is under a legal duty to provide necessaries for his wife or any child under sixteen years of age; or,
>
> (b) As a parent or guardian is under a legal duty to provide necessaries for any child under sixteen years of age.

The memorandum then goes on to say:

> The purpose of the amendment is to remove a doubt which exists as to whether the provisions of the recent Supplementary Convention with the United States by which the offence of wilful desertion or wilful non-support of minor or dependent children was added to the list of extraditable crimes can be made effective in Canada. The offence covered by the Treaty is contained in section 242A of the Criminal Code, as enacted by chapter 13 of the statutes of 1913, and is punishable on summary conviction. Since the ratification of the Supplementary Convention representations have been made that the Treaty applies only to indictable offences, and that in order to make the Supplementary Convention effective it is necessary that this particular crime be made an indictable offence in Canada. While the question is not free from doubt, it is not unlikely that this view would be given effect to by the courts, and it is considered advisable, therefore, to amend section 242A so as to make this offence punishable upon indictment as well as upon summary conviction.

That will be added as an amendment.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it seems to me that some further consideration should be given to the entire Bill before the Senate approves of the principle of it. There is a well-established practice that upon the second reading we approve of the principle of a Bill. I quite appreciate the difficulty pointed out by my honourable friend the leader of the House. Where there is so much difference of opinion and where there are so many principles involved as are embodied in the many sections of this Bill, it is not easy to apply the principle generally. At the same time, in view of the action taken by the Senate in the past upon some of these sections, which may be said to be very contentious, one hesitates to permit of a second reading without feeling assured as to what will be the

ultimate step the Senate will take. The reverend gentleman to whom my honourable friend the leader of the House referred waited upon me, and what I said to him was this, that if the Government in its wisdom saw fit to send this Bill to a Committee for the purpose of hearing evidence upon those clauses to which the honourable gentleman from Middleton (Hon. W. B. Ross) has given special attention for several Sessions past, I ertainly would not object to such a reference being made. However, I speak only for myself and not in any sense for other members of the Senate. They may exercise their own judgment upon that. It seems to me that it would be very much better, if my honourable friend proposes sending this to a Committee, that the Committee should consider the entire Bill and submit a report to the House. Possibly many of the sections would be eliminated and we might then agree to some extent upon a general principle applicable to the Bill.

Hon. Mr. DANDURAND: There would be this advantage in sending such a Bill to a Committee, that the Department of Justice, from whom this legislation emanates, would have a representative there to explain and justify these amendments to the Criminal Code. I have already had occasion to say, and I repeat, that it is very unsatisfactory to have such legislation passed in the House of Commons without one word of criticism or one question put.

Hon. Mr. DANIEL: That is right.

Hon. Sir JAMES LOUGHEED: The burden is thrown on us. That is the intention.

Hon. Mr. DANDURAND: And year after year the Bill comes to us, for the Senate to deal with as it pleases. If we had that reference to a Committee, I think we should have much better information from the initiator of all this legislation, the Department of Justice.

Hon. Sir JAMES LOUGHEED: May I suggest to my honourable friend who has charge of the Bill (Hon. Mr. Pardee) that he permit it to stand until to-morrow and in the meantime give some consideration to the appointment of a Committe for that purpose?

Hon. Mr. PARDEE: Most certainly.

On motion of Hon. Sir James Lougheed, the debate was adjourned.

DOMINION LANDS (COAL) BILL

CONCURRENCE IN REPORT OF SPECIAL COMMITTEE

Hon. Mr. BEIQUE moved concurrence in the Report of the Special Committee to whom was referred Bill E2, an Act to amend the Dominion Lands Act respecting the sale or other disposal of coal lands and coal mining rights.

He said: The report of the Committee is to be found at page 295 of the Minutes of the 3rd of May, instant. For the information of this House it will be sufficient for me to refer to the latter part of the report, at page 300, which, I think, adequately explains what is contained in it:

> Following an interview with the Committee on the 18th April, 1923, Mr. Newcombe, Deputy Minister of Justice, considered the agreement between the Isenberg Estate and Mr. Murdoch of the 18th July, 1922 (Exhibit 5), and also the testimony of Mr. Murdoch given before the Committee. In a letter dated 23rd April, 1923, directed to the Committee by Mr. Newcombe, he states:

Honourable gentlemen will remember that this deals with those mining rights which have come before this honourable House on several occasions, and the question is whether they shall be conserved or not. Mr. Murdoch, acting on behalf of the Isenberg estate, who had been granted the leases, obtained a fiat authorizing the estate to bring a suit before the Exchequer Court, and the suit is now pending. Mr. Murdoch was examined before the Committee and was asked to produce the papers relating to the matter. Among them he produced an agreement between himself and the Isenberg estate, and the letter of Mr. Newcombe, Deputy Minister of Justice, is in reference to that agreement, which it criticizes. Here is Mr. Newcombe's letter:

> According to the narrative of the agreement Mr. Murdoch had previously been acting as agent of the estate for the purpose of having the leases recognized or restored, and it is implied in the arrangement as concluded that Mr. Murdoch shall have the direction of the petition which was then afoot, although in the name of the estate, he assuming all costs and expenses, and to be indemnified out of the proceeds of the property if successful.
>
> In these circumstances the arrangement under which these proceedings are being carried on offends against the law respecting maintenance and champerty. It is said that transactions of this character are specially discouraged as tending to pervert the due course of justice in civil suits; that no encouragement should be given to litigation by the introduction of parties to enforce those rights which the persons in whom the rights are alleged to exist are not disposed to enforce; and, quoting from Sir Frederick Pollock's 9th edition of Principles of Contract, p. 406—'The modern cases proceed not upon the letter of the statutes or of the definitions given by early writers, but upon the real object and policy of the law, which is to repress that which Knight Bruce, L. J. in Reynell vs. Sprye, 1 D.M.G. at pp. 680 and 686, spoke of as the traffic of merchandising in quarrels, of huckstering in litigious discord, which decent people hardly require legal knowledge to warn them from, and which makes the business and profit of 'breedbates, barretors, or counsel whom no Inn will own, and solicitors estranged from every roll.'

Remarkably enough, the authorities appear to be against the right of a defendant to plead a champertous agreement, illegal and void though it be, as a defence to an action maintained by the Champertor to recover the claim or property for the purposes agreed; but nevertheless it is obvious that the Crown cannot very respectably continue voluntarily to be associated with the project of this action which, as it now transpires, has in view the re-establishment of the leases under the stipulations of a huckstering agreement.

Certainly His Excellency would not have been advised to grant a fiat upon the petition if the facts disclosed by the agreement and Mr. Murdoch's testimony had been before the Department when the petition was considered, and therefore if there be power to revoke the fiat I would think this is a proper case for the exercise of the power. The Petition of Right Act however makes no provision, and so I venture to repeat the suggestion which I made to the Committee that it would be advisable to provide generally for such cases by apt amendment of the Petition of Right Act, and I submit herewith for consideration draft clauses which I have prepared to give effect to this suggestion.

Then follows the draft Bill as suggested by the Deputy Minister of Justice. The last clause of that draft Bill is:

2. Nothing in this Act shall be construed or interpreted as a legislative interpretation, declaration or limitation of the prerogatives of the Crown in dealing with the issue or revocation of any fiat granted upon petition of right.

I was somewhat surprised when the Deputy Minister of Justice made this statement:

Remarkably enough, the authorities appear to be against the right of a defendant to plead a champertous agreement, illegal and void though it be, as a defence to an action maintained by the champertor to recover the claim—

etc. I have a case in point, which is reported in the Supreme Court Reports, volume xxxiv, page 24. It is, in fact, a case in which I appeared for one of the parties—the case of Meloche vs. Déguire, wherein the champertous agreement was expressly pleaded, and the plea was maintained by the Supreme Court, the judgment of the lower courts, and especially the judgment of the court of appeal in Quebec, being reversed. The person who had advanced the money for the purpose of the litigation was the husband of one of the parties interested, and therefore a member of the family. So there seems to be no question under our jurisprudence that the plea can be made. However, the Committee has acted on the suggestion of the Deputy Minister of Justice, and has reported the draft Bill as suggested by him.

The report proceeds as follows:

Your Committee was informed by the Minister of Justice that this Bill will be forthwith introduced as a Government measure.

The Deputy Minister of Justice has also suggested, and your Committee concurs in the suggestion, that Bill E2. "An Act to amend The Dominion Lands Act respecting the sale or other disposal of coal lands and coal mining rights," referred to the Committee on the 21st March last, be amended as follows

Then the amendments follow. The Bill would take this form:

(1) Section 37 of the Dominion Lands Act, Chapter 20, 7-8 Edward VII, is amended by adding thereto the following subsection:—

"(2) Notwithstanding anything contained in the Dominion Lands Act, or in any Act amending the same, lands containing coal, and the coal mining rights therein, situate or being within townships 55, 56, 57, 58 and 59, in ranges 7, 8 and 9 west of the sixth Initial Meridian in the Province of Alberta, shall not be sold, leased or otherwise disposed of in whole or in part, or as to any right, title or interest therein, except by the special authority of the Parliament of Canada to be hereafter enacted."

If, as your Committee hopes and strongly urges upon the Government, the fiat granted on October 9th, 1922, is withdrawn, and the above mentioned Petition of Right permanently stayed, the question may arise whether under the special circumstances disclosed by the records of the Department of the Interior, an indemnity should be granted to the Isenberg Estate. In the opinion of your Committee such indemnity, if deemed advisable by the Government to be paid (as to which your Committee expresses no opinion), should be paid to nobody else but the Isenberg Estate, and should not exceed one hundred thousand dollars.

In closing this report your Committee deems it proper to state that in trying to dispose of the leases in question, Mr. William Murdoch has very improperly and unwarrantedly made use of the names of Ministers of the Crown, of Departmental Officials and other persons, as was conclusively established before your Committee.

Several witnesses were examined before your Committee and their evidence is reported herewith.

All which is respectfully submitted.

I move that the report be concurred in.

The motion was agreed to.

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Béique, the Senate went into Committee on Bill E2, an Act to amend The Dominion Lands Act respecting the sale or other disposal of coal lands and coal mining rights.

Hon. Mr. Bennett in the Chair.

Hon. Mr. DANDURAND: Honourable gentlemen, in conformity with the report of the Committee to which was referred Bill E2, now under discussion in Committee of the Whole, I move the following amendment. For clause 1, I move to substitute the following:

(1) Section 37 of the Dominion Lands Act, Chapter 20, 7-8 Edward VII, is amended by adding thereto the following subsection:

"(2) Notwithstanding anything contained in the Dominion Lands Act, or in any Act amending the same, lands containing coal, and the coal mining rights therein, situate or being within townships 55, 56, 57, 58 and 59, in ranges 7, 8 and 9 west of the sixth Initial Meridian in the Province of Alberta, shall not be sold, leased, or otherwise disposed of in whole or in part, or as to any right, title or interest therein, except by the special authority of the Parliament of Canada to be hereafter enacted."

Hon. Sir JAMES LOUGHEED: I think I would let the Bill go just as it is. Why amend it at all, in view of the other?

Hon. Mr. BEIQUE: I think it is better. We have adopted the report, which contains the suggestion of the Deputy Minister of Justice that we amend the Bill in this form, and our Committee concurred in that suggestion.

The motion was agreed to, and the Bill was reported as amended.

THIRD READING

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

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

PETITION OF RIGHT BILL

FIRST READING

Bill W4, an Act to amend the Petition of Right Act.—Hon. Mr. Dandurand.

SECOND READING

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

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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill W4, an Act to amend the Petition of Right Act.

Hon. Mr. Blain in the Chair.

Sections 1 and 2 were agreed to.

The preamble and the title were agreed to, and the Bill was reported without amendment.

THIRD READING

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

He said: Of course I realize that we have proceeded quite rapidly in disposing of this Bill, which will not appear on our Order Paper, yet it has been for a certain number of days in our Minutes, as forming part of the report which came from that Special Committee.

Hon. Mr. McMEANS: I do not think there will be anyone to object.

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

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

THE SENATE

Wednesday, May 9, 1923.

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

Prayers and routine proceedings.

DISMISSAL OF MAURICE JOBIN

INQUIRY

Hon. Mr. BOLDUC inquired of the Government:

1. Has Maurice Jobin been dismissed as Postmaster of Scott Junction, in the County of Beauce?
2. If the affirmative, has an investigation, concerning his behaviour, been held, previous to his dismissal?

Hon. Mr. DANDURAND:

1. Yes.
2. No. Postmaster dismissed on statement of Member of Parliament that to his personal knowledge Postmaster engaged in acts of partisanship.

ADVERTISING IN C. N. R. DINERS

DISCUSSION AND INQUIRY

Hon. F. B. BLACK rose in accordance with the following notice:

That he will call the attention of the Senate and the Government to the advertising of a foreign product on the menu card of the Canadian National Railways, and will inquire:

1. Is it the intention to use the menu cards of the Canadian National Railways' diners for advertising purposes?
2. If so, has the advertising privilege been offered to the public generally and particularly to Canadian producers and manufacturers?
3. When and by whom was the order issued to use the menu cards of the Canadian National Railways' diners for advertising raisins during the week April 22nd to 28th?
4. What price or remuneration was received for this advertising?

Hon. Mr. DANDURAND:

1. No.
2. Answered by No. 1.
3. The week in question was known and featured as national raisin week during which dishes containing raisins were featured on the special "To-day" slips. This was done by certain other railways and the Canadian National considered it advisable to do the same.
4. Participation was voluntary.

Hon. Mr. BLACK: Honourable gentlemen, If I am in order, I desire to say a few words, regarding the reason why I make the inquiry in this chamber. I am glad to have had the advantage of hearing the answer read before speaking on the subject.

My attention was called to the subject-matter of the question on the Sunday of the

week beginning April the 22nd. I was travelling east that morning and in the dining car I noticed a disturbance. One gentleman had just taken his menu card, torn it in two, and thrown it on the floor. I asked the conductor what was the trouble, and he said the gentleman had taken objection to the menu of the dining car being used as an advertising medium. I then picked up the menu card and found on it such statements as this: "This is National Raisin Week. Everyone is being urged to become acquainted with the deliciousness of raisin products as an energy-producing food." The items on the bill of fare were interlined with the advice, "Eat more raisins;" and you were invited to drink raisin coffee, eat raisin porridge, and have for dessert raisin pudding, etc. The porridge with which I was served that morning was spoiled by having raisins mixed in it.

I assumed that perhaps this was the result of a kindly act on the part of the Canadian National Railway or some person connected with it, who desired to give free advertising to a product not grown in Canada, and I supposed it was only for the one occasion; but when I went to lunch I found another menu card which was almost covered with the advertising of this same American product. Every dish in that particular menu that could have raisins in it had raisins mixed up with it. I had to go again to the dining car for dinner, and the very same condition existed. Returning three days later from the East to this city, I found the same condition again. I asked the conductor of the dining car—

Hon. Mr. FOWLER: Did they charge you extra for the raisin porridge?

Hon. Mr. BLACK: Not that I know of. I asked the conductor of the dining car if this advertising applied only to his particular car or if it was nation-wide, and from whom the authority came. He said that he had received an order dated the 17th of April, which read in part as follows:

> The management is desirous that raisins be featured one week on the menus in all dining cars on the Canadian National Railways.

Hon. Mr. BLACK: I suppose that if the same policy is followed, the next time I go down I shall receive for breakfast pink pills and tanlac mixed up with breakfast food, corn cure and pile remedies for lunch, and something else for dinner. However, what I do want to point out is this, that if the people of Canada are going to be insulted by having advertisements of that kind put for one week on every menu card on the Canadian National Railways, then the Company should get some benefit therefrom.

I have the opinion of advertising publicists in Canada as to the value of advertising of that class given for one week. Do you realize what it is? When you consider the number of dining cars there are in use on the Canadian National Railways for three meals each day, and the number of people who go into each one of those cars for each one of those meals, you will find that this is one of the most intensive advertising schemes that could possibly be devised. Do you know that a page in the Saturday Evening Post, published in the United States and circulated in Canada, is worth, according to its location, from $2,000 to $3,000 for one issue. That advertising on the menu cards of the Canadian National Railways for one week reached more people directly than would be reached by a week's advertising in the Saturday Evening Post. In other words, some official of the Canadian National Railways gave to a product which is not produced in Canada, free advertising worth at least $5,000, and for which, according to the answer given by the honourable gentleman, the people of this country received absolutely nothing.

Hon Mr. BRADBURY: Is the honourable gentleman sure that someone was not paid for that advertising?

Hon. Mr. BLACK: I only know what is contained in the answer that was read. I have no doubt that is the information possessed by the leader of the House. Many inferences may be drawn. But I consider that that kind of thing should be brought to the attention of the public. We are not only spending money day in and day out on this railway of ours, we are not only not getting the transportation facilities which we ought to get, but we are giving away freely an advertising asset which, if it is to be used at all—and I do not think it should—should be given to the producers of Canadian products. If you are going to permit advertising on the railway dining cars in Canada, well and good; but let Canadian producers know that the menu cards are available for advertising. A man who travels represents the interests of the country; therefore our own producers ought to have that opportunity placed before them first. If we are not going to advertise, let us put on the menu cards some forest protection propaganda: "Preserve our forests," "Reforestation," "Prevent fires," and that kind of thing; then we shall get something of national benefit. But to gratuitously insult our travelling public and give an American

raisin producer—who, I understand, is the proprietor of Sun-Maid Raisins—free advertising to the extent of $5,000 is another of those things that bring very forcibly to the people of this country the reason why the Canadian National Railways are in debt and do not pay.

I trust, honourable gentlemen, that you will not think this is trivial. May I say further, that I asked this same conductor if he had many complaints about this, and he said: "There has never been anything in the dining car service since I have been on the cars that has been so objectionable to the people coming into the car as these advertisements." I have some information, but I do not care to give the source from which it came. Here are three menus pinned on the ordinary dining car menu handed around, and everyone is covered with these advertisements: "Eat more raisins," and so on. The conductor told me that people had repeatedly taken their menus and torn them up. One said: "I will not buy a meal in this car unless you give me a menu without advertising on it." I saw two instances of this advertising, one going down and one coming up, and that is the reason I have taken the time of the House to lay this matter before it.

The Government is not to blame in this case, but there is some person connected with the Canadian National Railways who, for some reason unknown to most of us, has been gratuitously advertising American products.

Hon. Mr. MURPHY: Not gratuitously.

Hon. Mr. BLACK: Gratuitously so far as the revenue of the Canadian National Railways is concerned; and if there is such an individual, he should be brought to book.

Hon. Sir JAMES LOUGHEED: I hope it is not the intention of the leader of the Government to permit this matter to drop after simply bringing down to the House an answer to the question stating that there was an agreement between the railways that there should be a Raisin week. I hope Parliament will not be considered by the public so credulous as to be led to believe that a substantial sum was not paid to somebody for the use of the menu cards on the Canadian National Railways as an advertising medium for an American product. While we have all agreed to the policy of not interfering in the operation of our national system of railways, yet Parliament has never abdicated its function of making inquiry into administration of this kind. This is the most extraordinary thing that has been done in connection with advertising that I know about, and I say unhesitatingly that it is the duty of the Government to prosecute the fullest inquiry into the matter and to furnish this Chamber with full information as to how it has come about, because I fancy that not a member of this Chamber will believe that it was simply the outcome of a burst of generosity on the part of the management of the railways to advertise an American product in the very extensive way in which it was done.

Hon. Mr. DANDURAND: I will draw the attention of the Minister of Railways to the statements that have been made in this Chamber this afternoon, and through him I hope that Sir Henry Thornton's attention will be drawn to the facts, so that we may have a full and satisfactory explanation.

Hon. Mr. L'ESPERANCE: Before this matter drops, I want to call the attention of the leader of the Government to the fact that as a rule Canadian fruits are not placed on the bills of fare on the Canadian National railways. They have bananas, California prunes, figs, and other kinds of American products; but it is very seldom that one can get a good Canadian apple.

DIVORCE BILLS

FIRST READINGS

Bill X4, an Act for the relief of Gladys Teague.—Hon. Mr. Green.

Bill Y4, an Act for the relief of Elizabeth McKinley.—Hon. Mr. Bennett.

Bill Z4, an Act for the relief of Algernon Cecil Aubry Moran.—Hon. Mr. Pope.

Bill A5, an Act for the relief of Emily Adlene McCausland.—Hon. G. V. White.

FRUIT BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 11, an Act to Regulate the Sale and Inspection of Fruit and Fruit Containers.

He said: It has been agreed that we should amend one or two of these Bills which contain no clause authorizing the Department to appoint inspectors.

Hon. Mr. BEIQUE: I beg to move that the Bill be not now read a third time, but that it be amended by adding, as clause 27:

27. There may be appointed from time to time, in accordance with the Civil Service Act of 1918, and any amendments thereunder, such inspectors as are necessary for the purposes of this Act.

The proposed amendment was agreed to, and the Bill, as amended, was read the third time, and passed.

DIVORCE BILLS

THIRD READINGS

Bill S4, an Act for the relief of Christina Julia Hamilton.—Hon. Mr. Gordon.

Bill T4, an Act for the relief of Smith Kain.—Hon. T. V. White.

Bill U4, an Act for the relief of Gladys Malcolm Mushett.—Hon. Mr. Hardy.

Bill V4, an Act for the relief of William Francis Rafferty.—Hon. Mr. Hardy.

LIVE STOCK BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 10, an Act to amend and consolidate the Acts respecting Live Stock.

Hon. Mr. BEIQUE: I beg to move that this Bill be not now read the third time, but that it be amended by striking out the words "by the Minister" in subsection b of section 2, and by adding the following after section 9:

9A. There may be appointed from time to time by the Civil Service Commission, with the approval of the Governor in Council, such inspectors as may be necessary for carrying out the provisions of this Act.

Right Hon. Sir GEORGE E. FOSTER: I do not rise for the purpose of raising any objection to this amendment, but the proceeding seems peculiar to me. The principle in legislation is that it shall proceed gradually, and from stage to stage, with due notice being given so that no person may be taken by surprise. As has been shown to-day in the amendment that we are now proposing to pass, and to which I have no objection, all these safeguards are taken away. You go through all the forms of legislation, by resolution if that be necessary, on to your second reading, then to a third reading, by proper stages, and no person is taken by surprise. All that has been done, and the proposed legislation has come to the point where the House has agreed upon it, and it stands for its third reading. Then, without any notice at all, no matter who may be interested in it and may be absent from the sitting, a Senator may move any kind of amendment to the Bill, whether the House be full or not. The present amendments are, of course, matters which we agree upon, but there might be amendments which would strike at the very foundation of the Act. It seems to me that if that is the practice in the Senate it gets away from a very healthy method of procedure in making legislation really the outcome of deliberate and well-noticed conferences with reference to the subject-matter. I have been informed that that has been the custom in this House, but it is not the custom in the lower House.

Hon. Mr. BEIQUE: I think that the rule of this House is that, as regards private Bills, a notice must be given of any amendment to be made on the third reading, but no such notice is required for amendments to public Bills; so that if there is objection to that method the proper course would be to amend the rules of the Senate. As the honourable gentleman properly stated, in this case it was understood when the Bill was in Committee that these amendments would be brought in at the third reading.

Right Hon. Sir GEORGE E. FOSTER: But it is difficult to understand, is it not, if you make a rule applicable to private Bills, that notice must be given, why you should be allowed to put through public Bills, which are, or may be, infinitely more important, without giving the notice? It strikes me as being an odd method of procedure.

Hon. Mr. BELCOURT: My right honourable friend must remember that, if an amendment is proposed on the third reading, it is quite open to any member to ask that the Bill stand over.

Right Hon. Sir GEORGE E. FOSTER: But suppose the party interested, and who has had no notice of it coming up, is not there to do it?

Hon. Mr. BELCOURT: That is why the notice is required in the case of private Bills; but, in dealing with a public Bill, any member of the House may ask for further information, or that the Bill stand over for one day or two so that the House may be given explanation; so that I should think the rule is quite all right. I do not think it leads to any misconception, because it is always in the power of any member to ask that the third reading be postponed.

Hon. Sir JAMES LOUGHEED: I may say for the information of honourable gentlemen who were not in their places yesterday when these Bills were being discussed, that it was arranged that the Government would amend these Bills to-day on their third reading, and they have done so.

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

OPIUM AND NARCOTIC DRUG BILL

THIRD READING

Bill 72, an Act to Prohibit the Improper Use of Opium and Other Drugs, as amended.—Hon. Mr. Dandurand.

COPYRIGHT BILL

SECOND READING POSTPONED

On the order:

Second Reading Bill 24, an Act to amend The Copyright Act.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I would ask that this stand until Monday. At the same time I desire to place on the Table a memorandum regarding the status of Canada and other countries on the matter of copyright. As many honourable gentleman have asked me for the advantage of seeing that statement, which has been prepared by the Department, I think it would be opportune that it be given to Hansard. I have therefore asked Hon. Mr. Belcourt to take charge of this Bill, and I would request him to kindly read the memorandum.

Hon. Sir JAMES LOUGHEED: If it is to appear in Hansard, we will take it as read.

Hon. Mr. DANDURAND: We have generally maintained a different procedure.

Hon. Mr. BELCOURT: The memorandum is as follows:

THE COPYRIGHT QUESTION

The assertion, either direct or implied, that the Copyright question is so involved and complicated as to be practically incomprehensible to any person who has not made an exhaustive study of it, has so frequently been made that it is generally accepted as axiomatic.

A careful perusal and consideration of the following observations will convince any fair-minded person of ordinary intelligence and education that the issue raised by Bill 24 is clear-cut and definite, and not difficult to understand.

Copyright legislation is undoubtedly complicated owing to the many conflicting interests involved, and owing further to the fact that a statute of the Dominion of Canada dealing with copyright protection not only provides directly for rights throughout the Dominion of Canada but also for obtaining Imperial rights extending throughout the rest of the Empire, and International rights—the latter being twofold, those extending throughout the countries belonging to the International Copyright Union, and those extending to each of the several countries outside the Union.

Four fundamental principles may be laid down as follows:

1. Copyright legislation passed by the Parliament of Canada must afford satisfactory protection to the author throughout the Dominion, and also enable him to obtain Copyright protection outside Canada.

2. The author obtains Copyright protection throughout the Empire under the provisions of the Imperial Copyright Act 1911.

3. The author obtains Copyright protection throughout the countries belonging to the Copyright Union under the articles of the Revised Convention of Berne, upon the adherence of the Dominion of Canada to that Convention.

4. The author obtains Copyright protection in the United States of America, the only important country outside the Copyright Union, under the provisions of the Copyright Act of the United States.

The Copyright protection afforded by the Copyright Act 1921 covers every form of reproduction at present known, with the possible exception of broadcasting by Radio, and it is possible that even this is covered.

The Imperial Copyright Act provides that in order that the Canadian author may obtain copyright protection throughout the Empire, the British author shall enjoy within the Dominion of Canada rights substantially identical with those conferred by the Imperial Act. This is evidenced by the publication of the Secretary of State, in the London Gazette, of a notice to that effect.

The British Government, which is in control of the situation, after an exhaustive examination of the Copyright Act 1921 has intimated by despatch dated 13th October, 1921, that unless certain sections of the Act making provision for the issue of compulsory licenses, as will be more fully explained, are modified, it will not be possible to apply the whole Act unconditionally to Canada.

The Berne Convention is an International Treaty, entered into by most of the civilized nations of the world, under the terms of which an author belonging to a signatory country obtains copyright protection in all the countries adhering to the Convention. The essential article of the Convention at present to be considered is numbered 4, and provides that the enjoyment and exercise of the rights granted shall not be subject to the performance of any formality.

Articles 21 and 22 of the Convention provide for the International Office of the Union, which is placed under the high authority of the Government of the Swiss confederation, and publishes a monthly organ in the French language. The number of this publication dated the 15th of July, 1921, contains an editorial covering eight pages, dealing exhaustively with the Canadian Copyright Act 1921, and definitely expressing the opinion that the licensing sections of the Canadian Act are not in harmony with the said article 4.

The adherence of Canada to the Revised Berne Convention must be signified to the Government of the Swiss confederation through the British foreign office, and the British Government in the despatch above referred to has further intimated that the licensing provisions of the Canadian Copyright Act of 1921, are contrary to article 4, of the Convention.

The Copyright Act of the United States provides that the Copyright secured by it shall extend to the work of an author or proprietor who is a citizen or subject of a foreign state or nation, and not domiciled within the United States, when the foreign state or nation of which such author or proprietor is a citizen or subject grants to citizens of the United States the benefit of, (1) Copyright on substantially the same basis as its own citizens or (2) Copyright protection substantially equal to the protection secured to such foreign author under the United States Copyright Act.

The existence of the reciprocal conditions aforesaid shall be determined by the President of the United States by proclamation made from time to time as the purposes of the Act may require. In order to comply with the foregoing requirements, it will be necessary to enter into negotiations with the United States, and make an arrangement by which the Minister of Trade and Commerce will publish in the Canada Gazette, under the provisions of sub-section 2, of section 4, of the Copyright Act 1921, a notice certifying that for the purposes of the rights conferred by the said Act, the United States is to be treated as if it were a country to which the said Act extends. This ministerial notice and the presidential proclamation shall both become operative as on the day on which the Copyright Act 1921, comes into force.

It is hoped that the negotiations referred to may be satisfactorily concluded before the 1st of July next, but to provide against any unforeseen delay, a further amendment to Bill 24, will provide in case of necessity for fixing by Order in Council a later date on which the Act shall come into force.

The issue between the authors and publishers is as follows, The authors contend that Copyright should be

entirely free of all formalities and conditions, the author being at liberty to have his book printed in any country he may select,, and to determine the format, type, paper and binding of his book. This contention as shown above is accepted both by the British authorities and by the authorities of the Berne Convention. The publishers on the other hand contend that it is reasonable to impose upon the author the condition that if after having obtained Copyright he does not desire to have his book printed in Canada, and refuses to grant to a Canadian publisher a license to print and publish an edition of the book for circulation in Canada, the Canadian publisher may obtain from the Government a license to print and publish such an edition of the book, paying the author an adequate royalty. This is briefly the substance of the licensing sections of the Copyright Act 1921, which Bill 24, as originally introduced, repealed.

It has been found quite impossible to get the authors and publishers to agree, consequently Copyright legislation has always been a matter of compromise with an attempt to get the parties as near to an agreement as possible. Bill 24, as amended by the House of Commons, while it removes objections both of the British and International authorities, still affords the publishers the protection of the licensing sections of the Act both as against the resident Canadian author and the author of the United States.

It is not thought that the consideraion further of the question by a Special Committee would alter the position as between the authors and publishers.

In conclusion it is strongly urged that it is more in accordance with the dignity of the Dominion of Canada to fulfil her moral obligations as to Copyright legislation and adherence to the Berne Convention, and that Copyright in Canada should be governed and regulated by a satisfactory up-to-date Copyright Act rather than by an obsolete statute passed by the Parliament of the United Kingdom in the year 1842.

On motion of Hon. Mr. Dandurand, the order was discharged and placed on the Order Paper for Monday next.

RADIOTELEGRAPH BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 144, an Act to amend the Radiotelegraph Act.

He said: Honourable gentlemen, this is an amendment to the Radiotelegraph Act, Chapter 43 of the Statutes of 1913, and provides that the Governor in Council may authorize the payment of a portion of the license fee to a Provincial Government, a private company, or other parties for services rendered. I have an extensive memorandum on the question, and some inquiries may be made. I would suggest that we pass the second reading and thresh out the whole matter in Committee.

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

HIGHWAYS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 151, an Act to extend the period of the Canada Highways Act.

Hon. Mr. BELCOURT.

He said: Honourable gentlemen, the Canada Highways Act appropriated $20,000,000 to be expended within the period of five years ending April 1st, 1924. All the provinces have prepared and have had approved the general plan required by the Regulations. All the provinces are now working under the Canada Highways Act with the exception of Alberta. The sum of $15,123,529.18 has been covered by agreement; $13,422,731.89 has been earned, and of this $9,788,404.98 has been paid. The balance to be placed under agreement is $4,876,470.82, comprised as follows:

Alberta—$1,477,810. It is expected that some of this will be earned this year.

Manitoba,—$792,134.46, available when the reduction of estimates is approved by Order in Council. The Province has written that they are forwarding project statements at an early date for this amount.

Nova Scotia,—$49,293.84, all applied for.

Ontario,—$507,547.58, all applied for.

Prince Edward Island,—$254,644.73. About half of this will be earned this year. Projects on which the Federal aid amounts to $125,-996.90 are under consideration now.

Saskatchewan,—$539,994.12. About half of this will be required to cover this year's work.

Quebec,—$1,885,554.41. Project statements on which Federal aid amounts to $755,699.64 of this amount are now under consideration. It is expected that the balance will be covered by agreements this year.

New Brunswick,—Amount all placed under agreement.

British Columbia,—Amount all placed under agreement.

Much of the work now under agreement in several of the Provinces will not be completed prior to April 1st, 1924, and it is estimated that the amount of the Federal appropriation which will not be used prior to the expiration of the term, April 1st, 1924, is as follows:

Alberta	$1,200,000
Manitoba	500,000
P. E. Island	125,000
Saskatchewan	700,000
Quebec	800,000
Nova Scotia	Nil
British Columbia	Nil
Ontario	Nil
New Brunswick	Nil
	$3,325,000

The amounts to which each Province is entitled is:

Alberta	$1,477,810
British Columbia	1,251,955
Manitoba	1,602,265
Nova Scotia	1,468,720
New Brunswick	1,163,845
Ontario	5,877,275
P. E. Island	603,455
Quebec	4,748,420
Saskatchewan	1,806,255

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

CANADIAN NATIONAL RAILWAYS (EXPRESS) BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 152, an Act respecting the Canadian National Railways.

He said: Section 1 of this Bill authorizes the Canadian National Railway Company, which is now operating the Canadian National Express Company, to do an express business and to handle express money orders or other methods of transmitting or handling money securities or other articles of value. It also provides the same form of liability as the Board of Railway Commissioners exacts with respect to similar traffic handled by express companies.

On September 1, 1921, the old Canadian Northern Express Company, which by Order in Council No. 1989, dated October 18, 1919, became the Canadian National Express Company, was amalgamated with the Canadian Express Company, and since that time they have been operated as one.

It is as to this consolidated company that the annual statement refers. The agreement merging the two companies provided that the surplus earnings, if any, should be pro-rated in the same proportion as the gross earnings for each company for the year ending June 30, 1921. Under this arrangement, 70 per cent of the profits go to the Grand Trunk Railway, and 30 per cent to the Canadian Northern. Deficits if any, will be pro-rated on the same basis. As you will see, the Company has been making a little money.

There are approximately 2,850 employees.

I will lay on the Table of the House:

1. Memorandum as to the Canadian Express Company;

2. Memorandum as to the Canadian National Express Company;

3. Agreement providing for the combination of both companies;

4. Comparative statement of revenues and expenses for last two years.

If honourable gentlemen are interested in these figures they may have them.

Hon. Mr. BELCOURT: May I ask my honourable friend, what is the reason for apportioning the revenue between two companies which are now combined in one?

Hon. Mr. DANDURAND: I shall be in a better position to answer my honourable friend in Committee. I have not yet a full memorandum on this point.

Hon. Mr. REID: Honourable gentlemen, perhaps the House would give me a few minutes to make some remarks on this Bill, as I can make them now just as well as at some other time, and I may not be present when the matter comes up again.

This Bill opens up a new era for a part of the Canadian National Railway System, and in this respect it may do no harm to give my personal opinion for what it is worth. In the first place, this Bill puts the express business under the Board of Railway Commissioners. The Intercolonial Railway is now under the Railway Commission. It was never under the Commission until a short time ago, when the Canadian National Railways were brought into existence by Order in Council. Formerly, before the Grand Trunk was taken over and while the railways were being operated by the Government, rates of any kind on the Intercolonial were subject to adjustment by the Department of Railways and Canals, though the Minister of Railways and Canals did refer to the Board of Railway Commissioners to get their opinion as to what the rates should be. Now they are all subject to approval of the Board of Railway Commissioners.

The point I wish to raise with regard to freight rates, and, I must say, other rates as well, is this. The Board of Railway Commissioners must carry on their work under the laws passed by Parliament, and Parliament has not given them any special instructions to treat the Intercolonial Railway or the Canadian Government Railways differently from any other part of the railway systems of Canada. So far as that part of the Intercolonial between Sydney and Montreal is concerned, an agreement was made at the time of Confederation to build that railway to connect the lower provinces with the West, and it was understood that it was not built for the purpose of making any money—in other words, that transportation would be provided at exactly the cost of operation.

Some honourable gentlemen may say, "But that was not put into the British North America Act." That is correct, but I think it has been admitted by both political parties, in all the discussions that have taken place from time to time in either branch of Parliament, that that was the agreement reached at the time of Confederation, and, in my judgment, according to the statements that have been submitted to Parliament from time to time, that agreement has been carried out. In other words, no money has been made out of the Intercolonial Railway. The people in the Eastern provinces have had their transportation at the actual cost of operation, or perhaps a little less. There have been grievances in the lower provinces, but they have been caused, in my judgment, more by the manner in which the rates have been adjusted by the officials than on account of extra charges for the purpose of making the Intercolonial Railway pay.

Now that all these matters are being brought under the Board of Railway Commissioners, I believe it is the duty of the Government to notify that Board that in making rates from the Eastern provinces to the West, and vice versa, the Commissioners should base the rates on the actual cost of operation, so far as the Intercolonial is concerned. That road was paid for long ago out of the revenues of the country. There are no bonds or interest charges payable on the Intercolonial Railway System. Unless the Government or Parliament gives some direction of that kind to the Board of Railway Commissioners I cannot see how they can do otherwise than put the rates on the same basis as those in other parts of the country. In the agreement made with the Canadian Northern and passed through Parliament many years ago there was a clause providing that all traffic orginating on the Canadian Northern system should go to St. John, Halifax, or some other Canadian port. In fixing the rates on the Canadian Northern, Montreal was made the starting point, and the rate between Montreal and Portland was to apply to traffic between Montreal and St. John or Halifax. True, there is a much longer haul from Montreal to St. John and Halifax than to Portland; but, as I understand, the rates allowed would pay the cost of carrying the traffic over the Intercolonial. If we do not carry out the arrangement made at Confederation, of course the rates on the Intercolonial section may be higher than they were prior to the arrangement that was made.

Hon. Mr. BELCOURT: May I ask my honourable friend what he means with regard to the arrangement that was made?

Hon. Mr. REID: I stated that a moment ago. I thought I made my meaning plain; but I will repeat. Ever since Confederation it has been understood by Parliament that an agreement was made between the provinces of Nova Scotia, New Brunswick, and Prince Edward Island on the one hand and Ontario and Quebec on the other, that the Intercolonial Railway would be built and operated without profit.

Hon. Mr. BELCOURT: What is my honourable friend's authority for that statement?

Hon. Mr. REID: My authority is the discussions that have taken place in Parliament, and the fact that neither party has ever disputed that arrangement.

Hon. Mr. BELCOURT: My honourable friend is speaking of legend now.

Hon. Mr. POPE: No, he is speaking of the facts.

Hon. Mr. REID: I am speaking of what I take to be a fact. In other words, if both parties in the House of Commons and in the Senate unanimously agree that there was such an understanding—and their words appear in the Hansards of both Houses—I take it for granted that the Parliament of Canada will carry out the understanding.

Hon. Mr. BELCOURT: Can the understanding be found anywhere?

Hon. Mr. MURPHY: Yes. It appears in the Confederation discussions.

Hon. Mr. BELCOURT: That is the legend, of course.

Hon. Mr. REID: I have heard the discussion myself during my 30 or 33 years in Parliament.

Hon. Mr. BELCOURT: I believe we have all heard it; but I have never been able to find any authority for it.

Hon. Mr. MURPHY: It appeared in the Confederation discussions.

Hon. Mr. REID: As I have stated, even though the agreement does not appear in the Act of Confederation, the fact that Parliament has agreed to the understanding every year is evidence that it must have been part of the original agreement. Therefore I say there should not be any difficulty at all in operating the Intercolonial Railway or the

whole Canadian National System in such a way that each part of the system shows the operating charges. I do not, of course, wish to suggest how to operate the railway; but I am asking that the Government, in view of the discussion which has taken place in Parliament, should be authorized to say to the Board of Railway Commissioners: "In making your rates, stand by the agreement made at Confederation"—If that is done, the good feeling which has existed between the East and the West for so many years will continue.

The advantage of that to the western uart of Canada, and I may say to the eastern part too, is apparent. I will give you one or two examples. At certain times, in Ontario and Quebec, we have been troubled with the fuel problem: we are dependent on fuel from the United States, or from the East or the West. If we could get coal from Nova Scotia, we would not be in such a serious position as we are in to-day. I have heard it said by people who have used it that the coal produced at Sydney or Stellarton or Springhill, for instance, is among the best that are produced in any part of the world. The price of such coal is around $5 per ton at the mine. The freight rate used to be 9½ cents per 100 pounds, or $1.90 per ton. Of course, the rate has been advanced since before the war, because the cost of operation, so far as labour and supplies are concerned, has gone up. But what are the rates on coal to-day? The rate from Springhill or Stellarton is $3.90 per ton. With the price of $5 per ton at the mine, and a freight rate of $3.90, we would have been able during the last winter to lay down coal in Montreal for about $9 per ton. That would be a great benefit to the people, and it would be of benefit to the Intercolonial Railway to have that traffic. But if the rate fixed by the Railway Commission is to be based on rates paid on coal on other parts of the system, and on the C.P.R., it would of course be higher.

My object in taking part in this discussion is to point out that in fixing rates the Railway Commission should have in view the discussions which have taken place in Parliament, and that the Government should advise them to act in accordance with the understanding or agreement that I have mentioned. We should keep faith, and should observe any agreement made with any province when it became a part of the Confederation. In doing so we would not be doing an injustice to any other part of Canada, because it was never expected that any money would be made out of the Intercolonial Railway. In my judgment, if we start out now with a view to making the Intercolonial Railway pay not only the operating charges but the fixed charges, such action will cause ill-feeling and trouble, and, in addition, will prevent interprovincial traffic between the lower provinces and the western provinces.

Hon. Mr. GRIESBACH: Were there in Nova Scotia any railway lines other than the Intercolonial?

Hon. Mr. MURPHY: No.

Hon. Mr. REID: I will come to that. There was one owned by the Canadian Northern Railway, which is now a part of the Canadian National System.

Hon. Mr. GRIESBACH: If freight rates are based on the mere cost of operation, there never can be any other railway in that province. By the adoption of such a scale of freight rates that province precludes itself from further railway development.

Hon. Mr. REID: There have been some changes in the railway situation in the lower provinces since Confederation. At one time the Intercolonial was the only road in New Brunswick, Nova Scotia, and Prince Edward Island; but since then the Canadian Pacific Railway has gone in. It has to-day what was formerly the Dominion Atlantic Railway. The Railway Commission, without authority from anyone, should fix the rates on a basis that would be fair and just to the C.P.R., if they are going to include fixed charges. If they do that and put them on an equal basis—

Hon. Mr. GRIESBACH: How can you fix rates on both railways at the same figure if the basis of computation is entirely different?

Hon. Mr. REID: Of course, you cannot: that is exactly the point. The arrangement made at Confederation was that the rates charged would be based on the cost of operation. Now it is up to the Government and Parliament to say: "Because the Canadian Pacific Railway has its line between Montreal and St. John, we are going to fix the rates on a basis that will pay the fixed charges on the C.P.R." The point I want to make is this: we should fix the rates on the Intercolonial Railway on the basis of cost; then in my judgment, the Canadian Pacific Railway will fall into line and will accept the same rates.

Hon. Mr. GORDON: In talking about the cost of the Intercolonial, and later on arranging the rates on that line, do you mean to take into account the deficits that have accumulated on that road?

Hon. Mr. REID: I am not taking into consideration at all what the road actually cost. I say that what should be taken into consideration is the cost of operation of the Intercolonial Railway—the cost of equipment, keeping up the roadbed, and so on—and then put the freight rates, passenger rates, and express rates on such a basis that at the end of the year there would be no deficit on the cost of operation.

Hon. Mr. GRIESBACH: Would that be fair to the C.P.R., for instance, which has to pay fixed charges?

Hon. Mr. THORNE: The C. P. R. is in another district.

Hon. Mr. REID: Part of the Canadian Pacific Railway goes through Maine. The Intercolonial Railway was constructed on the understanding that certain rates would be charged, and if any private corporation goes into any part of those provinces it should be on the understanding that its rates are to be based on the cost of operation on the Government railway.

Hon. Mr. GRIESBACH: No railway will ever go in on those terms.

Hon. Mr. MURPHY: So well was it understood that rates would be established which would enable traffic to come to the upper provinces when it was thrown out of its natural channels, that those rates and differentials and arbitraries were maintained in the face of deficits, which were paid out of ordinary revenue.

Hon. Mr. REID: If we can maintain the rates on the basis agreed upon since Confederation, a great deal more traffic will be directed to Halifax, St. John, and Sydney; more traffic will be handled on the Intercolonial Railway, which will decrease the cost of operation, and may enable the Railway Commission to give even lower rates, and will, at all events, keep the traffic in our own country.

In connection with that traffic I would refer to the great advantage to all the provinces from freight being carried between Sydney and Montreal and some Ontario ports by fuel vessels whose rates do not exceed a dollar per ton, and I would urge the Government not to allow those vessels to be taken off that route. Only a few of them would be required to bring coal in summer from Sydney to western ports. Before the war there was a fleet of vessels chartered which made profitable trips in carrying coal between Sydney and western ports; I believe they were Norwegian boats.

Hon. Mr. GORDON: I rise to a point of order. I was out when this discussion started, but I was informed that the debate was on Bill 152.

Hon. Mr. MURPHY: He is talking good stuff, though.

Hon. Mr. REID: Perhaps the honourable gentleman does not wish to hear about the vessels, and their advantage in helping traffic between the provinces; so I will confine myself to the railway question.

Hon. Mr. GORDON: Bill 152, as far as I understand, refers to express traffic.

Hon. Mr. REID: Express is part of railway traffic.

Hon. Mr. BELCOURT: Coal does not generally go by express.

Hon. Mr. REID: As the honourable gentleman objects, I can bring in the question of the vessels on another motion which is on the Order Paper.

Hon. Mr. ROBERTSON: I desire to say a few words in reference to the proposed drastic changes in the method of operating the express business on the lines of railway owned by the people of Canada. I may be pardoned for assuming to have a definite opinion on this subject, because for many years I was in a position in which I handled both express and freight business on four railways. In my opinion it is absolutely impracticable for a railway company to operate express business, and if attempted it will be unsuccessful. There is to-day not a single railroad in the United States attempting to handle express business. There used to be a number of express companies in the United States—the American, the Wells-Fargo, the Adams, the United States, and several smaller ones; but in late years these have all been merged into a great organization called the American Railway Express Company, and the United States railway companies make contracts with this company on a percentage, based in most cases on the earnings.

The Canadian Pacific Railway management found it absolutely impracticable to operate express business as part of their railway system, that business being highly specialized, and dealing with customers who are largely different from those interested in freight. The Canadian Pacific Railway has never even dreamed of consolidating its express business with its railway operation, notwithstanding that it owns the Dominion Express Company.

I have had some experience and knowledge of these matters as a railway employee for many years, and in my opinion it will be absolutely ruinous to have the express business on the Canadian National System run by the Railway Management; and express people to-day are laughing at what the results are going to be. I think it would be one of the greatest mistakes that could possibly be made my this Parliament, to approve of any such move as is now contemplated—the handing over of the express business to the operation of the Canadian National Railways.

The honourable leader of the Government has outlined in a memorandum the information that there are over 2,000 employees engaged in the various branches of the express business now handled by the Canadian National Express Company. He did not for one moment intimate, nor does he expect, that there will be any decrease in the number of employees required, because those men who are trained to handle express business are entirely separate and apart and engaged in a different line of business from those who handle and solicit passengers and freight. It is also to be noted that the Canadian National Railway, as such, owns the Great North-western Telegraph Company, now known as the Canadian National Telegraph Company, which is a consolidation of the Canadian Northern and Great Northwestern Telegraph Companies. It has not been suggested yet that the telegraph companies should be operated by the railway. The Canadian Pacific Railway owns its telegraphs, but operates them under a separate management, because it is a distinct and separate line of business, requiring experts who have been trained for many years in order to secure intelligent and economical administration. If the Canadian National Railways, as a railway system, undertake to operate the telegraphs and the express business, they will make a failure of both. I am satisfied that this House would make a very serious mistake in endorsing the principle of this Bill, as far as I am concerned, I am absolutely opposed to it, for the reasons outlined.

Hon. Mr. BELCOURT: It is rather difficult for some of us to reconcile the views of some gentlemen who speak on these subjects. I do not know any stronger or more persistent advocate of government and municipal operation than my honourable friend who has just spoken. He wants the railways administered and operated by the Government, but he does not want the things which are being administered by all the railways along with the railways themselves, such as telegraph and express business, to be administered by the Government at all, because he says that is impossible. I would like to see a little bit of logic.

Hon. Mr. ROBERTSON: My honourable friend is stating what I think he has no right to state. I hold still that there is no obstacle to successful operation of the express business and the telegraph business and the railway business simply because the Government happens to own these services. But I say that the railroad management is not qualified to handle express business or telegraph business, and that the organizations that have been built up both in Canada and the United States regard it as essential to the success of telegraph and express business that they shall be operated under separate identity, and separate skilled management. The proposed experiment has no precedent in North America, and will, in my opinion, result in failure.

Hon. Mr. BELCOURT: I do not understand the Bill to mean that at all. I understand that the express business on the National Railways is to be managed by the present Board of Directors.

Hon. Mr. ROBERTSON: If my honourable friend will read the Bill, he will see that the express company ceases to exist, and that the National Railways will handle the express business.

Hon. Mr. BELCOURT: That is exactly the same thing. The Board of Directors of the National Railways is going to administer one of the incidents of railway operation, that is, the express business. That is what the Bill provides for.

Hon. Mr. ROBERTSON: The Bill does not say that.

Hon. Mr. BELCOURT: My honourable friend is determined that the business of passengers and freight on the railways must be handled by the Government, but he objects to the telegraph and express business being handled by the same people.

Hon. Mr. ROBERTSON: My honourable friend states exactly the opposite of the fact.

Hon. Mr. BELCOURT: If I understood my honourable friend, he objects to this Board of Directors managing the telegraph or express business.

Hon. Mr. ROBERTSON: As a part of the railway business, yes.

Hon. Mr. BELCOURT: How does that fit in with my honourable friend's theory that all these things are better administered by Government operation?

Hon. Mr. ROBERTSON: It fits in exactly.

Hon. Mr. BELCOURT: I cannot see it.

Hon. Mr. GORDON: I would ask my honourable friend how he would propose having the express business operated.

Hon. Mr. ROBERTSON: I would respectfully suggest that the express business on the National Railways should continue to be handled by a separate and distinct management, as has been the case since the Grand Trunk and the Canadian Northern existed. Mr. Pullen was the General Manager of the old Canadian Express Company, and Mr. Muir of the Canadian Northern Express Company at Winnipeg. Those were merged in recent years, but the express company should continue to be handled, as in the past, by officers especially charged and trained, who will be responsible for the express business. The business should not be submerged by turning it over to railway officials whose training has been in freight and passenger lines and who have only a secondary interest in express business, so long as there is a competing company who are awake day and night getting it.

Hon. Mr. BELCOURT: Does this Bill provide that Mr. Pullen and other gentlemen who managed those express companies in the past are not going to manage the express business under the present Board of Directors?

Hon. Mr. ROBERTSON: It is not stated that they will.

Hon. Mr. BELCOURT: It simply becomes a department of administration for this Board.

Hon. Mr. SCHAFFNER: I would like to ask for information. I have always understood that the Dominion Express is owned and operated by the Canadian Pacific Railway.

Hon. Mr. ROBERTSON: It is.

Hon. Mr. SCHAFFNER: Whether they have a different set of officers to operate it or not I do not know. If that is the case, and we believe that it has been done very successfully, what objection is there to the Canadian National Railway having an express business under the same conditions? I do not quite see the point that my honourable friend is trying to make.

Hon. Mr. ROCHE: In the course of this discussion one important party has not been mentioned, and that is the public. The express companies have charged extortionate rates, and they do so now, and I understand that there is an opportunity for the Government to take the matter in hand on behalf of the people and restore reasonable rates. It may be very desirable for those who favour express companies to show a continuous traffic management under the same or similar control but, in view of the abuse which has been occasioned by these companies, the unfair use that has been made of their privileges on the railways to charge the public extortionate rates, I think the time has arrived for some remedy now to be applied by the Government to restore some degree of parity between the rates charged and the wishes and needs of the people of the country.

I heard the ex-Minister of Railways (Hon. Mr. Reid) a short time ago express the opinion that the Canadian Pacific Railway would come into competition with the Intercolonial Railway. The Canadian Pacific Railway runs what was formerly called the Dominion Atlantic Railway, extending from Yarmouth to Halifax, but it does not run in the same direction as the Intercolonial, neither does it go outside of the province of Nova Scotia. The Canadian Pacific has no connection with Nova Scotia and Cape Breton further east than St. John, N.B., but it has running rights over the railway from St. John to Moncton and from there on to Halifax. The Canadian Pacific has no road that parallels the Intercolonial, which is the only road running through from the extreme east of Cape Breton, and connecting at Montreal with the West.

In reference to the coal-producing business, I might mention that there are many mines on the line of the Intercolonial Railway in Cumberland county, farther west than Springhill, which was mentioned by the ex-Minister, where there is any amount of coal that would be valuable for transport to Quebec, and to Ontario if necessary. It is on the line of railway, and could be carried at a low rate by rail. I might add that the benefits of the Intercolonial Railway are enjoyed not only by the eastern provinces, but even to a great extent by Ontario and Quebec, for there is more down-traffic than up-traffic, I believe, and a great portion of the trade of Nova Scotia, New Brunswick, and also Cape Breton, is done by Toronto and Montreal.

Hon. Mr. TURGEON: My object in rising a few moments ago was simply to express my appreciation of the statements made by the honourable member for Grenville (Hon.

Mr. Reid) in calling the attention of the Parliament of Canada to the fact that the Intercolonial Railway was built with the object of guaranteeing to the people of the Maritime provinces that their products would reach the Canadian markets instead of going to American markets, as had inevitably been the case before Confederation; and that those provinces would have the development of the whole of Canada for their future market. I would like to add that the different railways that are being operated by the Government of Canada are not being run for private gain, as is the case with enterprises of individuals. Government operation is done at cost, and anything that can be given in the way of service to the public is given at mere cost. That this service can be maintained only by the action of the Government is an evidence of the understanding between the Maritime Provinces and the whole of Canada.

Let it be remembered also that in 1903, when the Parliament of Canada created a Railway Commission to control rates on Canadian Railways, the Intercolonial Railway was exempted from control by the Railway Commission and the adjustment of rates and transportation matters on that railway was left to the discretion and judgment of the Minister of Railways and Canals. If it had been the desire of the Government or of Parliament at that time, the Intercolonial Railway also would have been placed under the control of the Railway Commission.

Yesterday it was my privilege to call the attention of this honourable House to the interests of the Maritime Provinces as affecting the general interests of Canada. I expressed amazement at the fact that the present railway management had made the Atlantic Division to comprise only a part of what I claim to be the original Government Railways, in making the terminus at Riviere du Loup instead of Levis or Quebec, the original Intercolonial Railway terminus. One of the reasons why I appeal again to-day to the Directors of the National Railways is the fact that this division cannot possibly remain permanent, because it takes away a portion of the Intercolonial Railway, which belongs to the Maritime Provinces and the Government of Canada. While I am ambitious to see the Canadian National Railways a perfect system, and one which will not continue to be a drag upon the people of Canada, I have also considered the opinion existing in many minds, particularly among the commercial people of the great cities of Canada that we may never make a success of national operation, and those railroads which have been joined together under the Canadian National Railway System may possibly in the future be detached. Perhaps the Grand Trunk may be handed over to some company, and in the course of years the Canadian Northern may be returned to its original owners. I say that is a possibility; but the Intercolonial Railway can never be sold, because it is the possession of the Maritime Provinces and the rest of the Canadian people. Therefore, although in the future there may be a return of some of the railroads now comprised in the Canadian National system, the Intercolonial must always remain the property of the Government of Canada and be operated by the Government in fulfilment of the promises and agreements made by the Fathers of Confederation to provide a service, which should be not for gain, but for the general advantage of the provinces.

With regard to the point raised by the honourable the ex-Minister of Labour (Hon Mr. Robertson), having had my attention called to it before I do not see that there would be, after all, any difficulty about the Canadian National Railways operating an express business as well as freight and passenger traffic. As we know, the Canadian Pacific Railway controls and operates an express business under the name of the Dominion Express Company. It should be just as easy for the directors of the Canadian National Railways to operate an express business as it is feasible and perhaps lucrative for the directors of the Canadian Pacific Railway to do so on their lines. I believe that the Bill will pass.

Hon. GEORGE GORDON: Honourable gentlemen, we have had in Canada two express companies—the Canadian Express, owned and controlled by the Grand Trunk, and the Dominion Express, owned and controlled by the C. P. R. Both these companies have been successful and have made money. But now that the Canadian National Railways wish to own and control an express company, they are opposed. I cannot for the life of me understand why this is so. We have at the head of that immense institution of the National Railways an executive, and, if they are at all capable of doing their work, they can surely manage properly an express company. I cannot see any reason why this Bill should be opposed at all, particularly by those who were responsible for the taking over of the railways by the Government. For my part, I only wish that the leaves could be turned back, and that instead of having to acquire the railways we had only to acquire the express companies.

Hon. E. D. SMITH: Honourable gentlemen, I quite agree with what the honourable member for Welland (Hon. Mr. Robertson) has said, that the management of the express companies in the past has been excellent and that to change the method of conducting express business would be undesirable. I do not see that this Bill is necessary. I would like to ask the honourable leader of the Government what is proposed. Is it intended that the express business shall be conducted in a manner different from the past, or is it intended only to place the express business under the same Board of Directors as the Canadian National Railways, allowing it to be conducted as it has been? I do not think there is any intention to change the method, and I cannot see any need for the Bill, because when the Canadian Northern and the Grand Trunk were taken over, the express companies were bought with them and now belong to the National Railways. Is it proposed to change the method of management of the express company? I understood the honourable gentleman from Welland to say that the management of the express companies in the United States under one executive was efficient, but my experience of express companies there is that the management, although it is separate from that of the railways is absolutely abominable. It is not much better than our freight. I have had a good deal of experience with express companies in the United States, and by none of them can you get express goods moved any faster than by a fast freight in this country. However, I want to say that the Dominion Express and the Canadian Express in the past have been very well managed. The conduct of the express business has been excellent, and I hope there will be no change in it when the express company becomes part and parcel of the National System.

Mention has been made in this debate, and quite properly, of the question of what should be the rates in the Maritime Provinces. Honourable members from the Maritime Provinces claim that since Confederation it has been conceded and agreed by the people of this Dominion that the rates on the Intercolonial shall not exceed cost. It was stated in a previous debate by the honourable gentleman who introduced the subject that there should be a differential. Differential and cost are two different things. If the rates are to be at cost, then they will certainly be no lower than they are at present; and this applies to express as well as freight. The express business is a part of the business of the railways. I cannot see how the rates can be fixed at cost for those railways in the Maritime Provinces that are owned by the Government, while the C.P.R. is allowed to charge what it may consider fair. If the Canadian Pacific is to be placed upon the same basis as the Canadian National, and goods are to be carried in the Maritime Provinces at cost, that will be different from anything that has been done hitherto. In the rulings by the Railway Commissioners the cost of operation by the Canadian Pacific has been taken as the basis, but in this case, if goods are to be carried at cost on the Intercolonial, I do not see how the Commissioners could take any other basis than that of the Intercolonial, and therefore the C.P.R. also would have to carry goods there at cost. That would be a fine thing. But what seems to me as most important and essential is to establish that a bargain has been made. That has not been established yet to my satisfaction; but if it can be established, then I say it is our duty to carry out the bargain, so long as the rates do not go below cost of operation. If the rates have been as it has been claimed they should be only as high as cost, I do not know what may occur in the future in this respect, but we certainly have lost nothing up to the present time.

Hon. P. C. MURPHY: Honourable gentlemen, it is probably not in order to discuss ordinary freight rates in connection with this Bill to amalgamate the express company with the Canadian National Railways. There is no question at all that, although the concession regarding freight rates was not written in the bond, in the discussions that brought about Confederation it was not only implied, but absolutely stated, as an inducement to bring in Nova Scotia and New Brunswick. Prince Edward Island came in later. It was understood that, on account of the Maritime Provinces losing the business which went to the New England States, the Intercolonial Railway would be built and such rates put into effect as would enable our products to be transported to the upper provinces. That implied and stated agreement was carried out for forty years. As is well known by every honourable member of this House, the Railway Commission had no authority over the rates on the Intercolonial until two or three years ago, when an Order in Council placed the Intercolonial under the Commission. For years the rates were maintained, not at cost at all, but at a loss. As members of the House of Commons knew full well—and among them the honourable gentleman from Wentworth (Hon. Mr. Smith)—there

were deficits year after year, and these were paid out of ordinary revenue.

The question of express rates is a different matter. Express rates never came under that agreement and have never been taken into consideration in the same way as freight rates. So far as the express companies are concerned, there is no kick coming from the Maritime Provinces. There is a kick, and a very serious one, with regard to the advance in rates, which has crippled, in fact paralyzed, every industry in the Maritime Provinces. We were shut out from the American market as a result of Confederation, and we cannot ship out produce or manufactured goods to the upper provinces on account of the prohibitive freight rates. As I have said, this discussion of freight rates under this Bill is out of order. So far as express rates are concerned, we have no objection and no complaint to make.

Hon. Mr. SMITH: May I ask the honourable leader of the Government a question? At the present time the Dominion Express is operated on the Intercolonial Railway in the Maritime Provinces between St. John and Halifax. Is that operation to be discontinued?

Hon. Mr. ROBERTSON: It has been recently discontinued.

Hon. Mr. DANDURAND: I am informed that it has been discontinued.

Hon. Mr. FOWLER: I would like to ask the honourable Minister, is it the intention to shut out all other express companies from operating within the territory of the Canadian National?

Hon. Mr. DANDURAND: No. The main object of this Bill is to place under the Railway Management the whole express business of the enlarged Canadian National System. It would be administered by a department, just as the C.P.R. administers its express business through a department called the Dominion Express. If the Dominion Express Company has other shareholders than those of the Canadian Pacific Railway itself, it is bound to remain a separate entity; but if, as in the case of the express company transferred to the National Railways, the Canadian Pacific Railway owns all the stock of the Express Company, it may to-morrow declare that it will operate its express business as a department of the C.P.R., and in that event I wonder what change there would be, since the Dominion Express Company would then be, as it is now, part and parcel of the C.P.R. and administered by officials appointed by the C.P.R.

Hon. Mr. MURPHY: I have heard it stated that the Canadian Pacific will not give the Canadian National Express Company running rights over its road, and that this is the reason why the Canadian National had refused the C.P.R. rights in territory which the Government railways have always had. I would like to ask the honourable gentleman if that is true.

Hon. Mr. DANDURAND: I will inquire and get the information.

Hon. Mr. FOWLER: As a matter of fact, the Canadian Pacific will not give to the Canadian National Express any rights whatever in territory where the C.P.R. operates exclusively. In my own town there is the Dominion Express, which is the C.P.R. Express, and the Canadian Express, the two dividing the business. But in any portion of the country that is served only by the C.P.R. you will not see the Canadian Express operating at all, and I supposed that this measure was to eliminate the C.P.R. from operating in what is exclusively Canadian National territory. That should be done, because dividing the business in territory belonging exclusively to one railway makes the rates higher, and there is an additional burden on the people. The more you can eliminate that sort of thing, the cheaper rates you will get for the people. It does seem to me that, particularly when the C.P.R. in its exclusive territory will not permit the Canadian Express to operate, the Canadian National should not permit the C.P.R. to operate in territory which belongs exclusively to the National.

Hon. Mr. MURPHY: Let me cite an example, honourable gentlemen. In the last few years the two express companies have been running side by side in our province. One company, the Canadian Express, could do all the business, but under prevailing conditions the C.P.R. was allowed running rights over the Prince Edward Island Railway, and as a consequence you saw two express agents in the one express car—one at one end, with the Dominion Express Company's goods, and the other at the opposite end with the goods of the Canadian Express Company. The Canadian, as I say, could have done the whole business and eliminated the Dominion Express, which they are doing now, and which, to my mind, they have a perfect right to do.

Hon. J. S. McLENNAN: As I understand the situation, honourable gentlemen, there was a time when the Candian Pacific Railway had running rights over the Intercolonial

down as far as Halifax. Those rights were abrogated, but subsequently the Dominion Express—the subsidiary of the Canadian Pacific, owned, I believe, exclusively by the Canadian Pacific—retained the right to run a car, for which presumably it paid, and you had an extra car in every train on which express shipments were carried. There was one car for the Canadian Express and one for the Dominion, going down as far as Sydney and Halifax. Now the Canadian National has taken it all, and I suppose, on express goods originating on the C.P.R. and going to some point on the Canadian National in the Maritime Provinces, they prorate, instead of allowing both express companies to operate, for which one cannot blame them; it will give them more business.

As this discussion has wandered so much, I may just as well add another gyration to it. My deskmate (Hon. Mr. Smith) who speaks from the standpoint of the shipper, says that the express business has been extremely well done. I do not doubt that at all; but if he were a passenger on a train in the lower provinces he would wish there had never been such a thing as an express company or express business in the world. I have noticed over and over again that the loading and discharging of passengers and baggage takes only a fraction of the time during which the trains stand at stations in order to handle express goods. There has been a good deal of amateur railroading done in this country and elsewhere; but I believe there will some day be an entire elimination of the express business from passenger trains, and that fast freights, which could be run more cheaply and almost as fast as our passenger trains to-day, will take on express goods.

Hon. Mr. GORDON: Wait until we get more population.

Hon. Mr. McLENNAN: If the fast freight rates were a shade lower than the express rates I believe such a business would not be unfeasible.

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

SEEDS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 12, an Act respecting the Testing, Inspection and Sale of Seeds.

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: I have asked Mr. McCoig to explain this Bill.

Hon. Mr. McCOIG: Honourable gentlemen, this Bill combines all the good parts of the Acts of 1905 and 1911, along with some changes and alterations which are necessary to give us a better class of seed. The Bill was thoroughly investigated by the members of the House of Commons Agricultural Committee. There is nothing very contentious in the Bill, but I shall be glad to give further explanations from time to time when called upon.

Sections 1 to 22, both inclusive, were agreed to.

On section 23—who shall be prima facie liable:

Hon. Mr. FOWLER: What is meant by section 23?

Hon. Mr. WATSON: A clerk might sell the seeds or plants.

Hon. Mr. FOWLER: That does not mean the grower.

Hon. Mr. PARDEE: No, the person who offers for sale.

Hon. Sir JAMES LOUGHEED: The dealer, I should think.

Hon. Mr. FOWLER: Does it mean the merchant or the grower?

Hon. Mr. PARDEE: The merchant.

Hon. Sir JAMES LOUGHEED: This does not deal with the grower.

Hon. Mr. FOWLER: Supose some plants were sold for charity, or a certain quantity of vegetables were donated to the Red Cross, and sold by them, and they were bad, would you hold the Red Cross liable?

Hon. Mr. BEIQUE: Such an instance as my honourable friend mentions is not likely to occur. If the seed is offered for sale by A's clerk, A should be held responsible for the act of his clerk.

Section 23 was agreed to.

Sections 24, 25 and 26 were agreed to.

On section 27—commencement:

Hon. Sir JAMES LOUGHEED: Should not the old Act remain in operation until the proclamation brings the new one into force?

Hon. Mr. McCOIG: The seed trade is practically over at this time of year. It is hardly necessary to put the Bill into operation.

Hon. Sir JAMES LOUGHEED: So long as it is proclaimed almost at once, it is all right.

Hon. Mr. BEIQUE: I am under the impression that it would be a mistake to repeal the old Act before the new one comes into operation; it would have no retroactive effect and would cause confusion.

Hon. Sir JAMES LOUGHEED: The repeal should not be effective until the new Act comes into operation.

Hon. Mr. BEIQUE: I think section 26 should be struck out.

Hon. Sir JAMES LOUGHEED: That can be attended to when the Bill comes up for third reading.

Hon. Mr. BEIQUE: The section does not say by whom appointments shall be made.

Hon. Mr. DANDURAND: It means the Civil Service Commission.

Section 27 was agreed to.

The preamble was agreed to.

The title was agreed to.

The Bill was reported without amendment.

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

THE SENATE

Monday, May 14, 1923.

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

Prayers and routine proceedings.

IMMIGRATION BILL

FIRST READING

Bill 136, an Act to amend the Immigration Act.—Hon. Mr. Dandurand.

DIVORCE BILL

FIRST READING

Bill E5, an Act for the relief of Winifred Scatcherd.—Hon Mr. Taylor.

POSITION OF WALTER DUNCAN

INQUIRY

On the Orders of the Day:

Hon. Mr. GRIESBACH: A few weeks ago I asked a question with reference to one Duncan, and the honourable leader of the Government promised me a fuller reply than that which he gave. When may I expect the complete reply?

Hon. Mr. DANDURAND: I think I shall be able to give the whole reply by to-morrow. I received a second part this evening, but I have not yet brought the different parts together.

COST OF THE CIVIL SERVICE

INQUIRY

On the Orders of the Day:

Hon. Mr. BRADBURY: I would like to direct the attention of the honourable leader of the Government to the fact that an order of this House was passed just one month ago, which reads as follows:

That an order of the Senate do issue for a return showing the total cost of the Civil Service for the year ending March 31st, 1919, and for the year ending March 31st, 1922.

By the Civil Service is meant all the Government employees affected by the provisions of the Civil Service Act, 1919, and its amendments.

I do not know why I should have to worry the honourable leader of the Government about a return of this kind. Surely there must be some machinery by which the members of this House can obtain information. I have been trying ever since the House met to obtain this information. Why is it not available?

Hon. Mr. DANDURAND: I surmise that the Finance Department would be the proper department to give us that answer.

Hon. Mr. BRADBURY: I submit that the Departments should obey the order of the House, and if the Government cannot compel them to do so, then the Government had better get out and let some other Government in that can.

Hon. Mr. DANDURAND: I will make an effort to ascertain if anybody is working on that order.

SEEDS BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 12, an Act respecting the Testing, Inspection and Sale of Seeds.

He said: I would point out to my honourable friend (Hon. Sir James Lougheed), who was somewhat exercised over the fact that the Seed Control Act of 1911 was being repealed, that the present Bill will perhaps come into force at later date.

Hon. Sir JAMES LOUGHEED: Yes, it comes into operation by Order in Council. In the meantime the present Act is repealed. Consequently there would be an interim during which there would be no Act dealing with this subject.

Hon. Mr. DANDURAND: But I am informed that, so long as this Act is not proclaimed, it does not come into operation—its operation is entirely suspended.

Hon. W. B. ROSS: Yes. And the repealing clause is not operative until the Act is proclaimed.

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

CHINESE IMMIGRATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 45, an Act respecting Chinese Immigration.

He said: Honourable gentlemen, the Bill which is now before us is intended to regulate the immigration to Canada of persons of Chinese origin, and partly to implement the promise of the Government on May 8, 1922, to effectively restrict the immigration of Orientals to Canada, and includes the following:

(1) The head tax on persons of Chinese origin is abolished;

(2) The entry to or landing in Canada of Chinese is confined to the following classes:

(a) Members of the diplomatic corps and other Government representatives, their suites and their servants, consuls and consular agents;

(b) Children born in Canada of Chinese race or descent, who have left Canada for educational or other purposes and are returning to Canada;

(c) Bona fide merchants whose entry would be likely to promote trade between China and Canada.

There has been considerable discussion as to the interpretation of the word "merchants." It will be noticed that under clause 5 of the Bill "merchants" will be "as defined by such regulations as the Minister may prescribe."

(d) Students coming to Canada for the purpose of securing a higher education in Canadian colleges or universities, and while in actual attendance;

(3) Provision is made for Chinese to travel in transit through Canada en route to other countries;

(4) All Chinese in Canada, irrespective of allegiance, to immediately register.

(5) All Chinese lawfully resident in Canada, who wish to leave this country with the declared intention of returning, upon registering outwards in the manner prescribed by the Act, will be permitted to return any time within two years as at present.

These are very important changes, and of course the Senate is entitled at this stage to discuss the underlying principles of this Bill; but honourable gentlemen will have a better and fuller opportunity of examining the merits of each clause as we take it up in Committee.

Hon. W. B. ROSS: Honourable gentlemen, this Bill is a very important one, dealing with a subject that has been under discussion more or less at different times for a great many years in Canada. It affects a large number of Chinamen in this country—probably 50,000. If they have any objection to this Bill or any suggestions for striking out any of its provisions or amending it in any way, it would be wise, I think, to give them an opportunity of being heard, and I would suggest to the honourable leader of the Government that, instead of referring the Bill to the Committee of the Whole House, we should send it to a special committee, by whom Chinese or their friends or counsel could be heard. It is not convenient to have this Bill considered in Committee of the Whole House. The Bill is a very important one, as it involves our relations with a foreign nation.

Hon. Mr. FOWLER: Does the honourable gentleman make a motion to that effect?

Hon. Mr. ROSS: Yes.

Hon. Mr. FOWLER: I have great pleasure in seconding it.

Hon. Mr. DANDURAND: We ought first take the second reading.

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

Hon. W. B. ROSS moved that the Bill be referred to a special Committee consisting of Hon. Messrs. Calder, Dandurand, Dessaulles, Fowler, Macdonnell, McDonald, McMeans, Prowse, Robertson, Sharpe, Taylor and the mover.

Hon. Mr. DANDURAND: Last week, as we were separating, a question was put to me as to the urgency of sending this Bill to a Special or Standing Committee of this House. I had an open mind on the question until I received two memoranda from two different sources urging the importance of amending the Bill in various particulars. Upon reading these documents very minutely, I came to the conclusion that the questions involved could very well be discussed by a Committee of the Whole House. In the main they were questions of policy, and I cannot see that any discussion in a Special Committee will enlighten the members of the Senate to a greater

extent than any memorandum that could be circulated among them. Yet if there is a large body of opinion in the Senate in favour of the other method, I will yield to the suggestion of my honourable friend from Middleton (Hon. W. B. Ross). I only feel that we may be dragged into longer sittings in that Committee than we would desire; but it will be for the Committee to try to restrict the discussion in order that we may have a report in due time.

The motion was agreed to.

ADMIRALTY BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 117, an Act to amend the Admiralty Act.

Hon. Mr Blain in the Chair.

On section 1—deputy local judges:

Hon. Sir JAMES LOUGHEED: Is my honourable friend prepared to say yet whether it will be the policy of the Government to appoint judges as the local deputy officers in Admiralty, or whether it is the intention of the Government to make appointments entirely irrespective of the judiciary?

Hon. Mr. DANDURAND: I may say that the Government has not been consulted in this matter, and that this Bill is absolutely a departmental Bill, coming from the Department of Justice.

Hon. Sir JAMES LOUGHEED: But may I say to my honourable friend that the Government is responsible for this legislation, and the Government should certainly know its own mind, and this House should know the mind of the Government, upon so important a question as the appointment of deputy local officers in Admiralty in every district in this Dominion. This House cannot catechise the Department of Justice, or any other Department. This is a question of governmental policy, and we should have a straighforward answer to a straightforward question, because the Bill proposes a very radical departure from the well-recognized principle, which has been observed for years, of appointing judges and giving them Admiralty jurisdiction in the districts in which they live. In my judgment this practice should not be departed from.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that this is a general Act—

Hon. Mr. FOWLER: So much the worse.

Hon. Mr. DANDURAND: —which is already on the Statute Book, and we are face to face with certain amendments to a general Act which will serve for all time, or at least until further amended by Parliament; so that all I can tell my honourable friend is that the Government has no policy, and has not had occasion to examine any policy, in the matter. That question will undoubtedly come up from time to time when the Minister of Justice makes reports to Council upon the necessities in certain districts as he sees them. I may tell my honourable friend that Council has no policy on this matter at the present time. The only question for the Senate is as to whether these amendments to a general Act are judicious.

Hon. Mr. FOWLER: Have you section 11 of the Admiralty Act—the present section that you are repealing?

Hon. Mr. BELCOURT: While that is being looked up, I would say that it appears to me after reading the Act for the first time, that the Government must appoint somebody who is already a judge.

Hon. Sir JAMES LOUGHEED: No.

Hon. W. B. ROSS: That is the point—to find out.

Hon. Mr. BELCOURT: It seems to me that the interpretation of this Act conveys that meaning, if you read section 2:

> No judge, local judge or deputy local judge shall take or receive any fee of office upon the trial of any cause or upon any other judicial proceeding.

Hon. Sir JAMES LOUGHEED: But my honourable friend will observe that under section 1 the Governor in Council "may from time to time, appoint for any Admiralty district one or more deputy local judges." That is to say, they can appoint John Smith to be a deputy local judge in Admiralty entirely irrespective of his occupying any judicial position at present, or entirely irrespective of his being a professional man. All they have to do is to designate him a deputy local judge in Admiralty.

Hon. Mr. CASGRAIN: Why not add the words, "being a judge?"

Hon. Sir JAMES LOUGHEED: I shall be very glad to support an amendment of that kind if my honourable friend will move it.

Hon. Mr. FOWLER: Let us have that section II as it now stands.

Hon. Mr. DANDURAND: I have now in my hands the Revised Statutes of 1906, chapter 141.

Hon. Mr. FOWLER: That is the last revision?

Hon. Mr. DANDURAND: Yes, the last revision, Since 1906 two Acts have been passed, in 1920 and 1922, but they have not been put into force. Apparently they were to come into force by proclamation, and they were not proclaimed, so we are back upon the statute of 1906.

Hon. Mr. BELCOURT: But these amendments refer to section 11. If they do not refer to section 11, it does not matter.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to clause 5, chapter 33 of the statutes of 1920, and chapter 4 of the statutes of 1921, which are hereby repealed. That makes it clear that we are back to section 141, which says:

A local judge in Admiralty may, from time to time, with the approval of the Governor in Council, appoint a deputy judge; and such judge shall have and exercise all such jurisdiction, powers and authority as are possessed by the local judge.

2. The appointment of a deputy judge shall not be determined by the occurrence of a vacancy in the office of the judge.

3. A local judge in Admiralty may, with the approval of the Governor in Council, at any time revoke the appointment of a deputy judge.

So that under chapter 141 a local judge could appoint deputy judges with the approval of the Governor in Council. This Act seeks to give to the Governor in Council alone the initiative.

Hon. Mr. BELCOURT: Is there anything said in that about salary?

Hon. Mr. DANDURAND: No.

Hon. Mr. FOWLER: Has any difficulty arisen?

Hon. Mr. McMEANS: Is there any qualification required by an Admiralty judge or a local Admiralty judge?

Hon. Sir JAMES LOUGHEED: No, there is none.

Hon. Mr. DANDURAND: I read last week a statement from the Deputy Minister of Justice on this very question, to which I will draw my honourable friend's attention. I will read it again for the information of the Committee:

There was some confusion about the former legislation. According to the Admiralty Act, Revised Etatutes, Chapter 141, a local judge in Admiralty was authorized to appoint a deputy judge with the approval of the Governor in Council, and the appointment might be revoked in the like manner. By Chapter 33 of 1920 it was provided in alternative that the Governor in Council, or a local judge in Admiralty with the approval of the Governor in Council, might appoint a deputy judge, and that such appointment might be revoked in the like manner. This Act however was not brought into force.

I draw attention to the fact that this first Act of 1920 was brought to this Chamber by my honourable friend opposite.

Then, by Chapter 4 of 1922, it was provided that the Governor in Council might appoint a deputy judge; that such deputy judge should hold office during good behaviour, and might be removed by the Governor in Council. This Act also has not been brought into force

By the present Bill it is proposed to repeal both the Act of 1920 and the Act of 1922, neither of which, as I have said, has come into operation, and to vest the power of appointment as well as the power of removal, in the Governor in Council, so that the effect of the proposed legislation, so far as section 11 is concerned, will be to leave the law as originally enacted in the Revised Statutes, except that the appointment of a deputy judge will be made direct by the Governor in Council and not through the medium of the local judge. The former method of appointment, I may say, was found cumbersome and dilatory as it depended upon the exercise of two distinct authorities, the local judge and the Governor in Council, and the proposed amendment is designed to simplify and accelerate the procedure.

Some years ago the judge of the Exchequer Court made rules authorizing local or deputy judges to receive fees of office. This was done principally to provide some compensation for the deputy judge at Montreal, who was transacting considerable business there, while the local judge resided at Quebec. More recently the judges salaries have been raised, and by section 2 of Chapter 59 of 1919 it was provided that no salary shall be paid to any local judge in Admiralty who is a judge of any provincial superior court, although this provision was not to apply to local judges appointed before the coming into force of the Act.

They apparently had acquired rights.

In view of this provision and of the increase of judical salaries, and in view of complaints made by suitors against the payment of fees, it is considered advisable to abolish these fees.

This is what the present Act aims to do.

In the Province of Quebec there are two large shipping centres at Montreal and at Quebec, and presumably there would always be a local judge or a deputy judge at each of these places. It is considered that they should be on the same footing with regard to remuneration; and therefore, while the judicial fees are abolished, it is provided by section 3 of the proposed Act that a deputy judge at Montreal or Quebec, when the local judge resides at Quebec or Montreal, shall receive the same salary, if any, as if he were the local judge.

But if he is a judge of the Superior Court he is not entitled to any remuneration whatever.

Hon. Mr. FOWLER: I do not quite understand that point, because the judge in Admiralty in the province of New Brunswick is the judge of the Supreme Court—in point of fact I think the Chief Justice—and he receives a salary in addition to his salary as Chief Justice.

Hon. Mr. DANDURAND: Where?

Hon. Mr. FOWLER: In St. John.

Hon. Mr. DANDURAND: But he has been a long time a judge in Admiralty, has he not?

Hon. W. B. ROSS: It is the same in Nova Scotia; the judge gets $1,000 extra.

Hon. Mr. DANDURAND: But I draw the attention of my honourable friend to this fact, that section 2 of chapter 59 of 1919 provided that no salary should be paid to any local judge in Admiralty who was a judge of any provincial superior court, although this provision was not to apply to local judges appointed before the coming into force of the Act. So that if they had that fee, or that increased indemnity at the time of the passing of the Act of 1919, that would explain why they have it still. That is why I say that if the judges in Montreal or Quebec are superior court judges, and appointed after that Act of 1919, they would not be entitled to receive any salary.

Hon. Sir JAMES LOUGHEED: But this is all beside the question which I have inquired about, and to which I regret to say I have not yet received an answer. Section 1 proposes to give the Government authority practically to cancel all Admiralty appointments up to the present time.

Hon. Mr. DANDURAND: As it had before.

Hon. Sir JAMES LOUGHEED: No; but express power is given to the Government to appoint for any Admiralty district one or more deputy local judges. Consequently I say that in an Admiralty district the Government has power to revoke all appointments in Admiralty, and to appoint the class of officer mentioned in this section. I further say that the employment of the term "deputy local judge" is unknown to the statute, and it is unknown in the memorandum furnished by the Deputy Minister of Justice, because he speaks of a local judge, or a deputy judge, but there is no such officer as a deputy local judge. This term has been employed by the Government, apparently, in this Bill, and will permit the Government to revoke all appointments in Admiralty, and create new appointments, those new appointees to be known as local deputy judges in Admiralty for the districts which may be designated.

Now, what I want to know is whether that is the intention of the Government. It has been expressed in the most general terms in this Bill, and may result in a wholesale sweeping out of existing Admiralty judges. Is it the intention of the Government to create a new batch of Admiralty judges, to be known as deputy local judges, in all Admiralty districts? As to the matter of salary—

Hon. Mr. BELCOURT: Where does my honourable friend find in the Act that the Government may revoke the present appointees?

Hon. Sir JAMES LOUGHEED: They can do it. In the first place, the Governor in Council may at any time revoke the appointment of a deputy local judge; and they have the right now to revoke an appointment in Admiralty. But the question of salary is not one which should agitate us at this moment because of any absence of mention of it in the Bill. The Government can place in the Supply Bill an estimate for all the new appointments which they purpose making, entirely irrespective of the statutes. This Bill contemplates such very wide powers that it is not unreasonable that we should press our honourable friend to let us know what the policy of the Government is upon this very important question.

Hon. Mr. DANDURAND: To-morrow I may be able to inform my honourable friend that it is not the intention of the Government to make a certain number of appointments; yet, I may tell my honourable friend, that will fall short on any control that the Senate might like to exercise, because, although it is not the intention to-day, it may be the intention of this Government next year, or of the succeeding Government, to follow a different policy. So the inquiry, although interesting as explaining present policy, does not go to the root of the question.

Hon. Sir JAMES LOUGHEED: Does my honourable friend see any objection to amending the Bill by providing that the local judges shall be members of the judiciary; that is, that the jurisdiction in Admiralty shall be exercised by the same class as those who exercise that jurisdiction to-day? My honourable friend opposite (Hon. Mr. Casgrain) made a suggestion a moment ago which would clear up the whole situation.

Hon. Mr. McMEANS: That is what I have been endeavouring to impress upon the Minister right along. On several occasions I have asked whether certain qualifications are required in an Admiralty judge. I take it that under this Bill the Government can appoint any individual, no matter whether or not he can read or write, or has a knowledge of law, or ever sailed a vessel, or anything else. I think the honourable leader of the Govern-

ment should state whether any qualification is required. If no qualification is required, I for one will vote against the Bill.

Hon. Mr. DANDURAND: It may be interesting to this Chamber to have a list of the deputy judges that are in existence to-day and to know their qualifications; it also may be interesting to frame an Act in such a way as to provide from amongst whom these deputy local judges shall be selected. If they can be had from amongst the judges of the Superior Court—

Hon. Sir JAMES LOUGHEED: Not necessarily—the judges of the County Courts or District Courts.

Hon. Mr. DANDURAND: I draw attention to this difference: the Superior Court judges would be obliged to do the work without any increased indemnity, whilst any other class of judges may be entitled to some kind of supplementary indemnity.

Hon. W. B. ROSS: You could amend the Act so as to require them to serve without increased salary.

Hon. Sir JAMES LOUGHEED: Give them a reasonable remuneration: they are not too well paid now.

Hon. Mr. DANDURAND: The County Court judges?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND: Does that remark apply also to Superior Court judges?

Hon. Sir JAMES LOUGHEED: I will allow my honourable friend from Middleton (Hon. W. B. Ross) to answer that question.

Hon. Mr. DANDURAND: I will move that the Committee rise and report progress, and ask leave to sit again. The Department of Justice will take note of the suggestions offered by the Committee.

The motion was agreed to, and progress was reported.

COPYRIGHT BILL

SECOND READING

Hon. N. A. BELCOURT moved the second reading of Bill 24, an Act to amend the Copyright Act, 1921.

He said: Honourable gentlemen, we must admit that there has been apparently considerable confusion and some misunderstanding in the other House with regard to this Bill. The Bill was introduced for the purpose of putting Canada on the same footing with regard to Copyright as the British Isles and the other Dominions, having regard more especially to the revised Convention of Berne of 1908. In 1921 we passed an Act purporting to grant to Canadian authors the benefits of copyright as defined by that convention. In that Act we included sections 13, 14, 15, and 27 with considerable doubt. Honourable gentlemen who were in this House at the time will remember that those four sections were the subject of considerable debate. Because of that, the Act of 1921 was not proclaimed, the idea being that in the meantime the opinion of those responsible for the administration of the Berne Convention might be obtained, so that we might know definitely to what extent the sections I have mentioned militated against the full enjoyment of copyright by Canadians. As the Act of 1921 was never proclaimed, Canadian authors were left in exactly the same position that they had been in since the original Act of 1886, and have been without any copyright protection whatever.

Since the passing of the Act of 1921 the Berne Convention has expressed its opinion with regard to sections 13, 14, 15 and 27, and has definitely taken the position that those sections militate against Canadian authors and really prevent them from enjoying the full benefits of the revised Berne Convention of 1908. The British authorities took the same view, and in 1911 the Imperial Parliament adopted an Act which gives to the citizens of the British Isles complete copyright as understood by the Berne Convention.

Hon. Mr. MURPHY: Why was the other Act not proclaimed?

Hon. Mr. BELCOURT: As I said a moment ago, the Act of 1921 was not proclaimed because it was thought by many members in both Houses of the Canadian Parliament that, with the inclusion of sections 13, 14, 15 and 27, it would not afford full copyright protection to Canadian authors.

Since the British Act of 1911, the other Dominions have adopted similar Acts, Canada alone not having done so. Attempts were made on several occasions to have a Bill passed by this Parliament with a view to granting to Canadians the same rights as those enjoyed by citizens of the British Isles and of the other British Dominions. It is now manifest that the Act of 1921 is not going to give Canadian authors the protection of the Berne Convention; the Convention has condemned that Act and has declared it to be inefficient; and because of that and the opinion of the British authorities, and the fact that the other Dominions have adopt-

ed legislation in conformity with the views of the Berne Convention, Bill 24 was introduced into the House of Commons by the Minister of Trade and Commerce. Section 2 of the Bill as introduced provided:

Sections 13, 14, 15 and 27 of the Copyright Act, 1921, are hereby repealed.

Those are the provisions to which I referred a moment ago as standing in the way of full enjoyment of copyright by Canadian authors. If the Bill had passed the Commons as introduced, there would be no difficulty; but during the discussion in the Commons certain gentlemen who were interested as publishers, printers, and so on, and especially manufacturers and sellers of phonographs, claimed that the sections should remain in order to compel the Canadian author who wishes to have his book reprinted, to have it done in Canada so that they might reap the benefit. They succeeded in creating considerable confusion and misunderstanding in the House, as any honourable gentleman who will take the trouble to read the Debates of the other House will observe. It would seem as though the Commons had once more relied on this House, which generally considers these matters with great care and attention, to rectify the matter if it had gone wrong. As I say, the whole trouble arises because section 2 was amended so as to read as follows:

Sections 13, 14, 15 and 27 of the Copyright Act, 1921, shall not apply to any work the author of which is a British subject, other than a Canadian citizen or the subject or citizen of a country which has adhered to the Convention and the additional protocol thereto set out in the second schedule to the said Act.

The effect of that amendment is to leave the Act of 1921 unchanged in any way with regard to Canadians, and Canadians only. Instead of repealing them, the amendment continues them in force with regard to Canadians; all other British subjects or adherents to the Berne Convention are not affected by those provisions.

Hon. Mr. ROBERTSON: May I ask my honourable friend whether or not the Bill as it is now before this House conforms to the requirements of the Berne Convention?

Hon. Mr. BELCOURT: No; with the amendments, it does not. The Berne Convention authorities have declared that the Act of 1921, in that it contains sections 13, 15, 16 and 27, is not in conformity with the Berne Convention. The Bill as introduced in the House of Commons provided for the repeal of those sections purely and simply in order to comply with the decision of the Berne Convention.

Hon. Mr. FOWLER: Was not this a sort of compromise between the contending parties?

Hon. Mr. BELCOURT: There is no doubt about that; it must have been that.

Hon. Mr. FOWLER: Are you opposing that compromise?

Hon. Mr. BELCOURT: I do not know that I should extend special thanks to my honourable friend (Hon. Mr. Dandurand) for having handed this Bill over to me, and I think I owe it to the House to review the opinions given in the past with regard to these sections. I want the House to be seized of the difficulty, and want to have full discussion. This was a compromise which I do not think was made by the several parties themselves. It was a compromise thought of and imposed by the Commons.

Hon. Sir JAMES LOUGHEED: This is what is commonly known as the printing or manufacturing clause?

Hon. Mr. BELCOURT: Yes, the licensing clauses, or the manufacturing clauses.

Hon. Mr. WILLOUGHBY: May I interrupt the honourable gentleman a moment?

Hon. Mr. BELCOURT: Certainly.

Hon. Mr. WILLOUGHBY: I think there has been an expression of opinion by the official publication dealing with the rights of authors, that if these licensing clauses were made applicable only to those who are not members of the Berne Convention there would be no objection to them. I am not defending them at all, but would point out that that is not quite the position as the honourable gentleman put it in addressing the House. I have read an expression of the opinion that it would be perfectly proper, and within the limits and powers of the Berne Convention, to have those licensing clauses apply only to any country which is not a member of the Berne Convention.

Hon. Mr. BELCOURT: As I understand it, the decision of the Berne Convention is that, with the sections included which were in the Act of 1921, Canadian authors, or members of the Union which would be subject to similar provisions, would not get the full benefit of the Berne Convention. The effect of the amendment, as I take it, is to have these sections remain with their full force and effect so far as Canadians are concerned.

Hon. Mr. GRIESBACH: And so far as nationals are concerned who are not members of the Berne Convention, it applies to them

also, does it not? It applies to Canadians, because it says so.

Hon. Mr. BELCOURT: Yes.

Hon. Mr. GRIESBACH: It applies also to nationals of countries not members of the Union.

Hon. Mr. BELCOURT: My duty is to endeavour to have the House understand exectly what is the effect of the Bill as it was introduced in the House of Commons, and the entirely different effect of the Bill as it came from the House of Commons to us.

Hon. Mr. GRIESBACH: We can understand the effect of the Bill as it was introduced in the House of Commons, but what I think we cannot understand is the effect of it now as it has left that House. What is the effect of the Bill in its present form?

Hon. Mr. BELCOURT: The effect of the amendment made in the Commons is that sections 13, 14, 15 and 27 are still part of our copyright law—

Hon. Mr. GRIESBACH: With respect to Canadians.

Hon. Mr. BELCOURT: With respect to Canadians.

Hon. Mr. GRIESBACH: And with respect to nationals not members of the Union.

Hon. Mr. BELCOURT: Yes.

Hon. Mr. MURPHY: Would that vitiate the Bill as far as the Berne Convention is concerned?

Hon. Mr. BELCOURT: I do not think it would. I suppose that any member of the Union may impose certain restrictions; but the point is that with these clauses the Canadian author is not going to get the protection which British subjects in the British Isles and in the other Dominions of the Empire are today enjoying.

Hon. Mr. MURPHY: If they adhere to the Convention.

Hon. Mr. BELCOURT: There would be a discrimination, and the only country in the British Empire discriminated against would be our own country.

Hon. Mr. FOWLER: Oh, no.

Hon. Mr. BELCOURT: Yes. My honourable friend should read that again.

Hon. Mr. FOWLER: We would be the only ones adhering to the Berne Convention who would be discriminated against; but it would discriminate against the United States.

Hon. Mr. BELCOURT: No; they are not members of the Union. It is of members of the Union I am speaking. Of those who belong to the Union, I say, Canadian authors will stand in a position entirely different from that occupied by authors living in the British Isles or in the other Dominions. Of course, as far as the United States are concerned, they are not members of the Union at all.

Hon. Mr. FOWLER: This is a certain concession to the United States. There is no doubt about that.

Hon. Mr. BELCOURT: It is the very opposite.

Hon. Sir JAMES LOUGHEED: It is the very opposite.

Hon. Mr. DANDURAND: It is reciprocity in ill-will.

Hon. Mr. BELCOURT: It is a concession to the printer.

Hon. Mr. FOWLER: No; it puts us on the same footing as the United States. That is why I say it is a concession to them.

Hon. Mr. BELCOURT: No; it imposes on us the same distinctions as are imposed on people outside. The United States is not a member of the Convention.

Hon. Mr. McMEANS: If a Canadian author were to write a book, take it to Great Britain and publish it there, would he be in any better position than if he had it published in Canada?

Hon. Mr. BELCOURT: No. If a Canadian author goes to London and gets his book printed there, and then wishes to come back to Canada and secure Canadian copyright and have it reprinted here, he must submit to the provisions of sections 13, 14, and so on.

Hon. Sir JAMES LOUGHEED: Yes, if he wants to get a copyright in Canada.

Hon. Mr. BELCOURT: If he wants to get copyright in Canada—

Hon. Sir JAMES LOUGHEED: He has to do this.

Hon. Mr. BELCOURT: He has to make an agreement with some Canadian publisher or printer; and if he cannot make an agreement with the printer, then he must go to the Minister of Trade and Commerce, who makes the agreement between them. You are imposing upon the Canadian author a restriction, obligation, or burden to which any other member of the Berne Convention is not subjected.

Hon. Mr. McMEANS: Then I understand that if a person born in England wrote a book there, he would occupy a better position than if he were a Canadian.

Hon. Mr. BELCOURT: It would not necessarily matter whether he was born there or not; but if he lives there, or chooses to go over there to have his book printed.

Hon. Mr. WILLOUGHBY: If he publishes it there.

Hon. Mr. BELCOURT: This applies only to reprinting. If anyone who comes from England or any other country adhering to the Berne Convention has his book printed, he is entitled to all the benefits of the Convention. If he comes to Canada, he is not subjected to these provisions. The Canadian author alone is.

Hon. Mr. McMEANS: The Britisher is not?

Hon. Mr. BELCOURT: No. That is what I say. The national of any member of the Berne Convention can come to Canada without being subject to these provisions which I have mentioned. The Canadian is subject to them.

Hon. Mr. McMEANS: Why?

Hon. Mr. BELCOURT: Because the Bill says so: the amendment provides that.

Hon. W. B. ROSS: If a Britisher were to come to Canada and publish here, and then went back home, what would happen to him?

Hon. Mr. BELCOURT: I do not know. I cannot answer that question. That is beyond me.

Hon. Mr. MURPHY: I would like to ask the honourable gentleman if the force of those amendments would not compel Canadian authors to have their books published in Canada?

Hon. Sir JAMES LOUGHEED: Yes, that is the object.

Hon. Mr. BELCOURT: Those sections compel any Canadian author who has published a book in any country, a member of the Berne Convention, to make an agreement in Canada with some printer for the reprinting of his book.

Hon. G. G. FOSTER: If he wants copyright here.

Hon. Mr. BELCOURT: If he wants copyright here, he has to go to some printer and submit to that printer a bargain. If they cannot agree, then the Minister of Trade and Commerce makes the bargain for them. I say therefore that you are imposing upon the citizens of our country an obligation from which every other member of the Union is exempt. I hope I have made myself clear.

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend, can we not get over that difficulty by extending the obligation to all authors?

Hon. Mr. GRIESBACH: That would be contrary to the Berne Convention.

Hon. Mr. BELCOURT: That is the answer, of course. The point for this House to decide is whether, on the one hand, they are going to insist upon the Canadian author who wishes to get copyright in Canada being obliged to go and make a bargain with a printer, or whether, on the other hand, they will give him absolute freedom to make such a bargain as he can make anywhere else for the reprinting of his book, and at the same time get the benefit of copyright.

Hon. Sir JAMES LOUGHEED: My honourable friend has not yet stated what he purposes doing

Hon. Mr. BELCOURT: Just moving the second reading—no more.

Hon. Sir JAMES LOUGHEED: And does the honourable gentleman propose that the Bill be amended?

Hon. Mr. BELCOURT: No, no. I am inviting honourable members of this House to take part in the discussion to see if they can throw any light upon the matter.

Hon. Mr. DANIEL: Could a Canadian author get a copyright for his work say in England or in the United States—

Hon. Mr. BELCOURT: Not in the United States.

Hon. Mr. DANIEL: — without having the book printed there?

Hon. Mr. BELCOURT: The United States is not a member of the Berne Convention.

Hon. Mr. DANIEL: How about England?

Hon. Mr. BELCOURT: He may get a copyright and is not bound to go to anyone, but may make his own bargain with regard to printing.

Hon. Mr. DANIEL: He would have to get his book printed in England, would he not, in order to get copyright there?

Hon. Mr. BELCOURT: No. That is exactly the distinction I am trying to draw

between the law as it exists in the British Isles and what exists in the different Dominions.

Hon. W. B. ROSS: The honourable gentleman speaks of the amendment. I am not quite sure that word may not be used in a double sense. Has the honourable gentleman been speaking of the amendment to the Bill as introduced this Session into the House of Commons, or of an amendment of the Act of 1921?

Hon. Mr. BELCOURT: My honourable friend is generally sharper than that. Let me read section 2 of the Bill as introduced.

Hon. Mr. DANDURAND: You had better emphasize that expression "the Bill as introduced in the Commons."

Hon. Mr. BELCOURT: Section 2 of the Bill as introduced in the House of Commons reads:

Sections thirteen, fourteen, fifteen and twenty-seven of the Copyright Act, 1921, are hereby repealed.

Hon. Mr. ROSS: That would repeal those sections of the Act of 1921?

Hon. Mr. BELCOURT: The Act of 1921. Now a Bill comes to us in this form:

2. Sections thirteen, fourteen, fifteen and twenty-seven of The Copyright Act, 1921, shall not apply to any work the author of which is a British subject, other than a Canadian citizen, or the subject or citizen of a country which has adhered to the Convention and the additional Protocol thereto set out in the second schedule to the said Act.

Hon. Mr. MURPHY: They apply to a Canadian citizen.

Hon. Mr. ROSS: That is to say, the Commons amended the Bill that came in this Session, or put a qualification in it.

Hon. Mr. BELCOURT: Certainly. The Minister of Trade and Commerce introduced Bill as I have read it, simply repealing the objectionable sections. Later on, in Committee or in the House—

Hon. Mr. WILLOUGHBY: On the third reading.

Hon. Mr. BELCOURT: Yes—on the third reading, I believe it was—the Bill was amended by allowing these sections to remain so that they may be made applicable to Canadians, and to Canadians only.

Hon. Sir JAMES LOUGHEED: What is the authority of my honourable friend for saying that section 2 as we have it before us in the present Bill will be more in accordance with the Berne Convention?

Hon. Mr. BELCOURT.

Hon. Mr. BELCOURT: I said the opposite.

Hon. Sir JAMES LOUGHEED: No. As I understood him, my honourable friend said that Canada will not be precluded from becoming a member of the Berne Convention, notwithstanding that section 2, as it has been passed, imposes upon the Canadian author the obligation of having his work printed in Canada. My honourable friend has said that sections 13, 14, 15 and 27 of the Act of 1921 precluded Canada from becoming—

Hon. Mr. BELCOURT: No, no.

Hon. Sir JAMES LOUGHEED: I understood my honourable friend to say that.

Hon. Mr. BELCOURT: My honourable friend misunderstood me. What I said was that the publication issued by the Berne Convention declared that the inclusion of sections 13, 14, 15 and 27 in the Act of 1921 prevented Canadian authors from enjoying the full benefits of copyright as understood and carried out by the Berne Convention. That is all I said.

Hon. Sir JAMES LOUGHEED: Then my honourable friend takes the same position as to the legislation now before us—that the Canadian author is deprived of the full advantages by reason of having imposed upon him the printing clauses.

Hon. Mr. BELCOURT: I think I rather implied that.

Hon. Sir JAMES LOUGHEED: Yes. Then, as I understand the provisions of the 1921 Act did not prevent Canada from becoming a member of the Berne Convention, notwithstanding the obligations imposed upon the Canadian author.

Hon. Mr. DANDURAND: They did prevent Canada.

Hon. Mr. BELCOURT: They did prevent Canada from becoming a member. We are not a member of the Union to-day.

Hon. Sir JAMES LOUGHEED: I understood my honourable friend a moment ago to say that he had not made that statement.

Hon. Mr. BELCOURT: No, no. I said this, that we passed the Act of 1921 in considerable doubt as to whether those sections would not prevent Canadian authors from reaping the full benefit of the Berne Convention.

Hon. Sir JAMES LOUGHEED: No, that is not the question. The question is—

Hon. Mr. BELCOURT: Let me complete my statement. Then, because of that doubt, we put in section 50, which suspended the operation of that Act until proclaimed. We never proclaimed it. The Act of 1921 is not in force, and we are not to-day a member of the Berne Convention.

Hon. Sir JAMES LOUGHEED: The question is, do the provisions of the Act of 1921 prevent Canada from becoming a member of the Berne Convention?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: It is not whether they deprive the Canadian, or any other author, of the full benefits of the Convention; but can Canada become a member of the Berne Convention under the provisions of the Act of 1921, if proclaimed? Now, I see no substantial difference between the Act of 1921 and the Bill before us at the present time, and I want to know from my honourable friend what is his authority for saying that there is a substantial difference—a difference to the extent of precluding Canada from becoming a member of the Berne Convention under the former Act, and permitting of our becoming a member of that Convention under the Bill now before us.

Hon. Mr. DANDURAND: Will my honourable friend allow me to give him my impression? I give it with some diffidence, not claiming to have a complete grasp of the whole legislation and question. However, I would first make this point clear. The Berne Convention is not at all concerned with the way a country treats its own Nationals. Let me add, with less emphasis, that it is not interested in countries not belonging to the Union and not coming under the Convention. The manufacturing and printing clauses of the Act of 1921 apply to everybody. Then, the interpreters of the Berne Convention declared that we fell short of the International Convention and legislated ourselves out of it—or rather that we did not legislate ourselves in.

Hon. Sir JAMES LOUGHEED: Yes, that is better.

Hon. Mr. DANDURAND: This Bill legislates in such a way, I am informed, as to allow us to come within the terms of the International Copyright Convention.

Hon. Sir JAMES LOUGHEED: Will my honourable friend, just at this point, say what is his authority? Is it the authority of duly qualified officers of the Convention?

Hon. Mr. BELCOURT: I have it here. If the honourable gentleman will allow me, I will give it to him.

Hon. Mr. FOWLER: The honourable leader of the House (Hon. Mr. Dandurand) is absolutely right.

Hon. Mr. DANDURAND: Now, we declare by section 2 of the present Bill that all but Canadians and nationals of countries who are not members of the Union, shall enjoy under our Act the full advantages of the Copyright, and shall not have applied to them those four objectionable clauses. This brings us very near the terms of the Berne Convention. With this explanation I now ask my honourable friends to listen to clause 2:

> Sections thirteen, fourteen, fifteen and twenty-seven of the Copyright Act, 1921—

—which were those which prevented us from enjoying the advantages of the International Convention—

> —shall not apply to any work the author of which is a British subject, other than a Canadian citizen—

and that is our lookout;

> —or the subject or citizen of a country which has adhered to the Convention and the additional Protocol thereto set out in the second schedule to the said Act.

Consequently these four sections shall not, under this Bill, if it becomes law, apply to members of the Berne Convention, or members of the Union. That is, I am informed, all that the International Convention exacts. It is not interested in the restrictions which apply to any national, and apparently, as I am informed, is not interested in parties or countries that do not come under the Berne Convention—which means, in order to speak clearly and come to realities, that the four manufacturing clauses will still function as between Canada and the United States.

Now, it is for the Senate to say whether these compromising clauses shall stand. The United States may to-morrow bring in such legislation—and as a matter of fact it has brought into Congress such legislation—as will, if enacted, enable it to become a member of the Berne Convention. Then we would have the extraordinary situation of the United States joining the Berne Convention and the Canadian authors standing under the disability of those four clauses. It would then be for us to withdraw this disability which affects the Canadian author.

Hon. Mr. FOWLER: We have till the first of July, under this Bill, for these things to happen; that is, for the United States, which is already preparing to enter the Berne Convention, to do so. If that is done before the first of July, this drops, and everything is all right.

Hon. Mr. BELCOURT: Here is the authority for my statement. It appeared in the July, 1921, number of Le Droit d'Auteur, the organ of the Berne Convention, published in Geneva. I will translate as I go along, and I will read the conclusion of the article:

> The result of what precedes is that, according to our conviction frankly expressed, the accession of Canada to the revised Convention of Berne which the Law of the 4th of June—

—that is, the 4th June, 1921; that is our Act—

> —is supposed to bring about, will not be announced by the Government to the central Government, and by the latter to the Swiss Federal Council, only if articles 13, 14, 15 and 27 are eliminated from the law. If Canada desires to maintain these for special reasons, they will have to be declared inapplicable to the countries which are members of the Berne Union by a formal disposition. In the latter case they would apply, for example, to the United States, but they would automatically lose their effect also towards this country the day the Washington Government would adhere, in its turn, to the Union Treaty.
>
> A declaration of adhesion to the Treaty without these matters of so-called obligatory licenses determined in the sense here indicated, and without other ameliorations being brought to the law in accordance with suggestions contained in the first chapter hereof, could not be reconciled, according to us, with the primordial engagement of every Unionist country to assure the legal protection of the rights which are the object of the revised Convention. (Article 25).

This paper is the recognized authority, and it is quite clear that, with these provisions remaining in the Act, we cannot be members of the Convention, because the Convention requires—

Hon. Mr. FOWLER: No, that is not the case. We can be members of the Convention.

Hon. Mr. BELCOURT: My honourable friend says it is not the case, but I am reading that.

Hon. Mr. FOWLER: We can treat our own nationals as we please, and we can treat anybody outside of the Berne Convention as we please; but we must not legislate—

Hon. Mr. BELCOURT: My honourable friend had better read this.

Hon. Sir JAMES LOUGHEED: There is a misunderstanding between you.

Hon. Mr. GRIESBACH: May I have a question? I think you made the statement that we are seeking to enter the Berne Convention. As a matter of fact, we are in the Berne Convention, and have been in since 1842 by virtue of Imperial legislation; is that not so?

Hon. Mr. BELCOURT: No. The Imperial Act of 1886 did not apply to the Dominion, as I understand it, but the British Act of 1911

could be adopted, and has been adopted by the different Dominion since then.

Hon. Mr. GRIESBACH: The late Minister of Justice said the Act of 1842 and the Act of 1886 are both in force in this country predominantly over our legislation, where they differ from our Acts of 1889 and later on. The late Minister of Justice said:

> If those sections are at variance with the Convention we shall have to come back to the House, because the law of this country would put the Government in a position where it could not consistently adhere to the Convention, and we should have to decide the question then.

As a matter of fact we are, and have been, in the Berne Convention, and what we have done is to pass legislation which is not consistent with, shall we say, the by-laws and regulations of the Berne Convention.

Hon. Mr. BELCOURT: It is true, in a sense, that we have been members of the Berne Convention since 1886, but it is the revised Convention of 1908 which is of any value. That is why we have been trying ever since to come within the Berne Convention of 1908. In 1921 we thought we could go into the Berne Convention with these sections included in the Bill. Since then Le Droit d'Auteur, the authorized publication of the Berne Convention, declares that we cannot come into the Berne Convention with these provisions of the Act, and enjoy the full rights granted by the Convention. That is what Mr. Doherty meant when he said what my honourable friend has just read. There was doubt: almost everybody who studied the question at that time doubted whether these sections did not prevent us from getting the benefit of the Convention. The Act was passed with the provision that it should not come into force until it was proclaimed. In the meantime the Berne Convention has given the opinion which I have just read. It is for this House now to decide whether we shall come in, or whether we shall persist in the position which the amendment proposes.

Hon. Mr. FOWLER: We are not doing anything to any member of the Berne Convention by passing this, except it may be ourselves, and the authorities of the Berne Convention would not disqualify us by reason of something we added to our own Act.

Hon. Mr. BELCOURT: May I read again to my honourable friend the last few words?

Hon. Mr. FOWLER: I don't care if you read it four times.

Hon. Mr. CHAPAIS: Honourable gentlemen, will you allow me to appear on behalf of

the Canadian authors? I want to make a summary of the question as short as I possibly can.

The Bill which is now submitted to this House is only a consequence of another Bill debated here two years ago, adopted then by Parliament, but never put into force. A lengthy discussion took place on that occasion. Two divergent interests came into conflict—the interest of authors and the interest of publishers—and I am sorry to say that the latter won the day, and the former was sacrificed. In my opinion such a result was to be regretted. Many members of this House—and I was one of them—contended that some of the enactments then made were undoubtedly contrary to the dispositions and aim of the famous Berne Convention, whose main object was to protect "les droits d'auteur," that is to say, literary and artistic ownership. That stand seemed peculiarly strange, from the fact that the intention of the Bill was precisely to "secure the adherence of Canada to the revised Convention of Berne, signed the thirteenth day of November, 1908, and the additional protocol thereto signed at Berne the twentieth day of March, 1914."

It was maintained that clauses 13, 14, 15 and 27 of the Bill, known as the licensing clauses, were contrary to the spirit of the Convention. Their object was to deprive the authors of their unrestricted ownership, and to give to publishers, under some conditions, the right of printing and editing the authors' works without their consent, even against their will. In the mind of authors such a privilege was nothing short of an outrage. If I may be allowed to use words uttered previously in this House, the protection of the authors' rights should be the paramount object of a copyright law. They are the producers; it is their brain, their imagination, their intellectual effort, that gives life to the book, to the statue, to the painting, or to the musical composition which is given to the public. These are their property, and nobody has a right, and nobody should be allowed the right, to take it from them. The licensing clauses of the Bill adopted in 1921 did that. We protested against their adoption, but in vain. However, the Minister of Justice at that time made the following statement:

> If those sections are at variance with the Convention we shall have to come back to the House, because the law of this country would put the government in a position where it could not consistently adhere to the Convention, and we should have to decide the question then.

It was with that understanding that the Bill was finally passed in 1921. Its last clause said that it would "come into force on a day to be fixed by proclamation of the Governor in Council." That day never came; the proclamation was never issued; the 1921 Bill has never come into force; and we may assert that the failure was due to the fact that the objectionable clauses "put the Government in a position where it could not consistently adhere to the convention."

In support of that assertion, let me quote the following declaration of a publication which is the official organ of the International Office instituted by the Berne Convention:

> It is our conviction, frankly expressed, that the adhesion of Canada to the revised Berne Convention, which the law (the Canadian law of 1921) is supposed to enact, can be announced by the Governor to the Imperial Government, and by the latter to the Federal Council of Switzerland, only if clauses 13, 14, 15 and 27 are eliminated from the bill, or if Canada, whilst desirous of retaining them for special reasons, makes them inoperative for the countries adherents of the Berne Convention.

We could also quote to the same purpose a communication from Downing Street, signed by the Right Honourable Winston Churchill, and received in Ottawa on the 27th of October, 1921. Two or three lines of that document can show well enough its purport. The Colonial Secretary said:

> The only sections of the new Act, which appear likely to give rise to any serious difficulty are sections 3, 13, 14, 15, and 27.

Those are the very same clauses that we have already mentioned.

All these declarations convey to us the true reason for the non-proclamation of the law passed in 1921.

The Government now in power has taken a right view of the situation in framing originally the new Copyright Bill, that is to say, Bill 24 of the present Session, as it was read a first time in the House of Commons on February 21st, 1923. What was the main purpose of that Bill? It was to be found in section 2:

> 2. Sections thirteen, fourteen, fifteen, and twenty-seven of the Copyright Act, 1921, are hereby repealed.

These sections were precisely those which had caused the failure of the 1921 Bill. They were the objectionable, the ill-advised, the unfortunate, the outrageous, clauses which had been so strenuously opposed, which had been so strongly denounced as the stumbling-block of the law, two years ago; and the Government, in the light of information and elucidation that were perhaps lacking in 1921, proposed to purge the former law of its poisonous elements.

Unfortunately, the same influence that had been at work previously came once more to the rescue of the obnoxious clauses, and made a renewed onslaught on literary and artistic ownership. The result was that after a some-

what confused and hasty discussion in another place, the following clause was inserted:

2. Sections thirteen, fourteen, fifteen, and twenty-seven of the Copyright Act, 1921, shall not apply to any work the author of which is a British subject, other than a Canadian citizen, or the subject or citizen of a country which has adhered to the Convention and the additional protocal thereto set out in the second schedule of the said Act.

What is the meaning of that clause? Of course, it can be seen at a glance that its first result is to revive the objectionable clauses doomed to repeal by the original clause 2 of Bill 24. With the new clause 2 they shall remain in the statute book. But it will be with a reservation. What shall be the real effect of that reservation? It states that the clauses shall not apply to any work the author of which is a British subject, other than a Canadian citizen. We could infer therefrom that the clauses shall apply to any work the author of which is a Canadian citizen. This is the interpretation given by a man who has deeply studied the question—by Professor Sandwell, honorary secretary of the Canadian Authors' Association. He writes in the Gazette, of Montreal, of May 4th:

This means that the licensed piracy, while remaining in the Act, is applicable only to the works of Canadians (who naturally cannot be protected from their own government by any treaty), and of Americans, Tibetans, Siamese and other non-unionist nationals.

In connection with the new clause 2 of Bill 24, two questions arise. Is it in conformity with the Berne Convention? Professor Sandwell maintains that it is not. But supposing it were, does the new clause 2 leave the Canadian author a prey to the license depredators? Undoubtedly it does.

From the above premises we are naturally led to this conclusion: it would be wiser, safer and more just to revert to the original clause 2 as it stood on the 21st of February, when Bill 24 was first submitted by the Minister of Trade and Commerce, or, if this is not deemed advisable, to frame a new clause less objectionable, more clear, and more equitable for the Canadian intellectual toilers.

I firmly hope that our Committee of the Whole will see its way to such a conclusion.

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

Hon. Mr. BELCOURT: As the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) has asked to have the discussion on this Bill in Committee postponed until he can be present, I would move that it be placed on the Order Paper for Wednesday, with the understanding that it will be continued to a further day if the right honourable gentleman is not here.

The motion was agreed to.

RADIOTELEGRAPH BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 44, an Act to amend the Radiotelegraph Act.

Hon. Mr. McLennan in the Chair.

Section 1, the preamble, and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

HIGHWAYS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 151, an Act to extend the period of the Canada Highways Act.

Hon. G. G. Foster in the Chair.

Hon. Mr. FOWLER: I understood by the newspapers that it was not the policy of the Government to give grants to the provinces in connection with highways. This seems to be an extension, so that the provinces if they have not already done so, may earn their grants.

Hon. Mr. DANDURAND: The policy expressed is for the time when this grant is exhausted. The extension given now is for the purpose of putting all the provinces on an equal footing. Distribution was made according to population. Some provinces have been slower than others in taking advantage of the Act and in carrying on their works, and this Bill gives them two years more within which to come up to their quota.

Hon. Mr. FOWLER: It is not the intention to give any additional grants?

Hon. Mr. DANDURAND: No.

Section 1, the preamble, and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

CANADIAN NATIONAL RAILWAYS (EXPRESS) BILL

CONSIDERED IN COMMITTEE AND REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 152, an Act respecting the Canadian National Railways.

Hon. Mr. Beaubien in the Chair

On section 1—Canadian National Railway Company authorized to carry on express company business:

Hon. Mr. ROBERTSON: Mr. Chairman, before this clause is passed, I should like to ask the leader of the Government a question which, if he can answer it, will probably clear away to some extent the objection which I raised to this Bill when it was under consideration upon the second reading. Can the leader of the Government assure the House that there is no change contemplated by the Railway Company in the manner in which the express business will be handled and supervised? If it is the intention of the Government and of the Railway Company, as I would judge it must be from a statement recently issued by the President, simply to carry on the express business as it is done at present, with one of the vice-presidents of the Railway company in charge, then the objections which I raised the other day would be largely eliminated but if it is the intention of the Railway Executive to dispose of the express management and to give the superintendents of the railway jurisdiction over express matters, I am prepared to go into a discussion of the matter and to endeavour to prove to the House that it would be most disastrous to the interests of the service and the revenues derived from the express business, and most inconvenient and unfortunate for the patrons of the company.

Hon. Mr. DANDURAND: I could give a summary of the remarks of the Minister of Railways when he introduced this Bill, but perhaps it would be better if I were to read the intentions expressed by the President of the System as late as last week. I find this statement in the Montreal Gazette of May 11:

That the operation of the Canadian National Express Company as a department of the Canadian National Railways would not only be economical, but would also provide an improved and more efficient service, was the view expressed by Sir Henry Thornton, chairman of the board of directors and president of the Canadian National Railways, when discussing this matter last evening.

Sir Henry made it plain that in supporting the proposal to bring the operation of the express under the direction of the traffic department, he was merely following the general practice which had produced the best results in the transportation industry. He pointed out that in England, where for eight years he was general manager of the Great Eastern Railway, the express business was handled by the traffic department, and that within the last two years American railway officers have been over there studying the position with a view to introducing this system of handling the collection and delivery of express on the United States railroads.

"There seems to have developed considerable misapprehension in regard to the proposal that the Canadian National Express Company should be operated as a department of the Railway Company," said Sir Henry: "It is proper, therefore, that the public should be reliably informed upon the subject.

"The functions of the Express Company and the duties of its employees are intimately connected and interwoven with the railroad, and the work of its employees. Where express companies operate independently, as is the case in the United States, there is always a certain amount of lost motion and friction arising from the fact that there are two companies with two sets of employees trying to perform a transportation service on the same railroad. If, as is sometimes the case, the express company and the railway company are in effect the same thing there would seem to be no particular virtue in maintaining two separate companies.

"Furthermore, by operating the express company as a department of the railways, a considerable economy can be effected in administration and clerical expenses. Lastly, but by no means least, it is the desire of the administration that every employee of the express, telegraph and railway departments should regard himself as working for the Canadian National Railway System. Such a spirit provokes co-operation, teamwork, and a correspondingly improved service. These arguments are so obvious that they hardly require further elaboration.

"It has been said that no railroad operates its express company as a department of the railway; this statement can only be based upon ignorance of the conditions. The express companies which operated over the railways of the United States represented interests generally distinct from the railway, although there was usually a considerable interlocking in financial affairs. The American express companies originally were private companies, organized by private capital for the purpose of handling the express business. Moreover, when express companies first appeared in the United States, the railway systems were relatively small, and it was desirable to have one company which could transport package freight from one end of the country to the other. This is not the position in Canada, because the Canadian National Railway System reaches to practically every point of importance. In England the express business is all handled by a department of the railway; in fact, package freight, which corresponds to our express business in Canada, is handled by the traffic department, and within the last two years numerous studies have been made of the position by American railway officers, with a view to considering the introduction of the English collection and delivery system in the United States by the railways, which is nothing more or less than an express business.

"To recapitulate, it will be seen that the proposal to operate the Canadian National Express Company as a department of the railway is, in the first place, economical, in the second place, there will be an improved and more efficient service; and in the third place, it is in accordance with the trend of the best practice in the transportation industry."

Hon. Mr. ROBERTSON: The honourable gentleman has not given any assurance on the point in regard to which I made inquiry. If

I could interpret the term "department of the railway" to mean that there would be a continuance of the present system of carrying on the express business, under the jurisdiction and superintendence of men qualified and experienced in that work, I would be inclined to withdraw the objection I have raised to the adoption of this Bill. If, on the other hand, it is the intention, as it would seem to be, to adopt the system in vogue in England—which is referred to in the statement as a package freight or fast freight system, which is represented as being equivalent to our express system in this country, and which is operated by the traffic officers of the railway—then I say to my honourable friend and to the House that the adoption of such a system in Canada will absolutely fail, and for several reasons. As I stated the other day, no railroad in Canada owns and operates an express company as a part of the railway. Our great Canadian Pacific Railway has always found that practice undesirable. In England, I am credibly informed—

Hon. Mr. DANDURAND: Before my honourable friend passes to England will he explain to this House what virtue there is in a word? We see all around us the Dominion Express Company doing the express business for the Canadian Pacific Railway; but if the Dominion Express Company stock is entirely in the chest of the Canadian Pacific Railway, what difference would it make if the express company were called the Traffic Department or the Express Department of the C.P.R.?

Hon. Mr. ROBERTSON: I hope I may make myself clear to the extent of giving my honourable friend an intelligent answer to that question. The Dominion Express Company is supervised by a President, in the person of Mr. Stout, long experienced in that business and well qualified to perform the duties of his office.

Hon. Mr. DANDURAND: And what if he were called a Vice-president?

Hon. Mr. ROBERTSON: He has had no experience in railway freight traffic, and would not profess to know anything about it. Neither would the Freight Traffic Manager of the Canadian Pacific Railway undertake to attempt to direct intelligently the operations of the Dominion Express Company. One is the business of handling freight from station to station. The express company goes into homes, stores, and places of business with its delivery service, gathers together the express packages and guarantees to deliver them at the door of the home or the place of business of the consignee in the city or town. Thus the express business differs entirely from the handling of freight.

Hon. Mr. CASGRAIN: Is it not a fact that the Grand Trunk Railway in Montreal has always distributed all its own freight at our doors?

Hon. Mr. DANDURAND: The express?

Hon. Mr. CASGRAIN: No; freight.

Hon. Mr. ROBERTSON: In most cities our railway companies have contracted with certain cartage companies for the handling of freight business, because they have found that it is not profitable or desirable for a transportation company to go into the collection and delivery of goods. I submit, honourable gentlemen, that experience in transportation has taught those connected with it that from the very moment a railway company, through its freight traffic department, solicits express business and attempts to carry on the delivery of express packages, the express business starts to dwindle and to go to the competitor that is highly specialized and has an organization right up to the minute looking after it.

May I revert now to what I believe to be the English custom? The railroad over which the President of the Canadian National Railways had formerly jurisdiction, and which he managed, I understand, most satisfactorily to all concerned, is not similar to the Canadian National Railway system. It is a railroad serving a densely populated area, and the longest haul, I am informed, is a distance of 120 miles. It is practically a suburban distribution service, such as an express company performs, if you please, on the island of Montreal, only a somewhat larger scale. That is not parallel with the task of handling the express business of 22,000 miles of railroad, covering a continent. I hope I have succeeded in drawing the distinction regarding what seems to be in the mind of the gentleman who inspired that report that the English system is the desirable one. If it were, some of the United States railroads, and our own Canadian Pacific Railway, would, it seems to me, have found it desirable to adopt a system of that sort ere this.

If the Government can assure the House that it is the intention of the Canadian National Railways to continue to have its express business handled under the jurisdiction and administration of the express officials, as has been the case up to the present time, then I have no objection to this legislation; but if, on the other hand, the purpose is to dispense

with the skilled officials and employees, or a large number of them, and hand over the express business to the officials of a freight traffic department, who have never had any experience, and have little knowledge of express problems, then I say that this House is passing legislation which will result in the loss of a great deal of business and in considerable inconvenience to the patrons of the Canadian National Railways, and will do an injustice to a great many employees. I hope that the honourable leader of the Government will be able to assure the House that that is not the policy which the Government has in mind.

Hon. Mr. DANDURAND: The policy which the Government has in mind is the policy recommended to it by the present board of management, whose voice my honourable friend heard a moment ago when I read that statement. There is no policy on the part of the Government for the management of this express business. It will remain under the proper authorities, who will have the responsibility, and I surmise that the new Management, having already a complete expert staff for the handling of express business, will not throw that organization to the winds and take on raw hands, or men with little experience. They will co-ordinate the services, but will, I surmise, retain the men of experience they already have at the head of that business.

My honourable friend (Hon. Mr. Robertson) has stated that he does not know of any railway companies in North America administering their own express systems. I will give him my experience, which is shared by some of the Senators who hail from my own city. About 1888 or 1892 an Act was passed, which may still be on the Statute Book, authorizing any company to do express business and to offer its express freight to any railway company handling that business for another company, or other companies. The proviso was added that this did not cover the case of railways doing their own express business.

Hon. Mr. ROBERTSON: But there were none.

Hon. Mr. DANDURAND: There were none at that time. A company was organized, composed of business men of the city of Montreal who claimed to have grievances against the old order of things. The Company gathered quite a large amount of capital, provided itself with horses and wagons—it was before motor trucks came in—and announced that it would start business on a front street on a certain date. Of course it took a few months for that company to organize. I can still recall the splendid show that the company made with its dozens of teams and its express wagons all freshly painted and with flourishing titles, moving about the city, to announce that on the following day it would receive freight to feed the Grand Trunk Railway Company. What had the Grand Trunk Railway Company done while all that work was going on? It had quitely proceeded to absorb the express company which was serving that railway, and when the newcomers came and offered freight they said, "You are not entitled to offer us freight, because we are doing our own express business." There was a lawsuit, the new company went into liquidation and the entire capital was lost, and it was demonstrated that the Grand Trunk Railway Company was running its own express business. Nothing had been changed. The same men were there, but they had covered themselves and prevented competition.

Now, here is an express system which is serving the Canadian National Railways. The new management under Sir Henry Thornton says, "We shall do our own express business." I surmise that it means, "We shall do it with the staff we have at present." However, I would draw the attention of Sir Henry Thornton and of the Senate to this situation, which came to my notice in the autumn and winter of 1921-22. There was a contraction of business at that time and an employee of the Dominion Express Company stated that he, with quite a number of drivers, had been laid off because work was slack. He was asked, "Is the same thing being done on the Canadian National Railways?" He answered: "No; they have quite a large staff —much larger than the Dominion Express Company, but of course, as it is the Government that pays, nobody is being laid off. They are giving Montreal a better and quicker service than the Dominion Express Company, because they are always ready to send a team out a mile or two to get a parcel, whereas we of the Dominion Express Company have to wait for a certain number of calls from one direction before we go and collect the parcels." I mention that because I think Sir Henry Thornton and his associates will have to look into every nook and corner in order to see if the system of patronage, which works into every administration supposed to belong to a Government, is not weighing too heavily upon the finances of the railway company.

Hon. Mr. ROBERTSON: My honourable friend has illustrated and emphasized the point that I tried to make, and has done so, I am sure, much more clearly than I did myself. If the executive of the Canadian National Railways will imitate the example set by the Grand Trunk Railway Company in the case my honourable friend referred to, by operating the express business as a separate entity, under a separate management, as heretofore, then it will be all right. But this legislation empowers the Canadian National Railway Company to obliterate the express company entirely, and there will be no express business. It may be called a fast freight or a package freight, or anything you like. In any case, according to the newspaper reports, it is to be operated by the traffic officials or traffic department of the railway, and with all due respect to the railroad management, I submit that that will be a mistaken policy if adopted. If the present management will simply imitate the example that my honourable friend has pointed out, owning the express business, but having it operated by a staff of experienced and capable administrators who have no interest but to make the express business a success, that will be what I want to see done. That is what I hope the honourable leader of the Government will impress upon the management of the railway as being the desire of this House, and I am sure that if that can be done, the express business and the reputation of the Canadian National Railways will be maintained. If the other system is adopted—and it seems to be the intended policy of the executive—then I respectfully suggest that failure and dissatisfaction are bound to follow.

Hon. Mr. FOWLER: I understand that Mr. C. A. Hayes is to be put in charge of the express business. With Mr. Hayes in charge I do not think the people of this country should fear that there will be any disruption of the express business or that it will be mismanaged in any way. He is one of the most capable men in the railway business in this country. He was at one time General Manager of the Intercolonial. He is Vice-President of the Canadian National, and he knows all the ropes. I think that the dire forebodings of my honourable friend who has just spoken will not be realized.

Hon. Mr. MURPHY: I understand that Mr. Hayes is not the head of the express company. I am credibly informed it is Mr. Robb, who has no express or traffic experience whatever, but was connected with the mechanical department of the old Grand Trunk. So far as Mr. Hayes is concerned, there can be no two opinions about his qualifications; but if he is controlled by a man known as the Vice-President, at a salary of $25,000 a year, it does not auger very well for the efficiency of the express service, especially as this man Robb has never had any experience with it. I do not think the placing of Mr. Robb at the head of the express service at such a salary can be justified.

Hon. Mr. FOWLER: I understood Mr. Hayes was to be at the head of it.

Hon. Mr. MURPHY: No; he is to be under Mr. Robb, Vice-President of the express company, who is to receive $25,000 a year.

Hon. Mr. ROBERTSON: In order that there may be no misunderstanding as to my feeling toward any officials of the company, may I say that my remarks have been made entirely without regard to any individual official. I have known Mr. Hayes as General Freight Agent of the Grand Trunk, Traffic Manager of the Canadian National, and for years Manager of the Intercolonial, and I will say that there is no more efficient or capable freight traffic manager in Canada. But I submit that Mr. Hayes is no better acquainted with the express business and problems than several other gentlemen who have heretofore been connected directly with them.

Hon. Mr. MURPHY: What about Robb?

Some Hon. SENATORS: Carried.

Section 1 was agreed to.

Section 2 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

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

THE SENATE

Tuesday, May 15, 1923.

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

Prayers and routine proceedings.

THE ITALIAN CONVENTION BILL

FIRST READING

Bill 153, an Act respecting a certain Trade Convention between His Majesty and the King of Italy.—Hon. Mr. Dandurand.

CANADIAN GOVERNMENT MERCHANT MARINE

INQUIRY

Hon. Mr. TAYLOR inquired, of the Government:

1. Referring to the accounts of the Canadian Government Merchant Marine for the year ending 31st December, 1922, what amount received on account of losses paid by underwriters is included in the statement for the year?

2. In respect of what vessels were these losses paid, with amount of each claim paid for each vessel.

3. In respect of what vessels were adjusted losses of $125,898.68 due by underwriters, with amount for each vessel.

4. (a) What was the amount of insurance claims, with name of vessel and amount of claim in each case, in respect of which the estimated amount recoverable was $957,326.89. (b) Are any of these claims disputed? If so, which, and on what grounds in each case?

Hon. Mr. DANDURAND:

1 and 2. See Statement No. 1, attached.

3. See Statement No. 2, attached.

4. (a) See Statement No. 3, attached. (b) No claim has been disputed by the underwriters.

Statement No. 1—Losses paid by underwriters for year ending December 31, 1922

Vessel	Amount
SS. Canadian Adventurer	$10,145 01
Canadian Aviator	1,052 63
Canadian Beaver	1,598 37
Canadian Carrier	1,514 36
Canadian Commander	150,073 00
Canadian Constructor	229 70
Canadian Challenger	109 25
Canadian Coaster	801 04
Canadian Conqueror	795 72
Canadian Engineer	1,291 91
Canadian Exporter	2,639 51
Canadian Explorer	84,529 22
Canadian Farmer	13,642 52
Canadian Fisher	184 21
Canadian Forester	518 59
Canadian Freighter	7 80
Canadian Gunner	3,414 93
Canadian Harvester	198 76
Canadian Highlander	806 65
Canadian Hunter	1,007 16
Canadian Importer	4,421 57
Canadian Inventor	2,842 97
Canadian Leader	37 57
Canadian Logger	208 61
Canadian Mariner	666 18
Canadian Miller	24,159 61
Canadian Miner	77 23
Canadian Navigator	1,439 18
Canadian Observer	2,769 10
Canadian Otter	1,713 17
Canadian Pathfinder	605 15
Canadian Pioneer	11,039 52
Canadian Planter	1,640 60

Statement No. 1—Concluded

Vessel	Amount
SS. Canadian Prospector	$ 5,717 74
Canadian Raider	61,303 05
Canadian Rancher	6,113 38
Canadian Ranger	13,282 80
Canadian Rover	1,213 99
Canadian Runner	1,722 58
Canadian Recruit	716,928 30
Canadian Sailor	1,224 47
Canadian Sapper	1,016 78
Canadian Sealer	115 76
Canadian Settler	2,306 76
Canadian Seigneur	33,444 91
Canadian Signaller	13,175 60
Canadian Skirmisher	5 65
Canadian Sower	4,940 94
Canadian Spinner	2,541 03
Canadian Squatter	1,418 39
Canadian Trader	1,441 53
Canadian Trapper	18,629 90
Canadian Trooper	1,644 29
Canadian Traveller	72 24
Canadian Victor	374 83
Canadian Volunteer	22,045 82
Canadian Voyageur	4,248 84
Canadian Warrior	72,936 06
Canadian Winner	908 04
J. A. McKee	8,780 11
Thos. J. Drummond	181 76
Sheba	15,698 95
	$1,339,615 35

Statement No. 2—Adjusted losses due by underwriters December 31, 1922

Vessel	Amount
SS. Canadian Adventurer	$ 66 90
Canadian Aviator	1,005 21
Canadian Beaver	478 65
Canadian Britisher	26 90
Canadian Carrier	435 34
Canadian Commander	201 45
Canadian Coaster	26 00
Canadian Exporter	23,940 18
Canadian Explorer	1,054 63
Canadian Farmer	151 59
Canadian Fisher	195 22
Canadian Forester	8 19
Canadian Gunner	68 00
Canadian Harvester	722 97
Canadian Highlander	25 74
Canadian Hunter	254 36
Canadian Importer	57 15
Canadian Inventor	21,350 61
Canadian Logger	8 01
Canadian Mariner	144 79
Canadian Miller	5,407 87
Canadian Miner	112 50
Canadian Navigator	87 98
Canadian Observer	167 49
Canadian Otter	69 70
Canadian Pioneer	322 68
Canadian Planter	7,446 09
Canadian Prospector	73 23
Canadian Raider	1,728 11
Canadian Rancher	546 78
Canadian Ranger	3,063 71
Canadian Rover	491 79
Canadian Runner	34 00
Canadian Recruit	9,016 38
Canadian Sailor	7,293 02
Canadian Sapper	8,517 69
Canadian Settler	737 28
Canadian Seigneur	5,344 17
Canadian Signaller	64 93
Canadian Skirmisher	67 84

Statement No. 2—Concluded

Vessel	Amount
SS. Canadian Spinner	$ 30 50
Canadian Trapper	9,916 58
Canadian Trooper	16 68
Canadian Transporter	171 84
Canadian Victor	1,607 99
Canadian Volunteer	1,108 28
Canadian Voyageur	320 17
Canadian Warrior	2,680 71
S. F. Tolmie	7,978 75
Sheba	1,252 05
	$125,898 68

Statement No. 3—Claims recoverable from underwriters, December 31, 1922

Vessel	Amount
SS. Canadian Adventurer	$ 2,440 80
Canadian Aviator	19,326 53
Canadian Beaver	11,386 42
Canadian Britisher	4,779 59
Canadian Carrier	390 78
Canadian Commander	124,117 08
Canadian Constructor	313 92
Canadian Challenger	7,358 47
Canadian Coaster	13,668 79
Canadian Conqueror	536 64
Canadian Cruiser	530 10
Canadian Engineer	1,608 39
Canadian Exporter	6,911 37
Canadian Explorer	704 65
Canadian Farmer	5,236 63
Canadian Fisher	1,571 59
Canadian Forester	8,827 32
Canadian Freighter	5,367 55
Canadian Gunner	48,086 54
Canadian Harvester	1,316 82
Canadian Highlander	31,052 05
Canadian Hunter	13,739 64
Canadian Importer	177,032 46
Canadian Inventor	5,849 69
Canadian Leader	3,584 53
Canadian Legger	232 19
Canadian Mariner	1,763 62
Canadian Miller	2,117 89
Canadian Miner	10,510 53
Canadian Navigator	15,760 58
Canadian Observer	8,640 96
Canadian Otter	445 79
Canadian Pathfinder	623 29
Canadian Pioneer	39,200 94
Canadian Planter	9,946 51
Canadian Prospector	11,550 71
Canadian Raider	11,594 06
Canadian Rancher	20,178 40
Canadian Ranger	1,080 88
Canadian Rover	37,796 52
Canadian Runner	2,628 37
Canadian Recruit	6,759 05
Canadian Sailor	2,201 25
Canadian Sapper	75 00
Canadian Sealer	18,012 44
Canadian Scottish	4,857 75
Canadian Settler	41,004 37
Canadian Seigneur	41,327 96
Canadian Signaller	19,310 76
Canadian Skirmisher	19,681 54
Canadian Sower	947 68
Canadian Spinner	16,682 77
Canadian Squatter	11,989 06
Canadian Trader	4,126 94
Canadian Trapper	11,429 20
Canadian Trooper	9,420 94
Canadian Transporter	10,117 14
Canadian Traveller	15,314 00
Canadian Victor	6,979 49

Statement No. 3—Concluded

Vessel	Amount
SS. Canadian Volunteer	$ 6,950 54
Canadian Voyageur	44,029 13
Canadian Warrior	12,689 99
Canadian Winner	16,424 48
J. A. McKee	2,575 26
Thos. J. Drummond	23,150 03
Sheba	6,058 24
S. F. Tolmie	402 29
	$1,022,326 89
Less Reserve	65,000 00
	$957,326 89

DIVORCE BILL

FIRST READING

Bill C5, an Act for the relief of Grace Lees Smiley.—Hon. Mr. Blain.

POSITION OF WALTER DUNCAN

ANSWER TO INQUIRY

On the Orders of the Day:

Hon. Mr. DANDURAND: I have an answer for the honourable gentleman from Edmonton (Hon. Mr. Griesbach) with regard to the status of Mr. Walter Duncan. I received the following memorandum from the Post Office Department, with copies of letters attached:

Referring to the question asked by Senator Griesbach in regard to Mr. Walter Duncan, the Acting Postmaster General will find enclosed copies of two letters given to Mr. Duncan at the time he was loaned to the Postmaster General for special investigation work in connection with the theft of $50,000, from the Edmonton Post Office in August, 1919.

It will be noted that Mr. Duncan is described in the letter given him by the Postmaster General, dated October 16th, as "Federal Investigating Officer representing the Postmaster General."

As regards the allegation that he describes himself as "Chief Federal Police Investigator," that would be a matter for attention by the Department in which he is employed, namely, the Department of Finance. The Post Office Department is not conversant with the details of his employment or the title which attaches to his position in that Department.

Then follow two letters:

Ottawa, October 16th, 1922.

To whom it may concern:

This is to certify that the bearer, Walter Duncan, is a Federal Investigating Officer, representing the Postmaster General, with full authority to enquire into, on his behalf, the loss of valuable registered parcels from the Edmonton Post Office, and as it is in the public interest to clear the matter up, the undersigned respectfully requests that any assistance for which Mr. Duncan may ask will be given him.

Chas. Murphy,
Postmaster General.

There is this other letter from the Postmaster General:

To the Bank Managers of the city of Edmonton, and to each of them:

This will be presented by Mr. Walter Duncan, Special Investigator Dominion Police, Department of

Finance, Ottawa, who has undertaken a special duty for the undersigned, and who may require your assistance.

In view of the importance of the investigation upon which Mr. Duncan is engaged, the undersigned bespeaks your good offices in his regard.

Charles Murphy,
Postmaster General.

Being thus directed by that memorandum of the Post Office Department to the Department of Finance, I asked that Department for information, and I was informed that Mr. Walter Duncan had been loaned to the Finance Department by the Department of Justice, which has under its jurisdiction the R.C.M. police. I then directed my inquiry to the Department of Justice, and I found that the said Walter Duncan was, in June last, detailed by the Minister of Justice for work in connection with the Finance Department, with the title of Chief Investigator, and was instructed to make his reports direct to the Finance Department.

DIVORCE BILLS

SECOND READINGS

Bill X4, an Act for the relief of Gladys Teague.—Hon. Mr. Green.

Bill Y4, an Act for the relief of Elizabeth McKinley.—Hon. Mr. Bennett.

Bill Z4, an Act for the relief of Algernon Cecil Aubry Moran.—Hon. Mr. Pope.

Bill A5, an Act for the relief of Emily Adlene McCausland.—Hon. G. V. White.

PATENT BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 20, an Act to amend and consolidate the Acts relating to Patents of Inventions.—Hon. Mr. Dandurand.

Hon. Mr. Bradbury in the Chair.

Hon. Mr. DANDURAND: I would ask Mr. O'Halloran to come to the floor of the House.

On section 7—who may obtain patents:

Hon. Sir JAMES LOUGHEED: Can my honourable friend state the difference between clause 7 of the Bill and the corresponding clause in the present Act?

Hon. Mr. DANDURAND: The memorandum on the Bill which has been distributed contains the clause of the present Act, which we will call the old clause. I will read it:

Any person who has invented any new and useful art, machine, manufacture or composition of matter, or any new and useful improvement in any art, machine, manufacture or composition of matter, which was not known or used by any other person before his invention thereof, and which has not been in public use or on sale with the consent or allowance of the inventor thereof, for more than one year previously to his application for patent therefor in Canada, may, on a petition to that effect, presented to the Commissioner, and on compliance with the other requirements of this Act, obtain a patent granting to such person an exclusive property in such invention.

The words that are struck out of this clause are: "which has not been in public use or on sale with the consent or allowance of the inventor thereof," and "one year" is changed to "two years." There is also a change from the word "Canada."

The explanation of this change is as follows:

The principal difference between this clause and section 7 of the Act which it replaces is that under the present Act, the patent cannot be granted if the inventor has allowed the invention to go into public use or on sale for more than one year before making his application.

Under the new clause the time is extended to two years but the public use or sale of the invention for a longer period is a bar to granting the patent whether such use or sale is with the consent or allowance of the inventor or not.

Under the present law the inventor may wait for an indefinite time before applying for his patent and may obtain the patent if the invention has been in public use or on sale for say ten years, provided such public use and sale has not been with the consent or allowance of the inventor.

It will be seen that the new conditions are more strict than the old.

There is a great difference of opinion as to whether the time should be one year as it is in the old or two years as it is in the new but the majority are in favour of the two year period.

In the old, public use or sale in any part of the world is a bar to the granting of the patent while in the new, the public use or sale is not a bar unless it be within Canada. It is thought that the change gives greater protection to Canadian patentees. The old provision in this regard is said to open the door to the unscrupulous to fabricate evidence.

That is, a person could oppose the granting of a patent by bringing evidence that the invention had been seen in Europe, or elsewhere, and there would be considerable difficulty in controverting that evidence. The general opinion is that if one wants to oppose the granting of a patent, he should allege that it has been already in use in Canada.

Hon. Sir JAMES LOUGHEED: I am sorry to say I cannot appreciate the reasons given for the change in the present law. Section 7 of the present law recognizes the right of the patentee to an invention that has been in use for not more than a year, with his consent. Now, there must be a recognition on the part of the public, in the public use of that patent, that the consent of the patentee has been given for its use. I think we shall agree upon that. That is to say, during that period there must be, continuously, recognition by the public that they are using

an invention with the consent of the patentee; and he, before the expiration of a year, must make application for a patent.

The present Bill proposes to dispense entirely with the consent of the patentee: he is not a party to the public use of the article in any way; and the period of time is doubled. That is to say, the article may be in use for two years by the public without their having any knowledge of the patentee or his title or claim to a patent; therefore the element of consent is entirely absent; and during the period of two years it is quite possible for anyone to take up the manufacture of that article without being aware that latently there lies a hidden claim to that article by the patentee. In other words, he can test the sentiment of the public or the value of the article to the public by the use of it during those two years before deciding whether at the expiration of the two years he shall make application for the patent. What may happen during those two years is this. Some investor may spend a very considerable amount of money in the manufacture of that article; he is unaware, because the Act is silent upon it, that there is any claim by any person to this particular article as a patent. Then, at the end of two years, there suddenly emerges upon the horizon someone who claims that he is the patentee of the article, and the entire position is changed. The man who invested in the manufacture finds that this investment has gone for naught, and the man who lay idle for two years applied for a patent to that article, claiming that the title is his. I cannot see wherein such a patentee should have the rights contemplated by this section. It seems to me, honourable gentlemen, that we are legislating all the time in the way of granting monopolistic privileges to patentees and that class of people, irrespective of the public rights. We grant to a patentee extraordinary privileges in giving him a patent; we give him a patent extending practically over a generation, under which he enjoys a monopoly of the right to manufacture and as to the price he shall charge, and other monopolistic rights against the public. Hence there should be no sympathetic regard by Parliament for a patentee unless he makes application immediately for his grant of a patent. In my judgment the inventor of a patent ought to file a caveat at once; no extended time should be given him as against the public. He knows whether he has a valuable patent or not. Why should the public be deluded for twenty-four months with the idea that the use of it can be enjoyed without anyone in the future claiming any monopoly over it? Unless my honourable friend can show good sound policy for increasing the period of time, I am certainly opposed to it.

Hon. Mr. DANDURAND: I have just read a memorandum which states that the new clause is stricter as against the inventor than the old one.

Hon. Sir JAMES LOUGHEED: I do not think you are warranted in concluding that that is the case; in fact, I feel absolutely sure that it is not.

Hon. Mr. DANDURAND: I will read the statement again:

> The principal difference between this clause and section 7 of the Act which it replaces is that under the present Act, the patent cannot be granted if the inventor has allowed the invention to go into public use or on sale for more than one year before making his application.
>
> Under the new clause the time is extended to two years but the public use or sale of the invention for a longer period is a bar to granting the patent whether such use or sale is with the consent or allowance of the inventor or not.

My honourable friend urges the one-year period. The Senate may decide, if it so chooses. Under the old Act he was not debarred at all: he could wait five or ten years.

Hon. Sir JAMES LOUGHEED: I do not see that.

Hon. Mr. DANDURAND: Unless he had consented to the use.

Hon. Sir JAMES LOUGHEED: Under the present law he has the right to consent to the use for twelve months. Under the new Bill he can wait for two years, and then make his application.

Hon. Mr. DANDURAND: But he cannot wait longer.

Hon. Sir JAMES LOUGHEED: If, with his consent, the article has been in public use for more than twelve months, he is debarred.

Hon. Mr. DANDURAND: But he is not debarred if he has not given his consent.

Hon. Sir JAMES LOUGHEED: Under the new clause he may or may not give his consent.

Hon. Mr. DANDURAND: But then he is stopped after two years. Under the new clause the time is extended to two years.

Hon. Sir JAMES LOUGHEED: He is estopped now in one year.

Hon. Mr. DANDURAND: If he has given his consent. In the majority of cases he has not given his consent. My honourable friend

says we must protect the public. There are many instances in which an article, say a piece of machinery, happens to be tested, and very often considerable work has been done upon it, when the inventor comes to the conclusion that he has a valuable article. Sometimes it will be judged by the results produced, and considerable time elapses between the date of the original invention and the date when the inventor decides to make his application.

Hon. Sir JAMES LOUGHEED: Why should he allow the public to perfect his invention during those two years, and then take advantage of it. If it has been in public use for those two years, it means that the public has made use of it, and every man who has made use of it has doubtless added to it, and at the end of two years he suddenly emerges and says: "This is my patent."

Hon. Mr. DANDURAND: If my honourable friend will read clause 50 of the old Act, he will find this situation provided for. I am reading clause 50 of the present Bill, which is the same as the old one:

Every person who, before the issuing of a patent has purchased, constructed or acquired any invention for which a patent is afterwards obtained under this Act, shall have the right of using and vending to others the specific article, machine, manufacture or composition of matter patented and so purchased, constructed or acquired before the issue of the patent therefor, without being liable to the patentee or his legal representatives for so doing. . .

So my honourable friend will see that this case is provided for. The advantage of the new clause is that the owner or inventor is barred after the two years, whether he consents or not.

Hon. Sir JAMES LOUGHEED: I would suggest to my honourable friend that we go on with the other sections of the Bill. Then we shall appreciate probably to a greater extent their application to this particular section. We can afterwards return to this, and reconsider it.

Hon. Mr. DANDURAND: Agreed.

Hon. Sir JAMES LOUGHEED: In that way we shall probably save time.

Section 7 stands.

On section 8—inventions for which foreign patents have been taken out:

Hon. Mr. DANDURAND: Under section 8 of the Act, which this clause replaces, the inventor is allowed one year after the granting of his earliest foreign patent to apply in Canada for his patent for the same invention. This has been found to be too long, as in some patent offices—the United States, for instance—applications are pending for years before being granted. Under the new clause the application must be filed in Canada within one year from the date of the filing of the earliest foreign application. For the protection of inventors whose foreign applications have already been filed, one year from the coming into force of the new Act will be allowed for filing in Canada, provided that patent has not been granted on the foreign application for more than one year.

Subsection 2 is added to meet the terms of Article 4 of the International Convention, which provides that the inventor filing his first application in any country belonging to the Convention shall have 12 months for filing in all other countries belonging to the Convention, and the applications filed in the other countries shall be given the same filing date as the first application. These words are at the end of the clause:

But no patent shall be granted on an application for patent for an invention which has been patented or described in a patent or printed publication in this or any foreign country more than two years before the date of the actual filing of the application in Canada, or which had been in public use or on sale in Canada for more than two years prior to such filing.

Hon. Sir JAMES LOUGHEED: That is made to correspond with section 7, I suppose.

Hon. Mr. DANDURAND: It is made to correspond with 7. However, since we are suspending section 7, we may as well allow clause 8 to stand.

Hon. Sir JAMES LOUGHEED: Yes, sections 7 and 8.

Section 8 stands.

On section 9—improvements may be patented:

Hon. Mr. DANDURAND: That is old. There is no change.

Section 9 was agreed to.

On subsection 1 of section 10—oath of inventor to be made before obtaining patent:

Hon. Mr. DANDURAND: Subsection 1 of section 10 is not altered.

On subsection 2 of section 10—or of the applicant if inventor dead, incapable, or his residence unknown:

Hon. Mr. DANDURAND: In subsection 2 the following words have been added after the word "dead" in the first line:

—or mentally or physically incapable, or if, after the assignment of his invention, the inventor refuses to make such oath or affirmation, or if his whereabouts cannot be ascertained after diligent inquiries.

Experience has shown that this addition is necessary. In a case reported to the Patent Office action was taken by way of mandamus—

Hon. Sir JAMES LOUGHEED: What is the reason for mental incapacity being made a ground for this application?

Hon. Mr. DANDURAND: Under the present law, the affidavit must be made by the inventor himself, so that if he becomes mentally or physically incapable of giving his affidavit, the machinery is provided for his heirs or representatives to do so.

Hon. Sir JAMES LOUGHEED: What is the nature of that affidavit for which provision is made under clause 10?

Hon. Mr. DANDURAND: The application must be accompanied by an affidavit from the inventor that he is the inventor of the article.

Hon. Sir JAMES LOUGHEED: Then the question arises whether the language is sufficient to embrace the case of an insane person. He would not have a "legal representative." There might be a committee in lunacy, but I am unaware of a "legal representative" representing a person mentally incapacitated.

Hon. Mr. DANDURAND: In the interpretation clause "legal representatives" is defined:

"Legal representatives" includes heirs, executors, administrators, guardians, curators, tutors, assigns or other legal representatives.

Hon. Sir JAMES LOUGHEED: I think that will be broad enough.

Section 10 was agreed to.

On section 11—refusal to execute assignment; disputes between joint applicants; powers of Commissioner:

Hon. Mr. DANDURAND: Section 11 is a new clause:

In any case where—

(a) an applicant has agreed in writing to assign a patent when granted to another party or a joint applicant and refuses to proceed with the application; or,

(b) disputes arise between joint applicants as to proceeding with an application;

the Commissioner, on proof of such agreement to his satisfaction, or if satisfied that one or more of such joint applicants ought to be allowed to proceed alone, may allow such other party or joint applicant to proceed with the application, and may grant a patent to him, so however that all parties interested shall be entitled to be heard before the Commissioner, and an appeal shall lie from the decision of the Commissioner after such notice as he may deem requisite and sufficient under this section to the Exchequer Court.

At the Imperial War Conference of 1917 certain amendments proposed to be made to the British Act were submitted for the consideration of the delegates with a view to their adoption by their respective Governments. In a memorandum prepared by the Department in connection with the Imperial War Conference 1918 it was recommended that certain amendments, including the present one, be adopted. Experience has shown that this amendment would be useful.

Section 11 was agreed to.

On section 12—address to be stated:

Hon. Mr. DANDURAND: This is a new clause. I think that the section which it replaces will be found in the Memorandum:

Every applicant for a patent shall for the purposes of this Act state in his application, if resident in Canada, his address in Canada, and if not so resident, the name and address of some person resident in Canada to represent and stand in the place and stead of such applicant or patentee for all purposes of this Act, including the service of any proceedings taken under any provision of this Act.

This clause as it appeared when the Bill was introduced was in the terms of section 12 of the Patent Act, under which the applicant simply elected domicile in some city, without giving any address therein. In consequence, the section has served no purpose. Difficulties were experienced in locating foreign patentees for the serving of papers and other purposes. It is thought this clause as passed by the Commons would overcome the difficulty.

Section 12 was agreed to.

On section 13—particulars required on application:

Hon. Mr. DANDURAND: That is the old clause.

Section 13 was agreed to

On section 14—specifications:

Hon. Mr. DANDURAND: There is an alteration in subsection 2 of 14.

Hon. Sir JAMES LOUGHEED: Is subsection 1 the same?

Hon. Mr. DANDURAND: Subsection 1 explains more clearly the requirements without changing the sense. Subsection 2 is amended by striking out the words, "and by two witnesses to such signature of the inventor or applicant." It has been found in practice that witnesses to the signature of the applicant on the specifications are unnecessary, and are not required in Great Britain, the United States and other countries. Subsection 3 is struck out, as the purport of it is embodied in subsection 1 of this clause. The sense is the same.

Hon. Sir JAMES LOUGHEED: Are you striking it out of this Bill?

Hon. Mr. DANDURAND: Subsection 3 of the former section is embodied in the first subsection of section 14 of this Bill.

Subsection 4 of the old clause is changed to 3, but there is no other change in it.

Section 14 was agreed to.

On section 15—examination:

Hon. Mr. DANDURAND: There is a slight change:

On each application for a patent a careful examination shall be made by competent examiners to be employed in the patent office for that purpose.

This clause was added to the Bill in the Committee of the Commons. It replaces section 15 of the Act, which was left out of the Bill for the following reasons.

Hon Sir JAMES LOUGHEED: But section 15 of the present Bill is very similar to 15 of the Act. I do not see any substantial difference, except that under the old Act a thorough and reliable examination is required, and under the present Bill you require a careful examination. It seems to me the language in the old Act was more applicable to the situation than the language of the present Bill. That is to say, a thorough and reliable examination would be very much more desirable than a careful examination.

Hon. G. V. WHITE: Honourable gentlemen, would it not be advisable to add there, "careful and thorough examination"?

Hon. Sir JAMES LOUGHEED: Yes. A "careful examination" does not indicate anything, because a careful examination might not at all meet the purpose. It might be made by an incompetent person, or by a person failing to understand the nature or qualities of the patent. Why drop the language of the present Act, "a thorough and reliable examination"?

Hon. M. DANDURAND. It has been a source of trouble with the examining staff—

Hon. Sir JAMES LOUGHEED: To make a thorough and reliable examination?

Hon. Mr. DANDURAND: —owing to the difference of opinion as to the nature and extent of the duty that it imposed on them. It is misleading and unfair to the public, who, seeing it in the Act, naturally assume that its terms are carried out.

Hon. Sir JAMES LOUGHEED: But should not the terms be carried out? Is not that the only way to protect the public?

Hon. Mr. DANDURAND: If my honourable friend will allow me perhaps we shall see light. Not only are the terms not carried out, but it is not practicable to carry them out, that is, to make an examination for novelty that may be relied on as determining whether the invention disclosed in the application has or has not been previously patented or published in this or any other country. In France no attempt is made to examine for novelty. They have simply a system of registration. The patent is granted to any person complying with the prescribed rules and forms, and it is left to the court to determine whether the patent is valid or not. In Great Britain the examination is limited to the country's own records, and for not more than the past fifty years. In the United States an attempt is made at such an examination as our Act requires, but little reliance is now placed on it. Notwithstanding their enormous examining staff, in the opinion of a former United States Commissioner of Patents, recently expressed, they are slowly coming to the system of registration, such as they have in France. In order to make this exhaustive examination for novelty, the records of the patents of all countries of the world which publish them, namely, Great Britain, the United States, France, Germany, etc., etc., as well as all official publications which describe inventions must be assembled and classified. The mass of this matter is to-day so enormous that the task and expense in so dealing with it make the undertaking almost hopeless, to say nothing of the staff that would have to be built up to deal with the matter. The examining staff in the Washington office is well over 400. To make our examining staff bear the same relation to our work as the admittedly inadequate staff at Washington bears to the work of that office, our staff would have to be increased fivefold. To attempt to prepare a classification of foreign patents and publications would necessitate an initial appropriation of many hundreds of thousands of dollars, followed by many others. The nature and the extent of the examination to be made should be fixed by Order in Council instead of by statute. The Patent Office is of the opinion that the reasonable course for Canada to follow is to limit its examinations to its won records. We undertake to give the alleged inventor a patent and accept his fee. We should see that we have not already given the patent to someone else. Nothing more can be done with any sort of satisfaction either to the office or to the public. If the applicant makes a misrepresentation as to

the novelty of his invention, the matter can be set right in the court.

In Canada, during the current fiscal year, over 12,000 patents will be issued. The examining staff in the United States is over 400; the Canadian is about 25. To make the Canadian proportionately equal to the Unied States, about 100 examiners would have to be added, at an annual average salary of, say $2,500, making a total of $250,000.

Hon. Sir JAMES LOUGHEED: At that point may I ask, is the Patent Office self-supporting? It certainly should be.

Hon. Mr. DANDURAND: The annual net revenue, after all expenses have been deducted except the rental of the building, shows the balance to be $250,000 in favour of the Patent Office.

Hon Sir JAMES LOUGHEED: To pay 25 examiners?—That should leave a very substantial surplus.

Hon. Mr. DANDURAND: In all, our annual expenditure would be increased about $500,000. And what would be the benefit derived therefrom? Our patents would only be equal to those of the United States, and no more reliance would be placed on them.

Hon. Sir JAMES LOUGHEED: Let me ask my honourable friend: is there any distinction drawn between the examination of foreign patents and that of domestic patents? It seems to me we might very well accept the finding of a foreign Government touching a patent of that particular country. I scarcely see the necessity of going into an extended examination of a foreign patent that has already been examined by a foreign state; but in respect of a domestic patent, of course it is manifest that it should be thoroughly examined. Would not the duties of the office be considerably reduced by drawing that distinction?

My honourable friend (Hon. Mr. Dandurand) directs attention to the fact that by reducing the duties of the Patent Office the question of controversy might be determined by the courts. It is very much better to have a congestion of work in the Patent Office than a congestion of work in the courts; and, inasmuch as the Patent Office is self-supporting and produces a very substantial surplus, apparently, according to the statement already given by my honourable friend, it seems to me that we can scarcely enter upon anything more remunerative than to extend the duties of the Patent Office, so long as there is a corresponding increase of revenue.

Hon. Mr. DANDURAND: That is just the question: would it increase our revenue? I think it would clean out our revenue.

Hon. G. V. WHITE: I would like to ask the Minister whether there is any reference library in connection with the Patent Office.

Hon. Mr. DANDURAND: There is a library: of course, more money could be spent upon it.

Hon. Mr. WHITE: I am given to understand that the means at the disposal of the examiners, in the way of library facilities, are very inadequate. I know that in both the Washington Patent Office and the British Patent Office there are very extensive libraries of research which are of inestimable value to the examiners. A recent article in the Scientific American gives a very full description of the library in connection with the British Patent Office, and it might be worth while putting an extract from it on record:

> The Patent Office Library in connection with the British Patent Office contains what is believed to be the finest collection of technical literature in existence. Including the patent specifications which go back as far as the early 17th century there are more than 200,000 bound works, embracing nearly every language. The library is also in receipt of some 3,000 technical periodicals from all parts of the world. Admission is free.

It seems to me that, if the examiners are to be enabled to carry out their duties successfully, they ought to have adequate means at their disposal in the way of books of reference.

Section 15 was agreed to.

Section 16 was agreed to.

On section 17—patents to be for special methods or processes of manufacture:

Hon. Mr. DANDURAND: This is a new clause, and the remarks which I made under clause 11 will apply.

Hon. Sir JAMES LOUGHEED: To what extent is paragraph 2 a departure from the existing law? I notice that hereafter no patent is to be precluded free manufacture or free sale or use of an article for human food or medical purposes. Is that the law as it stands to-day?

Hon. Mr. DANDURAND: The present Act makes no such distinction.

Various instances will have occurred in which Germans have patented a process for producing a new drug or medicine, and have

also a separate patent or a separate claim for the substance produced by the patent process. The result is that nobody can, until the expiration of the patent, make the drug or medicine by any other process. In some countries the process only in such cases is allowed to be patented. In the amendment now proposed no patent is to preclude the free manufacture or the free sale or use of any article for human food or for medical purpose.

Hon. Mr. DANIEL: Would that authorize the Commissioner to name the price at which the article would be sold?

Hon. Sir JAMES LOUGHEED: What about patent medicine?

Hon. Mr. DANDURAND: The Commissioner may grant a license, but will fix the royalty for the using of that process.

Hon. Sir JAMES LOUGHEED: Inasmuch as my honourable friend has raised this point, may I give expression to a view which I hold in regard to patents? I think the Government should exercise the fullest control in regard to the manufacture and price, so as to preclude all thought of a monopoly being created by the owner of a patent. To what extent, may I ask my honourable friend, will this new Bill permit of that being done? We give a very valuable right to an inventor; we furnish to him not only our own market of nine millions of people, but we furnish to him a standing in the markets of the world, because of the rights which he may exercise under any convention which Canada may enter into. So much for the regulation of price and manufacture. These elements should enter into the policy of the law.

There is another question, that of taxation. To what extent does the Government of Canada profit by the levy of taxation upon patents? This is an age in which we have to exercise every resourcefulness and every ingenuity with a view to increasing the sources of taxation. It seems to me that if there is anything which should be made susceptible to the imposition of taxation, it is patents; at the same time, I am unaware whether we levy anything like a rate of taxation upon patents. We impose certain fees and the payment of certain rates; but a general levy of taxation is not made upon patents in the same way as it is made upon real estate, investments, or any other class of property. Here is a class of property which certainly should be made susceptible to taxation, and substantial taxation. If the Budget had not already been brought down, I should have been very glad indeed to see the Minister of Finance work out the problem of collecting a substantial amount out of the various patents which we protect in Canada.

Hon. Mr. DANDURAND: My honourable friend is touching two questions: the first is covered by this Act, and my honourable friend will find that the Department is trying, under clause 40, to obtain the right to impose conditions of sale for the protection of the public.

Hon. Sir JAMES LOUGHEED: Are they not satisfied that they have succeeded in doing it?

Hon. Mr. DANDURAND: The Department hopes to have created and organized the proper machinery.

As to the other question, that about proprietary medicines, which do not fall under this Act, I cannot tell my honourable friend whether the stamps which we pay for on every bottle of patent medicine bought—

Hon. Sir JAMES LOUGHEED: I do not refer to patent medicines alone; I refer to every patent in Canada. There must be in Canada patents estimated at—well, I will not say how many hundreds of millions of dollars; but there certainly must be patents the value of which would represent, I should think, at a low estimate, one billion dollars. Of course, I speak very generally, without any accurate data before me. But when one takes into consideration the very great values attached to the more important classes of patents, one can readily conceive how the value of patents within the Dominion of Canada would easily reach one billion dollars. To permit of that source of revenue to be exempted from the burden of taxation, is, it seems to me, an outrage. If there is any class of property which would readily yield to the payment of taxes, it is the patents granted by this and other legislatures. I do not know of any other class of property that should appeal to us less sympathetically than patents, and I should recommend the necessity of imposing upon them a substantial taxation.

Hon. Mr. DANDURAND: I will make it my duty to draw the attention of the Minister of Finance to this class of property. Of course, my honourable friend realizes that if some of these patents are coining money for their owners, that money is reached through the prosperity of the institution holding them, by one tax or another. Yet, probably it would be interesting to examine into the opportunity of taxing them further.

Hon. Sir JAMES LOUGHEED: That argument would apply to every species of property. Any class of property, according to what my honourable friend says, might be exempt on account of the indirect or direct returns being taxed under some other head. If he took that ground, we would exempt practically all classes of property from taxation, in case they should indirectly contribute through other channels.

Hon. Mr. DANIEL: If that class of property is to be taxed, there should be some arrangement whereby the tax will not be passed on to the consumer by an increase in the price of the article.

Hon. Sir JAMES LOUGHEED: We will protect the consumer under section 40.

Section 17 was agreed to.

On section 11—powers of commissioner (reconsidered):

Hon. Mr. DANDURAND: My attention has been drawn to an error in this clause. When it was amended in the Committee of the other House, the words were inserted in the wrong line. I move:

That clause 11 be amended by striking out the words, "after such notice as he may deem requisite and sufficient," after the word "commissioner" in the fourteenth line of the clause, and by inserting the said words after the word "commissioner" in the thirteenth line of the clause.

The amendment was agreed to.

Section 17, as amended, was agreed to.

Section 18 was agreed to.

On section 19—power of Commissioner to refuse grant:

Hon. Mr. DANDURAND: This clause is new in part, and made to conform to clause 7, so I will ask that its consideration be postponed.

Section 19 stands.

Section 20 was agreed to.

On section 21—appeal to Exchequer Court:

Hon. Mr. DANDURAND: This clause is new. It is simply an enactment of 3-4 George V, Chapter 17, amending the Exchequer Court Act, which in effect repeals the following section:

Every applicant who has failed to obtain a patent by reason of the objection of the Commissioner, as aforesaid, may, at any time within six months after notice thereof has been mailed, addressed to him or his agent, appeal from the decision of the Commissioner to the Governor in Council.

Hon. W. B. ROSS: Is that appeal, mentioned in the second subsection, final? I am asking just for information. Or is there an appeal from the Exchequer Court?

Hon. Mr. BELCOURT: I think the general jurisdiction of the court would make it appealable, though I would not be positive.

Sections 21, 22, and 23 were agreed to.

On section 24—patents for inventions by persons in public service:

Hon. Mr. DANDURAND: This clause has been added to the Bill at the request of the Honorary Advisory Council for Scientific and Industrial Research. It refers to patents for inventions made by scientists employed in the Public Service in the course of their employment. While allowing the inventor to obtain patents for such inventions, it establishes the rights of the public therein and conserves the same.

Hon. Mr. DANIEL: What is the difference between "making" and "constructing"?

Hon. Mr. DANDURAND: They are to cover two different operations. The word "making" may apply to one, and "constructing" may apply to another.

Hon. Sir JAMES LOUGHEED: Would the finding of the Commissioner under clause 24 be appealable to the Exchequer Court? That is to say, where a patent of invention is issued to a public servant, the Commissioner has certain powers in permitting of the public using the patent on reduced royalty, etc., and the question is whether or not that finding would be an appealable one.

Hon. Mr. DANDURAND: Subsection 5 provides:

Any decision of the Commissioner under this section shall be subject to appeal to the Exchequer Court.

Hon. Sir JAMES LOUGHEED: That is to say, it would lie under section 24?

Hon. Mr. DANDURAND: Yes.

Section 24 was agreed to.

Sections 25 and 26 were agreed to.

On section 27—re-issue of patents:

Hon. Mr. DANDURAND: There is a slight change. This clause replaces section 24 of the old Act. It is proposed to insert the words "or less" after the word "more" in the third line of this clause, and after the word "patent" in the seventh line to insert "within four years from its date." In practice it has been found that a limit of time should be fixed for

the presentation of application for the re-issuing of a patent. An inventor should discover in four years whether or not his patent is defective.

Hon. Sir. JAMES LOUGHEED: What is the effect of that?

Hon. Mr. DANDURAND: Under the old Act he could apply at any time during the whole 18 years of the life of the patent for the re-issue of the patent. Now he must apply within four years from its issue.

Hon. Mr. DANIEL: Does clause 25 limit the life of a patent to 18 years?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: Is it renewable after that time?

Hon. Mr. DANDURAND: No.

Section 27 was agreed to.

On section 26 (re-considered)—term of patents:

Hon. Sir JAMES LOUGHEED: Returning to section 26 for a moment: can my honourable friend explain why under the Patent law the term should be 18 years, whereas under the Copyright Act it is a much longer period? Are not the cases very analogous? It seems to me they are almost parallel. Because our ancestors granted a copyright for say fifty years, there is no reason why under the extraordinarily changed conditions of society today that position should be maintained, and under the Patent Act the term should be for only 18 years, because the one is just as vaulable a property as the other.

Hon. Mr. DANDURAND: The reason which is advanced, and which may be—

Hon. Sir JAMES LOUGHEED: And which may not be a good one.

Hon. Mr. DANDURAND:—the right one, is that a patent brings more money to its owner than a copyright.

Hon. Mr. FOWLER: Not necessarily.

Hon. Sir JAMES LOUGHEED: Not necessarily.

Hon. Mr. DANDURAND: Of course, I said it with—

Hon. Sir JAMES LOUGHEED: My honourable friend said it with bated breath.

Hon. Mr. FOWLER: The novels of Harold Bell Wright bring more money than most patents do to-day.

Hon. Mr. DANDURAND: But my honourable friend will admit that the number who have made millions by copyright is very small indeed as compared with the number who have made fortunes by inventions.

Hon. Mr. BELCOURT: The patentee is protected under section 27. He may surrender his patent and get a re-issue within four years from a stated period.

Hon. Sir JAMES LOUGHEED: That would give him only 20 years.

Hon. Mr. BELCOURT: He might go 17 years and then surrender his patent and get another one.

Hon Mr. DANDURAND. No. It does not go beyond the term of the original patent.

Hon. Sir JAMES LOUGHEED: When the Copyright Act come up again we shall have to reconsider the period.

Section 26 was agreed to.

Sections 28 to 39, inclusive, were agreed to.

On section 40—conditions:

Hon. Mr. DANDURAND: There is a small amendment in section 40. I move to strike out the word "twenty-three" in the second line thereof, and substitute therefor the word "twenty-four."

Every patent, except those governed by section twenty-three, shall be subject to the following conditions.

It should be "twenty-four." The clauses were renumbered in the Commons.

The amendment was agreed to, and section 40, as amended, was agreed to.

On section 41—revocation of patent time limit:

Hon. Sir JAMES LOUGHEED: What is the purport of sections 40 and 41?

Hon. Mr. DANDURAND: These two clauses are the most important of the Bill, and they replace sections 38, 39, 40 and 44 of the old Act. The sections to be repealed were enacted for the purpose of compelling the patentee to continuously manufacture his invention in Canada and supply it to the public at a reasonable price, and to prevent him from importing the invention into Canada. While they have served their purpose in some respects, they have failed to do so in others. It is thought that the proposed clauses will

better serve the purpose of these sections, and will be free from some objectionable features attaching to them.

There is no doubt that it is the general desire that the law should, while assuring the inventor an adequate return for his invention, enable the public without difficulty to obtain it at a reasonable price. That is the principle which my honourable friend has been sanctioning.

Hon. Sir JAMES LOUGHEED: Yes. Will my honourable friend be good enough to point out wherein that authority is given to the Government?

Hon. Mr. DANDURAND: In the latter respect, the law at present fails. The sections impose on the patentee the obligation of supplying his invention, but they do not give the public the right to compel him to do so. The only right of action that the public have, by reason of the default of the patentee is for the cancellation of the patent, which is not satisfactory. As in the majority of cases the person requiring the invention is not in a position to manufacture it, the cancellation of the patent is of no benefit to him.

The law requires the patentee to furnish the invention at a reasonable price. Difficulty arises in determining what is a reasonable price. Failing agreement between the patentee and the would-be purchaser, if action be taken and the Court finds that the price asked is too high, the patent is cancelled, although the patentee might have honestly considered he was entitled to the price which he asked.

The law requires the patentee to continuously manufacture the invention and forbids him to import it. There is difficulty in determining what constitutes manufacture and importation within the meaning of the Act. In a recent case in the Supreme Court four of the judges were of the opinion that the facts as established showed that the patentee had failed to manufacture and had imported, and as a consequence the patent was cancelled. A dissenting judge was of the opinion that the patentee had complied with the law in these respects and was in favour of sustaining the patent.

Owing to these uncertainties it is frequently difficult to determine whether Canadian patents are in force or not, which reduces their value, as naturally there is hesitancy in investing money in the exploitation of a patent which may turn out to be void through failure of compliance with these requirements of the Act.

If the proposed amendments be adopted, these difficulties and uncertainties will be removed, and in case of disagreement the court will fix the price at which the invention is to be supplied, and the patent will not be forfeited unless the patentee fails to supply the invention at that price within the time also to be fixed by the court.

These amendments will involve modification of the present importation provisions, which absolutely prohibit the importation of the invention on pain of nullity of the patent The amendments, while not expressly prohibiting the importation, will expose the patent to forfeiture if the manufacture of the invention is not carried on to an adequate extent within Canada.

Hon. Mr. FOWLER: "Adequate" is a very wide term.

Hon. Mr. DANDURAND: It gives some leeway to the inventor, who, if he imports one single article, is liable to a penalty of forfeiture of his patent.

The reason that has always been given for the retention of section 38 is that over 75 per cent of our patents are granted to United States citizens, and it was said that were it not for the provisions of this section the patented invention would be imported from the United States plants, and Canada would get nothing in return for the patent. It is now thought that the proposed clause will safeguard Canada's interests in this regard. Any loss that might result from the relaxation of the importation provision, it is thought, will be more than compensated by the benefits to be derived from the adherence to the International Convention for the Protection of Industrial Property, for which the amendment will open the way. This Convention was consituated in 1883, and is composed of the principal countries of the world. Its whole spirit is shown in Article 2 of the constitution, which declares that subjects or citizens of each of the contracting countries shall, as regards patents, trade-marks, etc., in all other countries of the Union will enjoy the advantages that their respective laws grant to their own subjects or citizens.

In some important countries, notably the United States, Japan and Germany, Canadians are at present under certain disabilities as compared with the citizens or subjects of those countries. In 1900 Canada endeavoured to join the Union, but failed owing to the repugnancy between its importation provision and Article 5 of the Convention, which states that introduction of the patented invention made in a Union country into the country where the patent was granted shall not entail forfeiture. By the proposed amendment this repugnancy will be removed and the way opened for joining the Union, for which there

is a very general demand. I am informed that the Canadian manufacturers are supporting this change.

In amending the Act in 1903, section 44 was enacted to provide for the granting of licenses in respect to certain patents covering inventions which it would be unreasonable to require the patentee to manufacture in the absence of a special demand. If the proposed amendment be adopted, this section will be repealed. The amendment will apply to all patents, without regard to the nature of the inventions covered by them.

Under the special provisions of the Act, the Commissioner may extend the limited time for manufacture and importation, and may place patents under section 44 at his discretion. The Commissioner is moved to exercise this discretion by formal petitions more or less volumnious and supported by affidavits or some declarations. These petitions require careful consideration; orders must be made thereon; and there is much correspondence therewith. In some years over five thousand were dealt with in the Patent Office These petitions would be entirely done away with by the amendments, as there would be no fixed time to extend, and section 44 would be repealed.

Now I will read the new clauses 40 and 41, so that they may be dealt with in the light of the explanation I have given.

Hon. Sir JAMES LOUGHEED: They are a bit lengthy.

Hon. Mr. DANDURAND: If my honourable friends are satisfied—

Hon. Sir JAMES LOUGHEED: I should like to ask whether the Government has ever given consideration to the issuance of licenses for the manufacture of patented articles in Canada, when the patentee himself either represents that he is unable to proceed with the manufacture, or that there is not a sufficient market to manufacture? We have always had more or less trouble with the manufacturing clause in the Patent Act. The principle of granting licenses has been recognized in the Copyright Act, and it seems to me that it is a very sound principle to adopt. That is to say, the application for a license might be made for a patented article, and the Minister or the Government might determine upon what terms the license would be issued. The terms would embrace such elements as the selling price and the royalty to be paid to the patentee. If a policy of that kind were adopted, we could easily overcome the difficulties which confront the public to-day in the use of desirable articles that are patented and are sold at almost prohibitory prices. There is no reason why the public should not have the advantage in some way of the user of these articles, which, under the policy of selfishness which prevails, are without profit to either the patentee or the public.

Hon. Mr. DANDURAND: I am told that under this very clause provision is made for the suggestion which my honourable friend has outlined.

Hon. Sir JAMES LOUGHEED: But what about the manufacture? Suppose the patentee says he cannot carry it on? I suppose that would permit of it being done?

Hon. Mr. DANDURAND: When the patentee declares his inability to do so, he will be asked to give a license.

Hon. Mr. FOWLER: It does not seem to me that paragraph (b) covers it.

Hon. Sir JAMES LOUGHEED: Paragraph (c) contains a broader provision.

Hon. Mr. DANIEL: Is there any control exercised over the price at which patented articles can be sold?

Hon. Sir JAMES LOUGHEED: This is intended to cover that.

Hon. Mr. DANDURAND: It is provided for, and the Commissioner will have the power.

Hon. Mr. FOWLER: Paragraph (b) only allows the Commissioner to grant licenses for the use of the patent of invention.

Hon. Mr. DANDURAND: I will read paragraph (b) to my honourable friend. It says:

> The Commissioner shall then consider the petition, and, if the parties do not come to an arrangement between themselves, shall proceed to hear and determine the matter, and if it is proved to his satisfaction that the reasonable requirements of the public with respect to the patented invention have not been satisfied, the patentee may be ordered by him to supply the patented article within reasonable limits at such price as may be fixed by him and in accordance with the custom of the trade to which the invention relates as to the payment and delivery, or to grant licenses for the use of the patented invention as may be fixed by him, in either case within and after such time as may be fixed by him and on pain of forfeiture of the patent.

Hon. Mr. FOWLER: That does not put it very clearly Why do you not say "to manufacture".

Hon. Mr. DANDURAND: The interpretation of the Department is that it includes manufacture.

Hon. Sir JAMES LOUGHEED: I think it is as broad a term as can be used.

Sections 41 and 42 were agreed to.

On section 43—tariff of fees:

Hon. Mr. DANDURAND: In this section certain clauses have been wrongly numbered, and I will move:

That sub-clause 1 of section 43 be amended by striking out the numbers 16 and 23 in the twelfth line thereof, and substituting the numbers 17 and 24 respectively.

The amendment was agreed to.

Hon. Mr. DANDURAND: Subsection 2 is old.

Hon. Mr. FOWLER: It does not seem quite fair. You will not give him back any money if he has paid too much, but you will make him pay if he has not paid enough.

Section 43 was agreed to.

On section 44—fees in full for all services:

Hon. Mr. FOWLER: Why is that clause necessary?

Hon. Mr. DANDURAND: I am told it has been left because of its age. It can be struck out.

Section 44 was agreed to.

Sections 45 and 46 were agreed to.

On section 47—restoration and revival of patents:

Hon. Sir JAMES LOUGHEED: Section 47 is new, is it not? The Commissioner takes the place of Parliament.

Hon. Mr. DANDURAND: We have already had a fairly lengthy discussion of this clause. As I have stated, the Department is always represented in the Private Bills Committee, to these Bills asking for the revival of patents are sent by the Commissioner of Patents, whose opinion is asked for by the members. There must be certain evidence brought in by the applicant, and the Bill must conform to certain standard clauses. When the Committee, which is composed of perhaps twenty Senators, meets, the representative of the Department states that the Bill conforms to the regulations and the traditions; the standard clauses are there, and it passes. Having been a member of that Committee for a number of years, I know that we felt that we were doing a work which belonged to the Department, since the Department had practically the first and the last word with the Committee. There was a time when two or three members of this Chamber always looked somewhat severely upon these Bills, and yet the Bills passed. They went to the Committee, were reported on favourably, and were put upon the Statute Book.

Hon. Sir JAMES LOUGHEED: We could never do anything with the Committee; that was the trouble.

Hon. Mr. DANDURAND: Perhaps my honourable friend has a better memory than I have, but I doubt that he will challenge my statement that not one of these Bills was stopped. The representative of the Department to the Committee was always urged to take power to cure the defects caused say by the negligence of the patentee in bringing in his money for renewals in due time. I have stated the reasons usually given—the fact that the patentee was sick, or that his agent in Ottawa had died, or was sick, or was away, or that the letter had been mislaid—any kind of evidence on the formal affidavit was accepted. The Department has come forward with this clause in order to comply with the constantly expressed wishes of that Committee that Parliament should be relieved of this perfunctory work.

Hon. Mr. FOWLER: I can scarcely understand a Committee being so anxious that Parliament should dispense with its authority. There is a constant encroachment upon the authority of Parliament, both by Governments and permanent officials, and I for my part protest against that. Parliament is representative of the people, and should be the last authority, and should not pass its authority over to any bureau or to any Government.

Hon. Mr. DANDURAND: Where would my honourable friend stop? We have already delegated considerable work to the various Departments. Shall we reopen these statutes and reassume powers that we have delegated to those Departments? I would draw the attention of my honourable friend to this fact, that these clauses are substantially in the terms of section 20 of the British Patent Act of 1907—

Hon. Mr. FOWLER: I don't care anything about the British Patent Act or what it contains.

Hon. Mr. DANDURAND: —similar powers being given thereunder to the British Comptroller to correspond to the Canadian Commissioner.

Hon. Mr. FOWLER: This citing of the authority of Britain and the United States does not go with me in the Canadian Parliament.

Hon. Mr. DANDURAND: But I give, besides, the fact that we have put hundreds of people to the trouble and considerable expense of coming to this Parliament.

Hon. Sir JAMES LOUGHEED: It is owing to their negligence.

Hon. Mr. FOWLER: Certainly. It is their own fault.

Hon. Mr. DANDURAND: It is owing to their negligence, or sometimes their misfortune.

Hon. Sir JAMES LOUGHEED: Those are often synonymous terms.

Hon. Mr. FOWLER: We are not responsible for them.

Hon. Mr. DANDURAND: And we have generally insisted upon such evidence as would clear them of negligence. I think that the underlying principle was that they had to show a misfortune—that some thing had gone wrong for which they were not actually personally responsible.

Hon. Sir JAMES LOUGHEED: We always whitewash them.

Hon. Mr. DANDURAND: Now that we have had that experience, is this not a matter which should be delegated to the Commissioner? We are delegating to the Commissioner far more important functions. We have had hundreds of those applications before our Parliament, and twenty members of our Senate, sitting in Committee, have asked, "Should not the Commissioner be entrusted with that work?" The Commissioner is not asking for these powers; he has been actuated simply by a desire to meet the wishes of the Senate of Canada.

Hon. Mr. FOWLER: I do not care whether the Commissioner desires them or not. It is the principle that I object to. My honourable friend (Hon. Mr. Dandurand) bolsters his argument by saying that we have delegated our authority in other matters—

Hon. Mr. DANDURAND: In more important matters.

Hon. Mr. FOWLER: —therefore we should do likewise in this case; because we have committed a fault before, we must commit another fault.

Hon. Mr. DANDURAND: That is not my argument.

Hon. Mr. FOWLER: I dislike and cannot understand the attitude of a Committee that, for the sake of saving themselves some trouble in listening to a matter, will want the Commissioner to decide it. What are they here for? What are they paid for? What are they appointed for? Just to do this sort of work.

Hon. Mr. DANDURAND: Will my honourable friend allow me to say, I think it would be more just to credit his confreres with the idea that work can be done better by the Commissioner than by the Senate.

Hon. Mr. FOWLER: Then it seems to me that these gentlemen hold a very small opinion of themselves.

Hon. Mr. DANDURAND: They are very modest.

Hon. Mr. FOWLER: I do not hold so small an opinion of myself as that, for I think I would be quite as competent to judge of a matter of that kind as any Commissioner who ever occupied that important position; and if I did not think I was competent to decide a matter of that kind, I would not feel that I had a right to be here. Now, for mere laziness, for mere desire to shirk work, this Committee—I do not know what Committee it was, but I am sure it is not the present Committee—

Hon. Sir JAMES LOUGHEED: Private Bills.

Hon. Mr. FOWLER: This Committee is trying to get rid of its work, and to saddle it on a permanent officer who is not responsible to anybody. I strongly protest against that.

Hon. Mr. CASGRAIN: Perhaps we are giving ourselves a great deal of unnecessary trouble. According to the information, there is not one in a thousand of those patents that would ever amount to anything.

Hon. Mr. DANDURAND: Not one in a hundred.

Hon. Mr. CASGRAIN: We will say not one in a hundred. People pay their good money for a patent and get nothing in return in the long run. My information is that only one patent in a hundred is successful, and there are some who say not one in a thousand ever amount to anything.

Hon. Mr. FOWLER: We must look after the thousandth.

Hon. Sir JAMES LOUGHEED: Then they should not come here.

The Hon. the CHAIRMAN: I wish to direct your attention to the fact that there is on the Order Paper a motion referring to clause 47.

Hon. Mr. DANDURAND: It is a notice of motion. It is not moved.

Hon. Sir JAMES LOUGHEED: The honourable gentleman from Grenville (Hon. Mr. Reid) can move that amendment on the third reading.

Hon. Mr. FOWLER: I want my protest recorded.

Hon. Mr. DANDURAND: There is a slight clerical error in section 47 of this Bill. I move that subsection 1 be amended by adding after "1906," in the third line thereof, the words "or this Act."

The amendment was agreed to, and section 47 as amended was agreed to.

On section 48—Government may use patented invention:

Hon. Sir JAMES LOUGHEED: May I direct attention to the principle embodied in section 48, which I think is objectionable. It seems to me that the Government of Canada should have the right to use an invention without having to pay "a reasonable compensation." I am satisfied the Government should pay a compensation, but "a reasonable compensation" would be a compensation equivalent to that which anybody else would have to pay. Inasmuch as the Government of Canada grants this right to the patentee and under extraordinary circumstances may find it necessary to use the invention—for I remember that during the war the Government found it necessary to do so—they should not therefore be called upon to pay a farthing for the use of such invention. I think any court would interpret the language in this section as being a compensation that would be equivalent to that which would have to be paid by private persons or any aggregation of individuals. It seems to me therefore that if the word "reasonable" were left out, an opportunity would be afforded the Government to use an invention without having to pay an excessive price for it.

Hon. Mr. DANDURAND: I do not know why this clause comes to us in its present form, but, in my opinion, after reading it, it will not increase the amount that should be granted the patentee.

Hon. Mr. FOWLER: It might.

Hon. Sir JAMES LOUGHEED: Oh, yes. "Reasonable compensation" means the value of that particular property, and I do not think that it is the intention of the Government that it should pay a compensation of the same amount that any individual should pay. I cannot recall at the moment the particulars, but I remember that during the war the question came up on two or three occasions as to the use of certain patented articles which the Government found it necessary to use. Inasmuch as the government grant extraordinary rights to the patentee, it should not be called upon to pay the full value of the patent.

Hon. Mr. FOWLER: I do not quite agree with my honourable friend. I am sorry to disagree with him. The Government grants patents to every person who makes a proper application and complies with the requirements. It does not grant the patent as a special favour, but grants it to any of its citizens or to citizens of other countries, under the law. If it were a special favour to a certain individual, it would be right for the Government to receive a corresponding compensation in the way of reduced price; but the Government should be treated in the same way as any other customer when it is doing for the patentee only what it does for everybody else. That would be my idea, and I do not see why it is necessary to have that section at all.

Hon. Mr. DANDURAND: But it is not a new section.

Hon. Mr. FOWLER: I do not care whether it is new or not. There it is. Does my honourable friend think that simply because a thing has been there it must therefore remain? If it is nonsensical, for Heaven's sake strike it out. There is an appeal from the decision of the Commissioner, and any court would say, as my honourable friend from Calgary (Hon. Sir James Lougheed) has said, that a reasonable compensation would be what everybody else paid. So it is not necessary to have the section at all unless the Commissioner has power to reduce the amount. When you put in the word "reasonable" and leave it to the court to interpret, the court would interpret it as meaning that the compensation should be the same as everyone else pays. Therefore it seems to me that you should either strike out the word "reasonable" or strike out the whole section.

Hon. Mr. DANDURAND: I may state that this is the old clause, modified by the addition of the last words, which give an appeal to the Exchequer Court from the decision of the Commissioner. Up to this time, under the old Act, the Commissioner himself fixed the amount. The purchase or expropriation or compensation was not contemplated, but simply the fixing of the royalty to which the patentee should be entitled when the Government happened to make use of the patent.

Hon. Sir JAMES LOUGHEED: But the Government would not use it except under extraordinary circumstances—under circumstances of public emergency or something of that kind.

Hon. Mr. FOWLER: I can give you an instance.

Hon. Sir JAMES LOUGHEED: I cannot clearly recall, but I know that during the war the Government found it necessary—I do not say actually to use, but to consider the propriety of making use of certain patented articles, which were not made on a sufficiently large scale to meet the emergency which had then arisen, and the question came up whether the Government would be justified in using those articles in view of the compensation which it would have to pay to the patentee. The patentee might be an absentee: he might be a foreigner.

Hon. Mr. FOWLER: That was a war measure.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND: My honourable friend is in error. He has that personal experience in mind, but the Department has had much longer experience, and I am informed that the use of patented articles by the Government is of very frequent occurrence. They are used in the Printing Bureau the Marine and Fisheries Department, the Militia Department, and the Department of Railways and Canals, and the Commissioner is very often called upon, when the Department cannot agree with the patentee, to fix the amount.

Hon Sir JAMES LOUGHEED: But you tie up the Commissioner to an arbitrary standard in this clause.

Hon. Mr. DANDURAND: But it is under that standard that the Commissioner has been operating for years, and he has been called upon only when there was a disagreement between one of these Departments and the patentee. Of course, he was the supreme judge.

Hon. Mr. FOWLER: Strike out the word "reasonable," and then you have some sense in your clause.

Hon Sir JAMES LOUGHEED: Yes. The patentee could not recover for that a reasonable compensation, and it might be desirable that the Government should pay less.

Hon. Mr. DANDURAND: But what objection is there to stating what is a matter of course—that the compensation shall be reasonable? Are we objecting to the expression, or to what it implies?

Hon. Sir JAMES LOUGHEED: It implies an arbitrary standard of valuation.

Hon. Mr. PARDEE: Does it?

Hon. Mr BEAUBIEN: It seems to me that the word "reasonable" is a moderating term.

Hon. Mr. DANDURAND: I think so.

Hon. Mr. CASGRAIN: I think so too.

Hon Mr BEAUBIEN: We may give it different interpretations; if I read a provision that the Commissioner should fix a compensation and if it were not qualified by the term "reasonable," I for one would certainly consider that the Commissioner had been given an absolutely free hand—

Hon. Mr. CASGRAIN: To go to the limit.

Hon. Mr. BEAUBIEN: —to give to the patentee the price that would be paid by anybody else. I think the term "reasonable" is a moderating term. That is my interpretation of it, and I certainly prefer to see the section remain as it is.

Hon. Sir JAMES LOUGHEED: Have you not the power already, under section 41, to issue a license?

Hon. Mr. FOWLER: I do not think the Government should be treated differently from the individual.

Hon. Mr. DANDURAND: I am told that section 41 would not cover that.

Section 48 was agreed to.

Section 49 was agreed to.

On section 50—patent not to affect a previous purchaser:

Hon. Mr. DANDURAND: I have an amendment to propose. I move that the section be amended by striking out of the 13th and 14th lines of the following words: "with the consent or allowance of the inventor thereof."

Hon. Sir JAMES LOUGHEED: Section 50 is an old clause, is it not? Are you changing it?

Hon. Mr. DANDURAND: I am moving an amendment, but I will ask that section 50 be allowed to stand, because it works in conjunction with clause 7. This amendment is proposed in order to have the section conform to section 7. We will deal with section 50 when we have disposed of sections 7 and 8.

Hon. Sir JAMES LOUGHEED: All right. You may have to restore those words if we change the other sections.

Hon. Mr. DANDURAND. I move the amendment so as not to forget it.

Section 50 stands.

On section 51—patented article to be stamped or marked:

Hon. Mr. DANDURAND: It is an old clause.

Hon. Mr. FOWLER: Why should it be necessary to put that stamp on each patented article? There are some articles that cannot be stamped. (Reading):

or when, from the nature of the article, this cannot be done, then by affixing to it, or to every package wherein one or more of such articles is or are enclosed, a label marked with a like notice.

Hon. Mr. DANDURAND: It is a warning to the public.

Hon. Sir JAMES LOUGHEED: Take, for instance, an artificial nose.

Hon. Mr. FOWLER: We have got rid of so much of our work now by handing it over to Commissioners that we can afford to take time on this. I think that is going to be pretty awkward. It is all right where it is possible to stamp it on the article itself; but what is the good of stamping it on the package? Once the package is broken, who is to see the stamp? Suppose you have 200 patented articles in a package: To make a sale of them you take them out of the package; you must. Are you going to exhibit the stamp on the package to everyone to whom you sell?

Hon. Mr. DANDURAND: It is very difficult to do away with a regulation which seems to have worked no hardship and which has been accepted by the public.

Hon. Mr. FOWLER: It has not been accepted by the public; it has not been followed. That is the reason why it has worked no hardship. Some busybody might make trouble.

Hon. Mr. DANDURAND: You have the proviso where possible.

Hon. Mr. FOWLER: What would you do with the patented head-dress known as the "transformation"?

Hon. Mr. DANDURAND: Or the Marcel wave?

Hon. Sir JAMES LOUGHEED: You would tie a notice to it, and cut it off.

Section 51 was agreed to.

Sections 52, 53, and 54 were agreed to.

On section 55—seal of Patent Office to be evidence:

Hon. Mr. FOWLER: Is that new or old?

Hon. Mr. DANDURAND: Old.

Hon. Mr. FOWLER: Then it cannot be changed.

Section 55 was agreed to.

Section 56 was agreed to.

On section 57—register of attorneys:

Hon. Mr. DANDURAND: This is new. For many years past there has been a strong desire on the part of the patent attorneys practising in Canada that the Patent Act should provide for the registration of patent attorneys practising before the Patent Office, and since the Bill was printed further pressure has been exerted to have such a clause introduced in the present Bill. The Patent Office is strongly in accord with this proposal.

Hon. Sir JAMES LOUGHEED: I am unaware of any authorized body of patent attorneys. This is certainly a new graft of power.

Hon. Mr. PARDEE: Should not everybody have a right to do that work?

Hon. Sir JAMES LOUGHEED: Certainly. You will have a close corporation authorized or formed at once.

Hon. Mr. FOWLER: That is the dodge.

Hon. Mr. DANDURAND: I think I have a good client and a good cause. There are throughout Canada a number of dishonest persons who parade under the guise of patent attorneys and who are constantly defrauding the public and enticing innocent inventors whose minds are working in other channels to advise them of the value of their patent. These men ply their trade in every city, and the larger the city the more remunerative is the trade. The idea is to protect the public against those men who are tricksters, and to provide a register wherein only men of repute may be registered and classified as patent attorneys. My honourable friend will see that under clause 58:

For gross misconduct or any other cause which he may deem sufficient, the Commissioner may refuse to recognize any person as a patent agent or attorney either generally or in any particular case.

I have had within my own experience at the Bar at least a couple of glaring cases of poor people who thought they had a fortune in their hands in inventions that were absolutely worthless, and they were being

made to pay their money in weekly instalments from their wages to men who had done nothing and could do nothing for them.

Hon. Mr. FOWLER: I do not see how the Commissioner is going to prevent the manipulation or machinations of the dishonest attorney. Does this mean that nobody except men who are registered in the Commissioner's office can act as an attorney?

Hon. Mr. DANDURAND: That is the intention.

Hon. Mr. FOWLER: To shut out the whole mass of lawyers in this country unless they are registered as patent attorneys in the Patent Office? For one I protest against it. This Commissioner is to be the judge of who shall obtain a patent, or who shall act as an attorney for a patent?

Hon. Mr. DANDURAND: I may inform my honourable friend that regulations can and will be made to cover the standard of attorneys who will be admitted; and members of the Bar who want to register will only need to ask, so on that score their standing cannot be questioned and will not be questioned. But I believe that is an evil—I have seen it with my own eyes—which should be done away with, and that this is a proper move.

Hon. Mr. FOWLER: I do not think any such evil is widespread. There may be some dishonest patent attorneys as there is an occasional dishonest clergyman. But to talk about dishonesty being rampant is absolute nonsense. If an attorney of the supreme court of any province acts in the way which my honourable friend has mentioned, the courts of the land are open to the inventor and he can get redress; it is not necessary to appoint this great high mogul of a Commissioner to attend to that duty. To say that the lawyers of Canada have to pass the scrutinizing eye of this gentleman is an absurdity.

Hon. Mr. DANDURAND: I have not said that.

Hon. Mr. FOWLER: That is what you are saying, or what he is saying, or what the Bill says.

Hon. Mr. DANDURAND: No. I say members of the Bar will only need to send their demands for registration.

Hon. Sir JAMES LOUGHEED: I think my honourable friend had better allow this to stand. When you take into consideration the fact that there are many thousands of practitioners in Canada, all of whom have a right to, and most of whom do, practise in patent matters, it will at once be seen how impossible it will be to establish a register of lawyers from the Atlantic to the Pacific who will have the right to perform any patent business; and as to suppressing the immoral or unmoral practitioner, that is utterly impossible. The Commissioner of Patents or the Government of Canada will never be able to separate the wheat from the chaff so far as legal practitioners are concerned. We have to put up with both. We would not be labouring under human conditions if we could purify the profession to such an extent that those practising before the Commissioner of Patents would be without spot or blemish. It would require a register probably larger than any used at the present time within the Dominion of Canada to register everybody who has and should have the right to represent an applicant for a patent before the Patent Office. I think my honourable friend should strike this out, and should rely upon the Patent Office to suppress as far as they can any crooked dealing in the way of these applications.

Hon. W. B. ROSS. I think we ought to go further than that. An applicant for a patent, of course, would have a right to state his case himself; but I think that he should have the right to take anyone else with him to represent him, whether he is a barrister or attorney or not. Very often an engineer or a scientific man could put up the case much better than any barrister could do it. I do not see why you should put a limit on a man. I object to a man being handicapped by anyone saying who he is to take with him to present his case.

Hon. Mr. DANDURAND: We will let these two clauses stand.

Sections 57 and 58 stand.

Sections 59 and 60 were agreed to.

On section 61—cost of proceedings before the court.

Hon. Mr. FOWLER: Is this new or old?

Hon. Sir JAMES LOUGHEED: It is new.

Hon. Mr. FOWLER: Has the Commissioner been stuck for costs any where?

Hon. Sir JAMES LOUGHEED: Is it not within the jurisdiction of the Exchequer Court now to say who shall pay the costs? They could only be adjudged, I apprehend, by that Court.

Hon. Mr. McMEANS: I should think that in case of gross misbehaviour the Commissioner should be made to pay the costs.

Hon. Sir JAMES LOUGHEED: I do not think this calls for any particular legislation; the Department would surely indemnify the Commissioner if he should be called upon to pay the costs.

Hon. Mr. FOWLER: And if there is ignorance and gross negligence, he ought to pay them.

Hon. Mr. DANDURAND: My honourable friend will not lose sight of the fact that he and I will then be paying.

Hon. Mr. FOWLER: I say that if by his gross negligence and ignorance he is stuck, he ought to pay.

Hon. Sir JAMES LOUGHEED: Does not the Department to-day indemnify those officers for any costs which they may be called upon to pay?

Hon. Mr. FOWLER: In the lawful discharge of their duty, yes.

Hon. Mr. DANDURAND: These are appeals from the Commissioner.

Hon. Sir JAMES LOUGHEED: Notwithstanding their being appeals from the Commissioner, they are really appeals from the Department. The Commissioner represents the Department. I cannot conceive of a case in which the Department will not indemnify the Commissioner.

Hon. Mr. FOWLER: If you bring an action against the Government in the Exchequer Court, and you appeal, you get your costs. Why should you not get your costs in a patent case?

Hon. Mr. PARDEE: Much to my surprise, the Commissioner tells me that not long ago, in Toronto, he was added as a personal party to an action.

Hon. Mr. McMEANS: For what purpose?

Hon. Mr. PARDEE: I suppose because he had not lived up to what the other party had asked him to do. In any event, he was made a party. Suppose the appeal had gone against him, and the Department had said: "No, we will not indemnify you."

Hon. W. B. ROSS: The only way they could drag him in would be by his acting outside of the statute; then he would be a wrongdoer, and would be responsible for his wrongful acts.

Hon. Mr. McMEANS: In many cases where a conviction by a magistrate has been quashed by the court of appeal, he has been made to pay the costs out of his own pocket because of his misconduct You can take proceedings against a judge of the highest court in the land, and if there is malfeasance of office he is responsible.

Hon. Mr. FOWLER: Are we going to put the Commissioner of Patents on a higher pedestal than all the judges of the land?

Hon. W. B. ROSS: The Bill speaks of the Commissioner. When he would be added personally, he would not be included in section 61 at all. Perhaps that is the real explanation of it. When you dissociate him from the office, he is not within the section at all.

Hon. Mr. DANDURAND: In the case cited by my honourable friend from Lambton (Hon. Mr. Pardee), the Commissioner was made a party to the suit, as Commissioner and personally.

Hon. Mr. FOWLER: Why would the court add him? The court added him in his personal capacity.

Hon. Mr. DANDURAND: No, not the court.

Hon. Mr. PARDEE: There was a motion to amend, and he was added.

Hon. Mr. FOWLER: Therefore he was added by the court. Was that the Exchequer Court?

Hon. Mr. DANDURAND: The Supreme Court; but the order was set aside on appeal.

Hon. W. B. ROSS: The honourable the leader may consider that section 61 will not protect the Commissioner at all.

Hon. Mr. DANDURAND: No, it will not.

Hon. W. B. ROSS: If you want to give him any protection, you will have to give him some new law dealing with the matter whether he is sued in his official capacity or personally. This only deals with the office.

Hon. Mr. FOWLER: Then, if we pass section 61, a man will not get his costs even if he recovers.

Hon. Mr. DANDURAND: We will let 61 stand, then.

Section 61 stands.

On section 62—practice on appeal:

Hon. W. B. ROSS: I wish the honourable gentleman would let that section stand. I

would like to see whether the appeal clauses in the Exchequer Court Act are wide enough to cover this appeal to the Exchequer Court. If this is a judicial proceeding, of course there is an appeal to the Supreme Court of Canada. I will find it in the meantime.

Hon. Mr. DANDURAND: This clause has been added in Committee in the other Chamber after certain inquiry as to its legal validity and operation.

Hon. W. B. ROSS: You are providing for an appeal to the Exchequer Court, and I want to find out whether there is an appeal from the Exchequer Court to the Supreme Court of Canada.

Hon. Sir JAMES LOUGHEED: Could the appeal be taken to the Exchequer Court in any other way than pursuant to the Exchequer Court Act and the rules and practices of the Court? It seems to me this clause is entirely unnecessary, because that is the only way you could have an appeal.

Hon. Mr. DANDURAND: It was said to be important that this provision should be in the Bill, for the information of the public.

Hon. Sir JAMES LOUGHEED: If there is an appeal, then any lawyer will know and advise his client.

Section 62 stands.

On section 63—patented articles to be stamped or marked:

Hon. Mr. FOWLER: I object to that clause, because it provides for a very big penalty in cases where the article cannot be stamped with the year of the patent. It does seem to me that to stamp the package is a foolish thing.

Hon. Mr. DANDURAND: This clause is there mainly for the protection of the patentee.

Hon. Mr. FOWLER: I know, but still it subjects him to a pretty severe penalty in case he does not stamp the package.

Hon. Mr. DANDURAND: It does not seem to have operated injuriously in the past.

Hon. Mr. FOWLER: I know myself of a patented article which could not possibly be stamped on the package.

Hon. Sir JAMES LOUGHEED: A label may be attached to the package when it cannot be stamped.

Hon. Mr. FOWLER: I know, but it seems to me to impose a duty that could have no possible advantageous effect.

Hon. Sir JAMES LOUGHEED: It is one of those formal provisions.

Hon. Mr. FOWLER: I understand the intention, but in trying to help out the patentee you are sticking him.

Section 63 was agreed to.

Sections 64, 65 and 66 were agreed to.

On section 67—status not affected:

Hon. Mr. FOWLER: Is that new?

Hon. Mr. DANDURAND: These are the saving clauses for the protection of rights:

No relief, right or privilege granted to or acquired by any patentee or other person in respect of any patent or application for the same under chapter forty-four of the statutes of 1921 shall be affected by the repeal of said Act but such relief, right or privilege shall continue as if said Act had remained in force.

Hon. Mr. FOWLER: That is all right.

Section 67 was agreed to.

Section 68 was agreed to.

On section 69—notice of appeal:

Hon. Mr. DANDURAND: I have an amendment to section 69—that it be amended by adding thereto the following words: "Unless otherwise herein expressly provided," at the end of the clause.

Hon. Mr. McMEANS: I do not understand the section itself.

Hon. Mr. FOWLER: You might explain that.

Hon. Mr. DANDURAND (reading):

Whenever an appeal to the Exchequer Court from the decision of the Commissioner is permitted under this Act, notice of such decision shall be mailed by registered letter addressed to the interested parties or their respective agents, and the appeal shall be taken within three months from the date of mailing of such notice, unless otherwise herein expressly provided.

Hon. Mr. McMEANS: What does that mean in a case where an individual is appealing? It would seem that the notice is mailed only where the Commissioner is appealing. Is that the meaning of it?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. PARDEE: It means an appeal "from the decision of the Commissioner."

Hon. Mr. DANDURAND: Mr. Chairman, I will let the amendment drop. I withdraw the amendment.

Hon. Sir JAMES LOUGHEED: Do not the rules of the Exchequer Court make provision for such an appeal? This, it seems to me, would add to the rules of the Exchequer Court.

Hon. Mr. FOWLER: It does not seem intelligible. Perhaps it is my lack of intelligence.

Hon. Mr. McMEANS: I cannot understand it. Who gives the notice?

Hon. Sir JAMES LOUGHEED: Do not the rules of the Exchequer Court make provision for these appeals? If so, it is entirely unnecessary and would be repugnant, it seems to me, to the rules of the Exchequer Court to do so.

Hon. Mr. DANDURAND: I am informed that by this Bill we are allowing a number of new appeals to the Exchequer Court—appeals for which there is no provision in the Exchequer Court Act.

Hon. Mr. FOWLER: But who sends this notice? It does not say.

Hon. Mr. McMEANS: It does not mean the parties appealing?

Hon. Sir JAMES LOUGHEED: To what does "notice of such decision" refer? Is it the decision of the Commissioner?

Hon. Mr. PARDEE: The Commissioner.

Hon. Sir JAMES LOUGHEED: What is the "notice of such decision"? The party appealing would not send a notice of such decision. That is unintelligible.

Hon. Mr. McMEANS: It had better be re-drafted.

Hon. Sir JAMES LOUGHEED: It is the Commissioner who sends the notice, is it not?

Hon. Mr. DANDURAND: Yes.

Hon. W. B. ROSS: Section 82 of the Exchequer Court Act provides for an appeal. I think it would be sufficient to say that the appeal should be to the Exchequer Court Judge. If you do not, you are overlapping the provisions of the Exchequer Court Act, section 82.

Hon. Mr. DANDURAND: If my honourable friends will look at section 21 of the Bill, they will see that we have a similar provision.

Hon. Mr. FOWLER: That does not make it any better.

Hon. Mr. DANDURAND: It is taken from the Exchequer Court Act itself.

Hon. Mr. FOWLER: Nor that either.

Hon. Sir JAMES LOUGHEED: That is entirely different.

Hon. Mr. DANDURAND:

21. (1) Every applicant who has failed to obtain a patent by reason of the objection of the Commissioner as aforesaid may, at any time within six months after notice thereof has been mailed by registered letter, addressed to him or his agent, appeal from the decision of the said Commissioner to the Exchequer Court.

Hon. Mr. FOWLER: That is a different thing altogether.

Hon. Sir JAMES LOUGHEED: This could be made quite intelligible if it said: "Notice of such decision shall be mailed by registered letter by the Commissioner."

Hon. Mr. PARDEE: "By the Commissioner," certainly.

Hon. Mr. FOWLER: Put in those words, then you will know where you are at.

Hon. Mr. DANDURAND: I will ask that clause 69 stands, so that it may be redrafted.

Hon. Mr. McMEANS: That is better.

Section 69 stands.

Section 70 was agreed to.

Progress was reported.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

COLD STORAGE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 9, an Act to amend the Cold Storage Act.

Hon. Mr. Blain in the Chair.

On section 1—contracts for cold storage warehouses:

Hon. Mr. LAIRD: This section makes provision for the construction of cold storage plants throughout the country, and for Government assistance thereto to the extent of 30 per cent of cost of the construction of the building and equipment. The principle of encouragement of this kind on the part of the Government dates back for a considerable number of years, having been first inaugurated at the time the Hon. Sidney Fisher was Minister of Agriculture in the Laurier Administration, and has worked out very satisfactorily ever since.

Some four or five years ago, during the period of the war, the late Administration thought it wise to curtail the operations under this Act, and it was accordingly amended at

that time, confining the assistance by way of bounty or bonus to applications made by municipalities. The Act remained on the Statute Book in that form for four or five years, but in no single instance was it taken advantage of, the municipalities apparently having no desire to avail themselves of the opportunity offered under the Act. The Act has therefore remained practically a dead letter upon the Statute Book until the proposed Bill now before us, and which has added to the institutions which are entitled to Government assistance, co-operative societies, or associations, as they are called in section 2 of the Bill.

I have no objection whatever to the principle of this Bill, or to the extension of the privileges under the Act to co-operative societies; but I do object to its stopping there, and to the fact that the provisions of the Act are not extended to other interests. It seems to me, honourable gentlemen, that the question Parliament will have to decide, before enacting a measure of this kind, is whether this is a desirable enterprise to encourage. Having answered that question, we may apply ourselves to such legislation as is deemed advisable. There can be no question as to whether or not encouragement of this kind for this particular class of enterprise is wise, because it has been the common policy of three successive Administrations to grant subsidies; and it is certainly the policy of the present Government, because in the Estimates this year they are appropriating the sum of $50,000 to be spent in this way. My objection, therefore, in this instance is that the Bill does not go far enough—that it is class legislation inasmuch as it singles out co-operative societies and extends to them Government assistance while at the same time it totally disregards other institutions or private capital which may be disposed to enter upon such enterprise.

We have on our Statute Book to-day, under the Customs Act, provision for refunds of duty paid on raw materials entering into certain manufactures. I think we would be very much surprised if any Government should contemplate limiting the privilege of those refunds to any particular institution or class of institutions. If, for instance, they extended it to co-operative societies and not to private capital such as is invested in incorporated companies, what would we think? At one time bounties were paid on iron and steel, but the Government of that day did not contemplate paying them to co-operative companies only, or liminted liability companies, or any other particular class of company. The provision was wide open, and notice was given that in order to place these enterprises on their feet, Government assistance would be extended. This principle is carried out further in the bonuses provided for in the Budget brought down by the Minister of Finance a few days ago, for the copper industry, and also in connection with the manufacture of hemp, which would encourage the growing of flax. The Government do not propose that these bounties should be extended to any particular class of the community. It would be ridiculous to do so. The result is that the principle underlying all the other legislation of which I have spoken is suddenly changed, and in the case of cold storage plants, one particular class of institution is singled out to which is extended the helping hand of the public treasury.

What would be the result under the suggested section 2? Take the case of Nova Scotia, where there is a very large fruit industry, and where the co-operative principle has not yet been developed, private capital being wholly relied on to provide institutions of this kind. That fruit industry would remain unassisted; it would have no opportunity to take advantage of this legislation; and yet it would be taxed in order to provide assistance to other parts of the country where the co-operative principle has been developed, and where it is sought to develop it still further. Take the fruit districts of Ontario, where there are privately-owned plants giving service to the fruit-growers. Under this legislation it would be possible for a co-operative society to plant themselves alongside a privately-owned company and, by reason of Government assistance, to practically put it out of existence; and yet the privately-owned company, through taxation, would be paying for the establishment of the competitive plant alongside of them.

What, in fact, is the difference between a co-operative association and an incorporated company? Getting right down to the meat of the matter, in the case of a co-operative society, ten or fifteen or twenty men band themselves together and each put in $1,000 or $2,000 or $5,000 and provide a cold storage institution. In the case of an incorporated company the shareholders take $1,000, $2,000 or $5,000 worth of stock, and the incorporated company provides exactly the same services in exactly the same way. It surely cannot be argued that the farmers or others interested in a co-operative company will put their hard-earned cash into such an institution without expecting to get anything back.

That is not reasonable; it is not sensible. So as a matter of fact there is actually no difference in the services which either of these classes of institutions, whether co-operative societies or joint stock companies, can provide. For that reason I submit that this is class legislation which should not be encouraged. The result would be that in certain parts of the country, where the co-operative principle has not been worked up, no cold storage plants would exist in the future, because they have to rely on private capital, and private capital would not be able to take advantage of this Act. The cold-storage business is a precarious one; it does not always pay; and if it happened that the Government-aided institution should drive out all private enterprise and should then be unable to make a success of their own business, the result would be that the public in that community would be entirely deprived of cold storage facilities.

I understand, from the discussion that took place in another Chamber when this Bill was under consideration, that it was strongly urged upon the Government that the principle of the Bill should be extended to incorporated companies. This was agitated, not by opponents of the Government, but principally, by the Government supporters, and it came from all parts of the House. It was very strongly urged upon the Minister that the scope of the operation of this Act should be extended to include private enterprise as well as co-operative societies. The only reason which was given for not so extending it was that, in the first place, only the sum of $50,000 was to be appropriated this year, and it would be possible for a large private company to come in and gobble up the total amount of the grant. I can see nothing in that argument at all, because it would be equally possible for a large co-operative company to do so; and in any case experience has proved during a number of years past that the larger companies do not take advantage of the bonus principle which has been on the Statute Book. The Act is largely taken advantage of by smaller companies, and if large amounts have not been requisitioned in the past, I think it would be fair to assume that they would be no more likely to be in the future

Furthermore, the first section provides: "The Governor in Council may enter into contracts," etc. The Minister practically has it under his own control to do as he likes. I understand that the legal interpretation of the word "may" is that it means "shall" in some cases. I am not prepared to say to what extent that interpretation would go, but, even supposing it did mean "shall," yet, by means of the regulations governing the conditions on which advantage may be taken of this Act, the Minister could make it inconvenient for any concern to avail itself of the Act if he was not favourable to it. I contend that the whole operation of this Act is in the hands of the Minister, and there is no danger of any company coming in and acquiring the total amount which has been set aside for cold storage warehouses this year.

As I said before, I have no objection to the principle of this Bill. I think it is right. I think that the service the Government are performing to the public under this Act is a good one and is worthy of being extended; but I do object to the assistance being offered to only one class in the community, the individual efforts which private companies are always more or less prepared to put forth being entirely ignored. Therefore, in order to test the feeling of the House, I move that the words "or incorporated companies" be added after the word "associations" in the tenth line of this section, so that the section would read:

The Governor in Council may enter into contracts with properly constituted co-operative societies, associations, incorporated companies, or municipalities, for the construction, etc.

Hon. Mr. DANDURAND: This Bill aims at amending two clauses of the Act. If any other honourable member of this Chamber has any observation to make upon one or other of the clauses, I would ask him to do so now, because I shall afterwards ask that the Committee rise, report progress and ask leave to sit again, for the simple reason that I have no authority to accept in the name of the Government the amendment proposed by the honourable gentleman from Regina (Hon. Mr. Laird), which would alter the principle of the Bill. The purpose of the Bill is to give help to institutions, societies or municipalities that are not working for gain. My honourable friend proposes an amendment to cover institutions in private hands, which are working for dividends. The amendment is so much at variance with the object which the Minister had in mind, that I must ask time to consult him, and perhaps Council, before I express an opinion upon it. In order that we may be fully seized of any other objections or recommendations that might be made in this Chamber, I would suggest that they be made now.

Hon. Mr. SMITH: I have no objections to offer to granting aid to the organizations re-

ferred to in the Bill, but I do wish to support the amendment that has been moved by the honourable Senator from Regina. It seems to me the most unjust thing that could be imagined that public money should be taken to support one class of people to the detriment of their neighbours. It would be easily possible for a co-operative society to have a cold storage warehouse in direct competition with a cold storage warehouse operated for the same purpose by a private company, whether in the immediate neighbourhood or not, and the fact of a private incorporated company having to pay taxes into the Treasury for the purpose of enabling a bonus to be granted to their rivals seems to me outrageous.

Hon. Mr. DANDURAND: But does the honourable gentleman really believe that any body of men would organize and have the audacity to ask the Government for help in the erection of a cold storage plant at a place where the needs of the people in that community are already provided for by private capital?

Hon. Mr. SMITH: The private concern might not be in that neighbourhood at all; it may be fifty miles away, and yet be in direct competition in the markets of the world.

Hon. Mr. DANDURAND: I am under the impression that the sole purpose of this legislation is to help districts where no cold storages exist and private capital will not provide them.

Hon. Mr. SMITH: That may be so, but nevertheless the effect would be that the aid given to a co-operative company in one neighbourhood would be used to the disadvantage of a private company operating a cold storage in some other section. It might not be near by at all. It does seem to me to be a most unjust measure. Why should not the assistance be extended to private concerns? It would not be thrown open to everybody: it would still be left to the discretion of the Department to whom the bonus should be given. There may be several co-operative companies, and the Government picks out the one to which aid is given. They might easily do likewise, for they have the power under this Act, in the case of a private company. If there were several organizations incorporated, the Government would still have power to select those which they thought it necessary or advantageous to bonus. The principle is entirely wrong, it seems to me, to take taxes from one man to bonus another, his rival.

It is said that co-operative companies are not operated for gain, whilst incorporated companies are operated for gain. What is the object of a co-operative company if it is not gain? The co-operation is simply a different form of distributing that gain. Co-operating is effected in the hope that by combining individuals may make larger gains. That is where the gain comes in. The co-operative company is just as much a rival of private incorporated companies as though the members of the co-operative concern operated as a private company. The fact is, as the honourable Senator from Regina (Hon. Mr. Laird) says, there is very little difference between them. The stock company may have 100 shareholders and the co-operative may have a couple of dozen. Both are operating for gain, only in ways that are just a little different, that is all. I cannot for my part see the logic of the argument that a co-operative company should be bonused, but not an incorporated company.

Hon. Mr. BEIQUE: The objection of the honourable member applies to the present condition of things. Cold storages are already erected by private capital, and there are cold storages in other municipalities that have been helped by the municipality itself. The situation will not be different if, instead of being helped by the municipality, the cold storage concern is helped by the Government. I understand that the aid given will not be so much as to create an injustice to parties who are in competition with such associations as may receive Government aid. I appreciate the reason which was given by the honourable leader of the Government that the Act is intended merely to assist in municipalities where cold storage warehouses are needed in the interest of public health, and where the population is not sufficient for private capital to erect the cold storage. In such a case the Government may come to the rescue and help to a certain extent. I am quite sure that the Government will see that it would be opening the door too wide not to limit the subsidy to co-operative societies of a quasi public character and to municipalities, but to extend it also to private companies.

Hon. Mr. McMEANS: Do you bonus a co-operative company under the existing law? Without this Bill, a bonus could be given to a co-operative society, could it not?

Hon. Mr. DANDURAND: Under the Act of 1907, as amended by the Act of 1909:

> The Governor in Council may enter into contracts with any persons for the construction, equipment and maintenance in good and efficient working order, of

public cold storage warehouses equipped with mechanical refrigeration, in Canada, and suitable for the preservation of any food products.

That is the law to be repealed by this clause:

The Governor in Council may enter into contracts with properly constituted co-operative societies, associations or municipalities for the construction, equipment and maintenance in good and efficient working order of public cold storage warehouses equipped with mechanical refrigeration, in Canada, and suitable for the preservation of any food product.

I have under my hand a certified copy of a report of the Committee of the Privy Council approved by His Excellency the Governor General on the 26th of May, 1919. It is P. C. 1103:

The Committee of the Privy Council have had before them a Report, dated 20th May, 1919, from the Minister of Agriculture, submitting as follows:

The Cold Storage Act of 1907 as amended provides that with the approval of Your Excellency in Council contracts may be entered into by the Department of Agriculture to pay subsidies on Cold Storage Warehouses to the extent of 30% of the approved cost;

It is also provided that the rates to be charged on goods in storage, the location of the warehouse, and the plans and specifications shall be approved by the Minister of Agriculture;

Under the provisions of the said Act, 34 cold storage warehouses have been erected, located in different parts of Canada;

The total refrigerated space thus provided was 4,928,304 cubic feet, and the total cost of the warehouses was $2,408,354.85.

The total subsidies so far paid by the Department of Agriculture amount to $722,506.41 made up as follows:

Subsidies paid..	$690,640 97
Instalments withheld..	14,024 00
Instalments not yet due..	17,841 44
Total subsidies..	$722,506 41

Only one contract has been entered into since the beginning of the war, and the said contract was for the revival of an old one.

It was originally intended that the said subsidy should be paid only to public warehouses, but as all the attractive locations had already been occupied before the said Act came into force, it was found that it was hardly possible to operate a warehouse strictly on a public basis, that in order to make these warehouses successful, the owners were obliged to engage in trade to fill the space.

Difficulties have arisen, in this connection. There has been a tendency on the part of owners after the four year period has expired, during which the said subsidy is paid in instalments, to restrict the use of the warehouses to their own business and thus exclude the public.

In view of the above, it would appear unadvisable to continue the payment of subsidies, except in the case of warehouses to be erected by municipal or other public governing bodies.

The Minister, therefore, recommends that in future subsidies under the Cold Storage Act be paid only on Cold Storage Warehouses that may be erected by municipal or other public governing bodies.

The Committee concur in the foregoing recommendation and submit the same for approval.

The Bill which is now before the Senate simply continues that policy.

Hon. Mr. DANDURAND.

Hon. Mr. LAIRD: And adds the co-operative societies to it.

Hon. Mr. DANDURAND: My impression is that when the Bill was introduced into the other House they were not mentioned. Honourable gentlemen will notice that this Act is the result of the experience of the Department, that the attention of the Government had already been drawn to the situation, and that the policy of the Government in 1919 was the same as that which is being embodied in this Bill.

Hon. Mr. LAIRD: I think the honourable leader of the Government must be mistaken in that, because the memorandum which he read a moment ago confined the bonuses to municipalities; and under that Act not one single application was made from one end of Canada to the other.

Hon. Mr. DANDURAND: What I mean is that it is on the line of the associations that are not working for gain. The principle in this Act is the same as that of the Order in Council of 1919.

Hon. Mr. LAIRD: Surely the leader of the Government would not say that a co-operative society was not operating for gain. Does my honourable friend mean to say for one moment that the farmers or anybody else are going to subscribe $40,000 or $50,000 or $100,000 to build a co-operative plant unless they expect to get their money back?

Hon. Mr. DANDURAND: My impression is that they are working for the purpose of creating a cold storage plant which is needed in the community—of course, in such a way as not to lose any money thereby.

Hon. Mr. MURPHY: I would like to ask the Government how this measure will affect a province such as mine, where there are no municipalities, and whether, if this amendment had not been placed in the Act in the other House, we would not be able to partake of the benefits of cold storage. I have under my hand all the correspondence in the case of a firm in Prince Edward Island that would be in accordance with the amendment moved by my honourable friend. In 1919 there was a kind of co-operation between the Department of Agriculture and the Department of Marine and Fisheries in granting a bonus under the amalgamated Act. A cold storage plant was built, subject to Government inspection, and when it was completed according to specifications and approved plan, the Department refused to pay the bonus. I contend that the amendment of the honourable gentleman from Regina (Hon. Mr. Laird) is necessary, and

that so far as my province is concerned the Bill would be an injustice unless some such amendment as the honourable gentleman proposes is incorporated in the Bill. In my province we have a very large dairying community and a fresh fish community, and under such conditions cold storage is a necessity. I hope the leader of the Government will see his way clear to incorporate the amendment of the honourable gentleman from Regina in the Bill.

Hon. Mr. GILLIS: As to co-operative companies not operating for gain, let me point to the Saskatchewan Co-operative Elevator Company, which was organized a few years ago. The subscribers were asked to put up 15 per cent of the amount of their subscriptions. That company has been operating for a number of years, and up to the present time no further calls have been made, and the shares to-day are worth at least a dollar, and probably a good deal more. That is one incident that clearly goes to show that the co-operative companies are not organized for charitable purposes. They are organized to produce dividends, like any other business concern.

This Bill is distinctly class legislation. Any number of men in any particular community may organize themselves for the purpose of establishing a co-operative company to carry on a certain class of business, and their object, as I think everyone must admit, is gain; otherwise they would not bother organizing. If a similar number of men in the same community organized themselves under the Companies Act for the purpose of carrying on the same line of business, one concern would receive 33 1/3 per cent on the cost of its plant, and the other would be entirely ignored. This is not fair legislation, and for my part I cannot support the Bill as it now stands before the House.

Hon. Mr. LAIRD: I wish to say a word or two further in view of the arguments advanced by the leader of the House, and in the light of what the honourable gentleman from Whitewood (Hon. Mr. Gillis) has said. The honourable Minister said that under the proposed Bill this bonus was to be applied only to co-operative societies which were not organized for gain. Let us see how these co-operative societies have worked out in this country. I will just elaborate for a moment on what the honourable gentleman from Whitewood has said, and then I will ask the leader of the House whether he thinks co-operative societies do not operate for gain.

Take the case of that enormous concern in the western provinces, the Co-operative Elevator Company. They started out by saying to the local people: "Now, you incorporate a local elevator company and pay up 15 per cent of the stock, and the Government will guarantee the balance, and the profits of the company will be taken to pay off the amount guaranteed by the Government." What is the result? That company has a string of over 400 elevators extending from one end of that country to the other; they have a property which is to-day worth probably $50,000,000, in addition to terminal elevators at Fort William, which have been paid for by the provincial Government of Saskatchewan. And who owns it? It is owned by the co-operative society; the people of Saskatchewan who guaranteed the undertaking and backed it up, and practically paid for it, do not own it. When we speak of co-operative societies not being for the purpose of gain, we do not speak by the book and we ignore precedent, at least as far as it has been observed in Western Canada.

Hon. Mr. MURPHY: The honourable gentleman would see the injustice of this. While these people would be getting the advantage of the Cold Storage Act, a company in my own province, a limited company founded under the Companies Act, would be debarred from building a cold storage plant and partaking of the subsidy in order to save their own property. It seems to me that section 1 would be an absurdity in its practical working, and it would impose a great hardship, so far as my province is concerned. I do not think my honourable friend should insist upon our passing the Bill without incorporating the amendment of the honourable gentleman from Regina.

Hon. Mr. DANDURAND: I can only repeat the statement that this paternal legislation is undoubtedly, on the face of it, for the purpose of helping those who cannot help themselves exclusively and completely. I do not believe for one moment that the Department would entertain an application for aid in constructing a cold storage plant where one already existed. This measure will help to develop the cold storage business where it needs to be developed, not where it is already developed. It is for this reason that the Department, with but a modest subsidy, desires to help as much as possible the various municipalities or other co-operative societies who are able to show the need in certain districts of cold storage plants.

The Minister of Agriculture, having laid down his policy, and having explained how he will apply it, may be unwilling to go further for the moment. He may withdraw his Bill. That is the reason why I must return to the

Department for consultation. Furthermore, I am not quite sure of my ground in moving an amendment to this Bill, which involves the expenditure of money. That is a matter which I shall have to examine into.

Hon. Mr. LAIRD: That difficulty could be overcome by dealing with the matter on the third reading.

Hon. Mr. SMITH: I submit that it would not be necessary for the Government to spend another cent: they have it entirely to their own power under this Bill to grant aid to one and no more than one. If the amendment is inserted, there is nothing to compel the grant of a dollar to aid any more than one company, but it would take away the appearance of injustice and unfairness. I have no objection to granting aid to co-operative companies; I think that is all right; but the Bill is unjust in that it restricts the aid to one class of the community.

Hon. Mr. MURPHY: Surely the Government does not wish to put a province in such a position that it cannot take advantage of an Act passed for the common good. When the Bill was introduced in the Commons it mentioned only municipalities, we are told, and for that reason we in our province could not participate in its benefits.

Hon. Mr. DANDURAND: But it has been widened.

Hon. Mr. MURPHY: Our co-operative societies—usually cheese and butter factories—are not in a position to build cold storage plants. We want cold storage more particularly for our fish. The fish business is usually carried on by not very highly capitalized organized companies, and I cannot see what objection there would be to adding ordinary incorporated companies, as has been suggested by the honourable gentleman from Regina. That would remedy the whole trouble. As the honourable gentleman from Wentworth (Hon. Mr. Smith) has said, it would do no harm. The Governor in Council has the matter in hand, and the subsidy need not be granted to any one company. I would ask my honourable friend to consult with his colleagues and see if the Bill cannot be made to apply properly to my province.

Hon. Mr. DANDURAND: I move that the Committee rise and report progress, and ask leave to sit again.

Hon. Mr. ROBERTSON: Before the Committee rises, may I inquire whether in the opinion of my honourable friend Chapter 6 of the Statutes of 1907 is still in force?

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: I do not see that it has been amended.

Hon. Mr. ROBERTSON: Is it not correct to say that the Order in Council of 1919 must have been pased under the War Measures Act, and would automatically cease to be effective when the War Measures Act no longer governed, and that therefore Chapter 6 is still in force, section 2 of which reads:

> The Governor in Council may enter into contracts with any person for the construction, equipment, and maintenance in good and efficient working order of public cold storage warehouses—

and that this Bill proposes to repeal that, so that the Government has no power to enter into contracts with anybody except co-operative societies, in municipalities or associations? The purpose of this Bill is not only to extend this assistance to co-operative societies and municipalities, but to take it away from those who under the present law are entitled to it; and is it not obvious that the present Act can be construed to include co-operative societies and municipalities when it specifically says "any persons"? I hope my honourable friend will pardon my ignorance of the law; but it would seem to me that the term is wide enough to cover all classes.

Hon. Mr. MURPHY: This Bill does not repeal that.

Hon. Mr. DANDURAND: I believe that this is a limiting amendment. The Act of 1907 was much broader. While reading the Order in Council, I was wondering whether the Council had taken power under the War Measures Act.

Hon. Mr. ROBERTSON: What the honourable gentleman from Regina desires to accomplish is already fully provided for under the present law if it is not repealed, so the negativing of the proposed Bill by this House will accomplish what the honourable gentleman proposes to do.

Progress was reported.

INDUSTRIAL DISPUTES INVESTIGATION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 84, an Act to amend the Industrial Disputes Investigation Act, 1907.

Hon. Mr. Taylor in the Chair.

Hon. W. B. ROSS: I thought it was understood that this Bill would not be taken up to-night.

Hon. Mr. DANDURAND: On the contrary, I mentioned two Acts which would be dealt with, the Cold Storage and the Industrial Disputes Act.

Hon. W. B. ROSS: A number of members who are interested in this Bill are not here to-night. I think they will be taken by surprise.

Hon. Mr. DANDURAND: I mentioned these two Bills, and I think Hansard will bear me out in that.

Hon. Mr. MURPHY: That is true.

Hon. Mr. DANDURAND: I would ask that Mr. Acland come to the floor of the House.

Section 1 was agreed to.

On section 2—relation of parties pending proceedings:

Hon. Mr. CASGRAIN: Better read section 57 as it would be when amended.

Hon. Mr. DANDURAND: Honourable gentlemen, I have had a vague impression that some of my honourable colleagues here thought there was in this amendment now under review by the committee some extraordinary change or departure from the existing law. I would like to explain it and try to demonstrate that there is no change in principle, but a clarification of the clause in the present law. Now, I will read the Act which stands on the Statute Book.

Hon. Mr. ROBERTSON: Would my honourable friend pardon an interruption for a question? Is the Bill now before us in exactly the same form as it was on its first reading in the House of Commons?

Hon. Mr. DANDURAND: It is.

Hon. Mr. ROBERTSON: Then, for the information of honourable gentlemen present, I may say that I have in my hand about thirty copies of the Bill as introduced into the House of Commons, which have printed on the opposite page the Act as it stands to-day, with the changes shown in italics, and it may be of interest to honourable members and help them to follow the discussion intelligently to have these copies distributed among them.

Hon. Mr. SMITH: I understand that when a Bill of this nature, containing so many amendments, was to be brought into this House we were to have copies showing on the opposite page the existing clauses and the amendments.

Hon. Mr. DANDURAND: I will read the Act as it stands on the Statute Book, and then we shall examine the amendment proposed in section 2 of this Bill. Honourable members can follow by looking at the Bill as introduced in the House of Commons. In reading section 57 I will skip the phrases in italics, representing the changes.

Hon. Mr. BEIQUE: As you read you might state them.

Hon. Mr. DANIEL: I think it will be better just to read the section without the amendment.

Hon. Mr. DANDURAND (reading):

> Employers and employees shall give at least thirty days' notice of an intended change affecting conditions of employment with respect to wages or hours; and in the event of such intended change resulting in a dispute, until the dispute has been finally dealt with by a Board, and a copy of its report has been delivered through the Registrar to both the parties affected; neither of those parties shall alter the conditions of employment with respect to wages or hours, or on account of the dispute do or be concerned in doing, directly or indirectly, anything in the nature of a lockout or strike, or a suspension or discontinuance of employment or work, but the relationship of employer and employee shall continue uninterrupted by the dispute, or anything arising out of the dispute; but if, in the opinion of the Board, either party uses this or any other provision of this Act for the purpose of unjustly maintaining a given condition of affairs through delay, and the Board so reports to the Minister, such party shall be guilty of an offence, and liable to the same penalties as are imposed for a violation of the next preceding section.

Hon. Mr. FOWLER: What are those penalties?

Hon. Mr. DANDURAND: The penalties are to be found in section 58:

> Any employer declaring or causing a lockout contrary to the provisions of this Act shall be liable to a fine of not less than one hundred dollars, nor more than one thousand dollars for each day or part of a day that such lockout exists.

Hon. Mr. MURPHY: What about the employees?

Hon. Mr. DANDURAND: Section 59 governs the employees.

Hon. Mr. MURPHY: Is that here?

Hon. Mr. DANDURAND: No, because we are not touching it. Clause 59 says:

> Any employee who goes on strike contrary to the provisions of this Act shall be liable to a fine of not less than ten dollars nor more than fifty dollars, for each day or part of a day that such employee is on strike.

Hon. Mr. FOWLER: There is quite a disparity in the penalties.

Hon. Mr. DANDURAND: There is quite a disparity in the penalties, and quite a disparity in the status of the men facing each other.

Hon. Mr. MURPHY: Quite a disparity in the ability to pay.

Hon. Mr. DANDURAND: And in the ability to pay.

Now, if section 2 of the Bill before us does not meet with favour and is rejected, the Act will still provide that employers and employees must give thirty days' notice of any intended change affecting the conditions of employment, and that neither of those parties shall alter the conditions of employment in respect to wages or hours, or, on account of the dispute, do or be concerned in doing, directly or indirectly, anything in the nature of a lockout or strike. The principle there is that employers and employees must give thirty days' notice of any change in conditions affecting them, and until a Board has reported on the dispute, conditions must remain as they were before the notice was given.

Hon. Mr. FOWLER: I would like to ask the honourable gentleman a question right here. Would he, first of all, give the reason why it is desired to make these changes that are proposed? From whom has there been a demand? Is it just something that is devised by the Department, desiring to do something to earn their money, or is there a call from the employers or from the employees? Why, or how, or wherefore the proposed change?

Hon. Mr. MURPHY: There is practically no change.

Hon. Mr. FOWLER: I would like to ask the Minister.

Hon. Mr. ROBERTSON: If the honourable leader of the Government will permit me, I could perhaps answer the inquiry of my honourable friend from Sussex (Hon. Mr. Fowler), because of the fact that the difficulty which this amendment is intended to remedy commenced during the time when I had the responsibility of administering the Act. Having personal knowledge of the situation of the difficulties that arose, I could possibly make the matter clear to my honourable friend and to the House.

But first may I observe that the provisions of this Act apply, not to employers and employees generally, as some honourable members of this House, I know, believe, but only to those industries which are specified in the interpretation clause, section 2 of the Act, namely, public utilities, such as transportation and mining. The Act does not apply in its compulsory features to ordinary industries at all. When the Act was passed in 1907 it was sought in the public interest to prevent strikes and lockouts, in order that the public might not be inconvenienced by the results of such actions on the part of either employers or employees. The law provides that whichever party desired or intended to make a change in the conditions, whether the employer or the workmen, they should first attempt to negotiate with the other side; and, if the parties could not agree and a dispute arose, it must be referred to the tribunal provided by the law, before either side could take decisive action. Thus it was hoped that the strike or lockout, and the consequent public inconvenience, must be avoided. That law was passed in April, 1907.

It so happened that I was a member of the Committee of Railway Employees who made the first application for a board under this Act, in August, 1907, and I want to show the manner in which the law works. Prior to its enactment, the railway organizations at least—and, in fact, I think all labour organizations—opposed it for the reason that they believed that its operation would entail serious delays and the postponement of the adjustment of their dispute with their employers, and consequent loss. Let me illustrate to honourable gentlemen how the law worked out. In May, 1907, the Canadian Pacific railroad telegraphers sought a change in their agreement with the employing company. They were unable to reach a new agreement by direct negotiations, after several conferences, and, this Act having been passed in April previous, they were compelled as law-abiding citizens to make application for a board. That application was made. The right honourable the present Prime Minister was the Deputy Minister of Labour who received the application, and was registrar under the law at the time the board was established. It held an extensive inquiry. Dr. Shortt, now in the public service, was the chairman of that board. After a very careful, courteous inquiry into and hearing of all that both parties had to advance in support of their contentions, the board finally, in the month of October, 1907, made its recommendation. If I remember correctly, it was recommended that the findings should become effective on November 1st, 1907. The recommendation of the board was accepted by both parties, and resulted in an increase of compensation to a couple of thousand employees in that class of service on the Canadian Pacific railroad at that time, the increase being 14 per cent over what they had previously been receiving.

Now, this is the point, honourable gentlemen. Had it not been for the existence of this law, an adjustment would in all probability have been made, by direct negotiation or otherwise, in June or July. Those two thousand men suffered the loss consequent upon the delay in the coming into force of the settlement from June until November.

There have been, I think, an average of about fifty boards a year appointed since 1907, and it is not only safe but true to say that in every case history has repeated itself in that regard, and the workingmen of Canada have now for a period of 16 years suffered that disability, because they were law-abiding citizens and respected the law of their country, and bore the consequences of abiding by it and suffered the losses resulting from their action.

Hon. Mr. FOWLER: Would they be any better off if they had taken the law into their own hands?

Hon. Mr. ROBERTSON: I agree that they would not. I want to show the House the other side of the picture. I think it is true to say that from 1907 until 1921, a period of 14 years, every application made to the Department for a board of conciliation came from the employees, because during that period the cost of living was gradually but constantly rising, and the tendency was toward increased compensation and improved working conditions.

Hon. Mr. FOWLER: Did every one of those boards increase the wages?

Hon. Mr. ROBERTSON: In most cases wages were increased

Hon. Mr. FOWLER: Down to what period have those boards been functioning?

Hon. Mr. ROBERTSON: Down to the present.

Hon. Mr. FOWLER: When was the last board?

Hon. Mr. ROBERTSON: The last board is in session now.

Hon. Mr. FOWLER: The cost of living has risen steadily.

Hon. Mr. DANDURAND: There are two or three boards in session at the present time.

Hon. Mr. ROBERTSON: If the honourable member from Sussex will permit me—

Hon. Mr. FOWLER: I am trying to help you.

Hon. Mr. ROBERTSON: —I am coming to the point that I want you to understand.

Hon. Mr. FOWLER: You are coming too slowly.

Hon. Mr. ROBERTSON: In July, 1920, the peak in the cost of living was reached in this country. By May, 1921, all the railway companies in Canada had come to the conclusion that it was time to reduce wages, because wages had been advancing from 1918 up to 1920, supposedly in keeping with the increase in the cost of living. The railway companies, on the 16th of June, 1921, gave arbitrary notice of an intention to decrease wages to the extent of about $13 a month to something like 150,000 railway employees in Canada, on all railroads, without any regard to whether or not it was right and proper, whether it was satisfactory or acceptable to the employees, or whether it was in keeping with the requirements of the Industrial Disputes Investigation Act or not. On the 16th of July, 1921, that reduction actually went into effect. The railway employes took this objection to that action. They said: "For fourteen years we have complied with the requirements of the Act and suffered the losses consequent upon awaiting the investigations and decisions of the board, and now we think that the railway companies ought to do the same when the shoe is on the other foot." The railway campanies declined.

Hon. Mr. DANDURAND: I think it was in 1922.

Hon. Mr. ROBERTSON: No. I beg pardon. It was in 1921. I am coming to 1922.

Hon. LORNE C. WEBSTER: May I ask the honourable member whether at the time the McAdoo award was made effective any warning was given to the railway companies of Canada?

Hon. Mr. ROBERTSON: Oh, yes. I hesitate to mix up answering two inquiries at once. The honourable member from Stadacona (Hon. L. C. Webster) inquired whether or not the railway companies were given notice of intended changes in 1918, when the McAdoo award became effective. In reply to that, I desire to say that the railway employees, through their various organizations, made practically no demands or requests for changes of conditions and pay, until the spring of 1918; and at that time the cost of living had so advanced, and the purchasing power of their earnings had so declined, that they approached the railway companies seeking an adjustment and revision of their agreement. During April and May negotiations continued between the

railway companies and the so-called shop trade organizations, but the results were unacceptable. The disputes were referred to a board, and the board's report was rejected by the employees, and a strike vote was taken, and 96 per cent of some 35,000 voted to retire from the service in the month of July. So I think it is clear that due and ample notice of the desired change had been given before the McAdoo award came into effect.

Hon. L. C. WEBSTER: Did that apply to Canada without some of our railways ever being consulted?

Hon. Mr. ROBERTSON: No. The fact is that our Canadian railways were involved in those negotiations with all their employees in 1918, and took the ground that their employees should be satisfied to accept what had been accepted or might be accepted by the same class of employees of the United States Government, which was administering the United States railways. I know it is the generally prevailing opinion among our railway employees that the results of their negotiations should have been more satisfactory to themselves than was the case.

Hon. Mr. FOWLER: Was this threatened strike before the Armistice or after?

Hon. Mr. ROBERTSON: Before.

Hon. Mr. FOWLER: While we were still at war?

Hon. Mr. ROBERTSON: Yes. In 1921, as I have pointed out, the railway companies made an arbitrary reduction without referring the dispute to a Board of Conciliation. The employees forthwith complied with the law, even though the obligation should have rested on the parties seeking a change in conditions, and made an application for a board, and the present Deputy Minister, as Registrar of Boards of Conciliation, after consultation with the Minister of that day, established a Board of Conciliation, and the railway companies declined even to name a representative on the Board. That was in September, 1921.

Hon. Mr. FOWLER: You did not explain how you got away from that strike when 96 per cent voted for it.

Hon. Mr. ROBERTSON: I did explain that in July, 1918, the Canadian railways, through the Canadian Railway War Board, decided voluntarily to adopt the McAdoo award and subsequent amendments that might be made in the United States, believing and holding that the Canadian railway employees must accept whatever was accepted by the same class of employees in the United States.

Hon. Mr. FOWLER: You need to mark an interrogation after the word "voluntarily."

Hon. Mr. ROBERTSON: Coming to the fall of 1921, all the railways in co-operation declined to name a representative on the Board. It then became the duty of the Minister to appoint someone. A gentleman who I am sure was satisfactory to the railway companies was appointed. The Board sat under the chairmanship of Mr. Justice Maclennan of Montreal, and, after some weeks of negotiation, the Board succeeded in bringing about an agreement between the Railway organizations and the railway companies which, in effect, resulted in the employees accepting the reduction that the railway companies had put into force in July.

In December of 1921 a change of Government occurred. I am free to say to this House that had that not occurred the amendment now proposed to section 57 of the Act would have been proposed one year ago, because the Government of that day felt that it was not fair, or equitable for the law to apply in one way to the employees and not in the same manner to the employers.

In 1922, about March, the railway companies of Canada, again acting in concert, proposed a reduction in wages to the shop trades, representing some 35,000 men and the maintenance-of-way employees representing some 20,000 men. Honourable gentlemen may remember that about a year ago the employees in those branches of the service strenuously objected to a wage decrease being put into force without the matter being referred to a Board of Investigation as the law required, and that the companies again declined to join in the reference to a Board. The employees thereupon again made application, and the Board was established, A Mr. Smith of this city had his first experience, I think, as Chairman of the Board, in one of the most important cases that ever came before a Board of consideration. The employees at that time notified the railway companies and the Government that if they proceeded to put into force the reduction in wages before the Board sat and investigated the case and make a report, as the law required, they would refuse or decline to appear before the Board The result was that the Board met, and it was found that some reductions had been put into effect, and the right honourable Prime Minister went to the railway companies or asked them to see him, and by reason of his persuasion the companies backed up and agreed to maintain the existing situation until the Board made its report. That is the history, hon-

ourable gentlemen, of what has occurred leading up to this amendment.

Hon. Mr. FOWLER: Has the Board made its report?

Hon. Mr. ROBERTSON: The Board made its report last July.

Hon. Mr. FOWLER: What did that result in—a reduction in wages?

Hon. Mr. ROBERTSON: Partially so, and a subsequent increase a little later on, restoring part of what was taken away at that time.

Hon. Mr. FOWLER: Why was that?

Hon. Mr. ROBERTSON: Because the investigation developed the fact that the railway companies were not justified in going to the lengths to which they had gone; and the Board so found

The purposes of this amendment, honourable gentlemen, as I know them to be, arise out of that situation, and are the result of requests made by the representatives of all the railway organizations in Canada, as well as other organizations of workmen engaged in industries that fall within the scope of the Act.

May I respectfully point out this fact to honourable gentlemen: that for years after the Industrial Disputes Act became law there was a persistent and continued opposition to it on the part of organized labour in this country, and that every year from 1907 to 1912, at the annual sessions of the Labour Congress of Canada, resolutions were passed demanding the repeal of the law—in fact, I think I am safe in saying up to 1917. More recently, by reason of efforts that have been made by succeeding Administrations to administer the law fairly and impartially and to show no favouritism to either party, Labour slowly and surely acquired some confidence in the honest intentions of the law and the gentlemen who placed it upon the Statute Book. As I have pointed out to you, for sixteen years the labour organizations affected by this legislation had suffered, consequent upon the operation of the Act, all the losses that were entailed thereby, and all they ask, and all the Government asks in presenting this amendment to Parliament, is that the employers to-day be required to do likewise. The law as it stands now contemplated that the employers would respect it in that respect. But in 1921, when the general reduction was threatened, the Department of Justice was consulted, and said: "Yes, the employers are undoubtedly violating the spirit of the Act, but we are afraid that they cannot be brought to book or penalized in any way"—Why? Because the penalty clauses of the Act only provide penalties for two offences: one, if employees go on strike contrary to the provisions of the Act; and, two, if the employer indulges in a lockout. In this case the employers were not locking out anybody; they were simply saying: "We are going to reduce your wages; we are not violating the law." But undoubtedly they were violating the spirit and intent of the law; so the Government to-day ask Parliament to endorse an amendment to the Act which will cause it to be interpretated as it was always intended that it should be, in such manner that will work equitably and fairly to all parties concerned and affected by it.

I think I have fairly covered the situation, and hope my honourable friends will accept the amendment.

Hon. Mr. FOWLER: Would the honourable gentleman allow another question? Have the employees always accepted the findings of the Boards?

Hon. Mr. ROBERTSON: The findings of the Boards are not imposed upon either party.

Hon. Mr. LYNCH-STAUNTON: Assuming that an ordinary mercantile industry has 90 men in its employment, and those 90 men agree to a reduction, if this Bill is passed is the employer still bound to go to a Board?

Hon. Mr. ROBERTSON: No industry outside of transportation and coal mining, which are called public utilities within the interpretation clause, are affected by this Act at all.

Hon. Mr. FOWLER: Is it confined to coal mines?

Hon. Mr. ROBERTSON: Coal mines and transportation—public utilities.

Hon. W. B. ROSS: I think it would help, perhaps, to an understanding if we—

Hon. Mr. DANDURAND: I crave the privilege of finishing my remarks. My honourable friend the ex-Minister of Labour had the necessary authority and memory to give the history of the working of this Act, since it concerned facts personal to himself, and I did not object to his covering this ground. Now, he has stated what took place last summer, when the Canadian National and Canadian Pacific railways undertook to reduce wages and to apply the reduction forthwith before the Board had started to function and report. My honourable friend says that the Department of Justice had been asked its opinion

as to the right of the railways to so act. The report of the Department of Justice, which starts by explaining all the facts as we have them from the lips of the honourable the ex-Minister of Labour, concludes by saying:

Upon consideration of these provisions I find it difficult to escape the conclusion that the intention of Parliament in enactinog this legislation was to prevent the doing of that which the railways are proposing to do; that is to say, that the making of a reduction in the actual amount of money paid out to employees on pay-day is making an alteration in the conditions of employment with respect to wages within the meaning of the statute, notwithstanding the fact that the intention of the railways is to account to the employees for the difference if and when a report in favour of the employees has been made by the Board.

This goes to support my statement that in the clause at present in the statute an obligation is imposed by Parliament upon the employers and employees to maintain the situation, pending an examination and report by the Board.

Hon. Mr. FOWLER: I think so.

Hon. Mr. DANDURAND: After that report is made both parties are free to disregard it and to proceed on their way; but up to that moment it is the will of Parliament that the conditions of the parties should remain unchanged.

Now, what is there in the amendments now proposed which alter the principle now embodied in the law?

Hon. L. C. WEBSTER: Then why are they suggested?

Hon. Mr. DANDURAND: I will come to that. I have read clause 57; I will now embody the amendment in it.

Employers and employees shall give at least 30 days notice of an intended or desired change affecting conditions of employment.

Hon. Mr. FOWLER: Why "desired?" Explain that, please.

Hon. Mr. DANDURAND: The reason is that "intended" covers the action of the employer who can carry out his intention; "desired" covers the action of the employees, who can only aspire.

Hon. Mr. FOWLER: Oh, what a fine distinction.

Hon. Mr. ROBERTSON: Well put.

Hon. Mr. DANDURAND: At all events, we shall not quarrel over that. I pass on.

And in the event of such intended change resulting in a dispute—

and here the following words are added:

—it shall be unlawful for the employer to make effective a proposed change in wages or hours or for the employees to go on strike.

This is clarifying and emphasizing the intention of Parliament as expressed by the phrases that follow, which I have read and which the Department of Justice declare to be the enactment of the will of Parliament, that the conditions be not changed. I do not see that the words I have read do anything more than repeat in another form the following phrase from the old Act:

Neither of those parties shall alter the conditions of employment with respect to wages or hours, or on account of the dispute do or be concerned in doing, directly or indirectly, anything in the nature of a lock-out or strike, etc.

I wonder why there is any emotion rising in the breast of any honourable member of this Chamber when the amendement is simply to make clear and to emphasize the will of Parliament.

Now I come back to the old clause, which it is proposed to amend by the addition of the words:

It shall be unlawful for the employer to make effective a proposed change in wages or hours or for the employee to go on strike—

The old clause proceeds:

—until the dispute has been finally dealt with by a board, and a copy of its report has been delivered through the Registrar to both the parties affected;

Now here is another amendment:

The application for the appointment of a board shall be made by the employers or employees proposing the change in wages or hours.

I ask any honourable gentleman, what wrong is there in declaring upon whom shall rest the obligation of applying for a board? This amendment seems to place upon the shoulders of the parties asking for the change the obligation of taking the initiative in asking for the appointment of a board. I believe, too, that it is perhaps more in the interest of the employer that this amendment should be made than in the interest of the employee for this reason. It has been alleged that the employer should know what would be his wage scale before sending out this price-list or his travellers to seek orders, inasmuch as the price-list would be conditioned by the wage rate, and that the obligation to apply for a board and to wait until the board had investigated and reported would prevent him from preparing his price-list and sending out agents to seek orders.

Now, what is the situation to-day, without this amendment embodied in the Act? The employer decides that in order to compete with his rivals in other countries he must have a lower wage scale. He gives thirty days' notice that the wages will be cut down, and in nine cases out ten he waits until the

employees again consult each other. Time is lost while the employees are conferring among themselves and deciding to ask for a board; but when they do make application, the employer is blocked and cannot decide upon and issue his price-list, but must await the result of the investigation and the report of the board.

Under the proposed clause it will not be so. The employer is told that he must himself ask for a board, and, being himself obliged to make the application, that factor will enter into his calculation as to the date at which he should notify his employees thirty days ahead that he intends to reduce their wages.

Hon. Mr. GRIESBACH: Can he ask for a board before a dispute has arisen?

Hon. Mr. DANDURAND: He can.

Hon. Mr. GRIESBACH: That is not the law as I read it.

Hon. Mr. DANDURAND: But he may have the dispute in 24 hours if that is necessary. He can give notice to his employees of the proposed reduction and ask for their answer.

Hon. Mr. ROBERTSON: That is right.

Hon. Mr. DANDURAND: And he will do so in good time to enable him as soon as he pleases to ask for a board. The average time that a board has occupied in its deliberations, according to the statement I have from the Department, is about 42 days. The employer knows also that he must prepare for that delay, and, knowing that, he takes time by the forelock and gives his notice in good time. He knows when he must fix the price-list, and he arranges to give notice of the intended reduction in wages in time to permit of a response from his employees, and, if they do not accept the reduction, an application on his part for the establishment of a board. I do not see that there is any harmful effect upon the employer from the fact that this Bill declares that the party asking for the change shall make application for a board.

Hon. Mr. FOWLER: Why should there be 42 days' delay?

Hon. Mr. DANDURAND: That is the time it takes to constitute the board, call the parties together, take their evidence, hear their arguments, and make a pronouncement.

Hon. Mr. FOWLER: The great flood lasted only two days less than that.

Hon. Mr. DANDURAND: Yes, but my honourable friend has attended many a trial which lasted more than forty-two days.

Hon. Mr. GRIESBACH: Is that the minimum period or the average?

Hon. Mr. DANDURAND: That is the average.

I have now given all the amendments proposed to be made to section 57. The first amendment, declaring it to be unlawful to make effective a proposed change before the dispute has been finally dealt with by a board simply emphasizes a principle or declaration which is already in the Act by the will of Parliament, including this branch. It is further provided in the amendment that the application for a board shall rest with the parties asking for the change. These are the only two amendments proposed, and I have yet to hear a good argument against either of them.

Hon. Mr. McMEANS: Carried.

Hon. L. C. WEBSTER: Honourable gentlemen, I do not wish to discuss this question from the legal side. I am satisfied that there is enough legal talent in this Chamber to do that properly. But I wish to say this, that the present Bill has been considered by many of our industrial institutions, and they take a different view from that which has been stated to the House this evening by the honourable leader. The changes suggested, they claim, are a hardship on the employers who wish to continue operations and market their product in competition with other products to be put on the market later on, when perhaps wages may have been reduced.

It is also felt that the suggested change is not entirely in the interest of the employees either. It is known that in the coal fields of Cape Breton the agreement between the employers and the miners, who are part of the international United Mine Workers' Association, with headquarters in the United States, will expire in January, 1924. Against that, the agreement with the United States mineworkers expires on the 1st of April, 1924. Now, if the wage question is not adjusted during the winter, as it usually is, then there is an interregnum, a period of uncertainty, and it may be that not sixty days but four months' time elapses before a settlement is reached. The parties are prepared to abide by the decision of the Conciliation Board, and if the board feels that the wage scale should be retroactive, then the employees and the mine owners are quite willing to abide by that decision, but they cannot mine and bank

their coal owing to the risk and uncertainty in not knowing what that coal must meet in the way of competition from coal from the United States, Great Britain, and other countries. It would be perhaps well on in April when the question of what wages would be paid for the mining of that coal from the preceding January would be settled. If the employers are unable to state what the wages are, or to put a reduced scale of wages into effect, it means that they have either to run a risk and get what price they can for their coal, or else to take means to close down the mines.

Hon. Mr. LYNCH-STAUNTON: I should like a little more light on this subject. I see that this amendment applies to all gas companies, mining companies, tram companies and other transportation companies.

Hon. Mr. FOWLER: Does it apply to all mining companies?

Hon. Mr. LYNCH-STAUNTON: To all kinds of mining people, whether they are companies or not. When I was first spoken to about this law I thought it applied only to railway companies, but I now understand that it applies also to the mining industry. The people of Nova Scotia seem to me to have troubles enough. Why could not a law be made to provide that when a reduction of wages is put in force by any company and the matter is referred to a board, the findings of the board shall be retroactive to the day of the declaration of the reduction of wages?

Hon. Mr. GRIESBACH: Or the increase of them?

Hon. Mr. LYNCH-STAUNTON: Or whatever it is. The award of the board should be retroactive and apply from the date upon which the change in wages was made.

Hon. Mr. ROBERTSON: That is exactly what occurred last year.

Hon. Mr. LYNCH-STAUNTON: If it did, I do not see that there was injury done to anybody.

Hon. Mr. ROBERTSON: No.

Hon. Mr. LYNCH-STAUNTON: It seems to me that this Act was intended to apply to all disputes, and it seems equitable that some provision should be made compelling the employer to go to arbitration on matters in dispute. However, there are many serious difficulties in the way, as has been pointed out by the honourable member for Stadacona (Hon. Mr. Webster). If the Act permitted of the award being made retroactive, no mischief would be done to the employee.

I am not at all sure, from the hasty glance I took at the Industrial Disputes Investigation Act, which allows of employers and employees voluntarily coming within the ambit of the Act, that the provision authorizing the Minister to order a reference would not bring every industry in the country under the law, at the will of the Minister. The case which I mentioned a little while ago might be one of those which would, under the stress of political considerations, he brought within the operations of the law.

Now, while I have a good deal of sympathy with the intention, so far as it applies to great corporations like railways, I do not feel the same with regard to gas companies and small concerns of that description, because there are a great many of these people whom it would be a great hardship to compel, at the instance of perhaps a small minority of their employees, to go to all this expense and trouble.

Hon. Mr. MURPHY: Before the honourable gentleman leaves that point, I would like to ask him this question. In case of a proposed decrease in wages and its reference to a board of conciliation, the board might take three or four months to come to a conclusion, and the conclusion might be in favour of the decrease. How would you proceed to make the decrease retroactive and collect from the employees?

Hon. Mr. LYNCH-STAUNTON: In that case there would be no wrong to remedy.

Hon. Mr. MURPHY: Why?

Hon. Mr. LYNCH-STAUNTON: Because the findings would be retroactive and there would be no arrears of wages to pay.

Hon. Mr. MURPHY: Yes, there would, because the Act provides that the wages shall remain the same until the board of conciliation has given its decision.

Hon. Mr. LYNCH-STAUNTON: That is where I think it is improper.

Hon. Mr. MURPHY: That is what the Act says. If the decrease that the company decreed should be put into effect were justified by the board of conciliation, how would the honourable gentleman proceed to make the retroactive collection from the employees?

Hon. Mr. LYNCH-STAUNTON: I have not made myself clear. My thought was this. Assume that a railway company reduced the wages 10 per cent, and assume that a board was applied for and investigated, and that as a result of their deliberations they concluded that the reduction should have been only 5 per cent. In that case the railway company

would be obliged to pay to the workmen the 5 per cent by which they had reduced the wages in excess of what the board said was proper.

In the case suggested by the honourable gentleman who has just spoken, if the railway company for three or four months is not allowed to reduce the wages at all, and it is then found by the board that the company were justified in desiring to reduce the wages, they would have to whistle for their money.

Hon. Mr. MURPHY: There it is. That is just the point.

Hon. Mr. LYNCH-STAUNTON: I quite agree with that.

Hon. Mr. ROBERTSON: May I point out to my honourable friend that railway employees are permanent in almost every case, and that if a board brought in a recommendation of that sort, there would be nothing whatever to prevent the railway company, as the employer, from deducting from the monthly pay cheque of the employee the proper amount.

Hon. Mr. LYNCH STAUNTON: I quite see that. But what about mining or other companies who employ men who are not permanent like railway employees?

Hon. Mr. ROBERTSON: In most cases they are. But I would like also to emphasize to my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) the very serious difficulties that would arise if his idea were adopted. I have pointed out to the House—I think my honourable friend was here—that for sixteen years hundreds of thousands of employers in Canada have suffered the results of complying with the requirements of the Act.

Hon. Mr. LYNCH-STAUNTON: Suffered in what way?

Hon. Mr. ROBERTSON: In that they have waited in many cases for months from the time they desired and sought a change in conditions before the procedure was fulfilled and the board's recommendation received. In every case the employees have had to await the postponed date when the procedure was finally tried out, before they could reap the results.

Hon. Mr. LYNCH-STAUNTON: I really want to understand this. How, if my suggestion were adopted, would any of those persons be injured in the future? Let the past bury the past.

Hon. Mr. ROBERTSON: They would be injured in this way, that the employer would have a distinct advantage in the operation of the law. The law would operate in one way for the workmen and in another way for the employer.

Hon. Mr. LYNCH-STAUNTON: How would they lose any money?

Hon. Mr. ROBERTSON: I do not think any Parliament in Canada could ever convince the citizens of Canada that that was just legislation.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman explain—because it is all a question of money—how would they lose any money if my suggestion were adopted?

Hon. Mr. ROBERTSON: If my honourable friend had had the experience that I have had—

Hon. Mr. FOWLER: That is not it. That does not answer the question.

Hon. Mr. ROBERTSON: —with Boards of Conciliation and decisions of Boards, he would realize how impossible it would be to make an award retroactive except under the most extraordinary circumstances.

Hon. W. B. ROSS: How many of the awards made in railway matters, if any, have been retroactive?

Hon. Mr. ROBERTSON: In the terms of the McAdoo award, and in those of the decision of the Chicago Railway Board of 1920, which again was followed by our Canadian railways, there was a retroactive feature; but in no individual dispute in Canada that had not reference to the United States situation, so far as I can recall, has there been a retroactive award.

Hon. Mr. MURPHY: The McAdoo award was not made by a Board of Conciliation.

Hon. Mr. DANDURAND: The Department states that outside of cases in which both parties are responsible by consent, delays have practically always been caused by employers, and largely disappear when the employers have a direct object in expediting procedure.

Hon. Mr. BEIQUE: As I understand the suggestion of the honourable member for Hamilton (Hon. Mr. Lynch-Staunton), it is that the law be framed in such a way that the employer shall be at liberty to reduce the wages on a given date, but that, if the reduction be not made with the assent of the employees, it shall then be incumbent upon him to at once apply for the appointment of a Board for the purpose of passing upon the advisability of the change; and that the

Board shall have power to render an award that shall be retroactive, and shall compel the employer to pay any back wages to employees from the date at which the change was made. Likewise, if employees desire an increase of wages, that unless the desire meets with the assent of the employer, it be incumbent upon them to demand at once the appointment of a Board for the purpose of passing upon their demand, the Board again to have power to give retroactive effect to its decision to the date of the demand.

Hon. Mr. DANDURAND: What would be the situation if the award or report were rejected by the party that would suffer under it?

Hon. Mr. LYNCH-STAUNTON: I do not understand.

Hon. Mr. DANDURAND: If the award is rejected by the party that suffers under it, then there is no question of retroactivity.

Hon. Mr. LYNCH-STAUNTON: If I understand the honourable gentleman, the award in any case is futile, because there is no power to enforce it.

Hon. Mr. DANDURAND: There is no compulsion.

Hon. Mr. LYNCH-STAUNTON: Then, what is the use of the award in any case?

Hon. Mr. DANDURAND: It is simply to enlighten public opinion, because either party can reject the award of the Board and proceed on its way. The suspension provided for by section 57 continues up to the moment when the Board reports; when it has reported, there is no more suspension.

Hon. Mr. LYNCH-STAUNTON: If that is so, it seems to me most unjust to expose the employers to all these serious penalties when it is utterly impossible to enforce an award against the workmen.

Hon. Mr. DANDURAND: The whole object of the Act is to bring the parties together on matters that concern the public and in which the public is interested, and from which it may suffer, in order that the public may know the facts and bring its moral influence to bear on the parties towards conciliation.

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman allow me? Assume that the National Railways, for example, desire to reduce wages, and apply for a Board, and the Board makes an award which the railways think utterly unjust, and which they refuse to observe. Are they open to all these penalties?

Hon. Mr. DANDURAND: Oh, no penalties.

Hon. Mr. BEIQUE: The honourable gentleman is losing sight of the fact that by the proposed amendment it is made unlawful.

Hon. Mr. DANDURAND: No. It shall be unlawful to alter the conditions pending the arbitration and report.

Hon. Mr. BEIQUE: It shall be unlawful for the employer to make effective the proposed change in wages or hours or for the employees to go on strike until the dispute has been finally dealt with by the Board and a copy of its report has been delivered through the Registrar to both the parties affected.

Hon. Mr. DANDURAND: That is all.

Hon. Mr. BEIQUE: But after that has been exhausted, we shall have to commence over again.

Hon. Mr. DANDURAND: No.

Hon. Mr. BEIQUE: Yes.

Hon. Mr. ROBERTSON: Oh, no.

Hon. Mr. BEIQUE: A change has been made, and the Board passes upon the change.

Hon. Mr. DANDURAND: No, the intention or desire for a change is declared.

Hon. Mr. BEIQUE: But the Board decides against it, and it will be unlawful to repeat the operation.

Hon. Mr. DANDURAND: No. The Act does not go further than to stay the hand of the employee or of the employer, and to maintain the condition of things existing until the Board has heard the parties and has filed its report. When the Board has filed its report, then the parties are free to act as they desire—to reject the report and proceed on their way and declare a strike or impose a reduction in wages.

Hon. Mr. LYNCH-STAUNTON: Would it not be a new offence? Assume that the Board has made an award: the day after it makes its award, the railway company reduces wages. Surely that is a new offence, and they would have to go to another Board.

Hon. Mr. ROBERTSON: No.

Hon. Mr. BEAUBIEN: The result of it is that the case would proceed and result in

a judgment which would be no good and could not be enforced.

Hon. Mr. MURPHY: No judgment can be.

Hon. Mr. BEAUBIEN: But pending the proceedings—it may be three months, four months, or six months—it would be different. Then the law would be maintained in such a way that it would have a good solid grip on one party.

Hon. Mr. DANDURAND: On the two.

Hon. Mr. BEAUBIEN: Excuse me. The other one cannot be gripped. The honourable gentleman from Hamilton it absolutely correct. Suppose, for instance, a reduction is imposed to-day—it is never imposed at pleasure. Competition is such that a public utility—and there are a great many others than railways—finds a reduction necessary. But the employees say: "No, you cannot do that." Then a Conciliation Board is appointed, and week after week and month after month the wages are paid. At the end of months what is going to happen? The wages which have gone to the employees, and which should not have gone to them because the Board has approved of the reduction, never come back.

Hon. Mr. MURPHY: Why?

Hon. Mr. BEAUBIEN: Because you can never collect.

Hon. Mr. MURPHY: Why not?

Hon. Mr. BEAUBIEN: I do not need to answer that question. Anybody who has had any experience with labourers knows that it cannot be done and never has been done.

I will give another example of how the law, as it has been contended, has been observed by employees. My memory goes back to a few years ago when I travelled as a pilgrim from the good city of Toronto to Ottawa to oppose a demand made against a public utility for a Board of Conciliation. The year before, in 1919, the men had obtained an increase in wages of $1,500,000, and they had agreed to work for those wages for twelve months. Three months afterwards the men tore up their contract and said to the public utility: "You will pay us additional money, but we won't call it additional wages, but a bonus." The public utility said: "Bonus or additional wages always come out of our treasury, and we cannot afford to pay." "Well," said the men, "if you cannot afford to pay it, we will journey to Ottawa and ask for a Conciliation Board." "Very well," said the public utility, "you cannot get a Conciliation Board. You are violating the agreement; you are repudiating an honest undertaking you have signed with us." What happened? Who do you think was given the decision? Was it the men who laid on the table a signed contract, which could not be denied, agreeing to work for a whole year at those wages, or was it the public utility which said: "That was our only guarantee, and we are asking that that contract be respected"? The workmen got the decision. But let me proceed. They got the Board of Conciliation. What did the Board of Conciliation say? They said to the workmen that they were wrong—that they had no right to an increase. Therefore there were two reasons why the employees should not insist: first, because they had agreed to a certain wage; and, secondly, because their demand for an increase had been turned down by the Board. What happened? Do you think they were satisfied? No, sir. They said to the public utility: "Notwithstanding our contract, and notwithstanding the verdict of the Board, you are going to increase our wages, and we give you twenty-four hours within which to do it." They gave twenty-four hours within which to accede to their demands, and then they quit, and the public utility was at their mercy, and had to fork out practically another $1,500,000. That is one instance with which I was personally connected, and which I followed up from day to day.

I can give another illustration, this time in Montreal, in which forty different classes of workmen got together and made a contract to work for a year at certain wages. In a few months the most important class, not in wages, but those who performed the first operation, upon which all the other operations depended, said one morning at 11 o'clock: "We want more wages." "But," it was said, "you agreed to work for a whole year at the same wages." They said, "We don't care. It is 11 o'clock. At 12 o'clock, if we do not get what we want, we will walk out." "But," it was argued, "you cannot do that. In case of disagreement you have bound yourselves to an arbitration; surely you are going to wait for that." They said: "We are going to wait until the hand of the clock points to 12," which they did; and then out they went.

Did they respect their contract? I think it is very imprudent for anyone to say that human nature ceases to be human nature; and I do not know of any place in which human nature is more thoroughly represented than in our labour unions. The labour unions here are answerable to nobody; and when

you make legislation like that, which is supposed to be binding upon both parties, what is the result in fact? We in this House are not obliged to abide by political influence; this is a place where we have the right to be independent whether we step on the feet of 50,000 workmen or not. The labour unions are not bound in this country. In England, where the associations are obliged to have capital, they are answerable; but here, how can they be? They are not; and for that reason I am against this law which cannot but work an injustice. If there is a decrease in wages, the extra wages paid are gone, and you can never bring them back, and by the time the judgment is rendered under which you have the right to get them back, the judgment is worth nothing at all.

But there is another reason why I am opposed to this legislation. Do you think the public utilities can be fettered and chained for three or four or five months without any danger to their existence? Why, if there is a change in the scale of wages in the United States, with which we have to compete, our wages must go down immediately, not after four months. What is the use of discussing that? Everybody knows it. Take, for instance, the coal of Sydney. I am interested in Sydney coal, and know whereof I speak. Do you think that if wages in the States go down, Sydney can afford to wait for four months before bringing down wages there? What are we going to do with the coal?

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

Hon. Mr. BEAUBIEN: Yes, you may.

Hon. Mr. ROBERTSON: Is it not true that the wages paid in Sydney have never aproached the wages of coal miners in the United States—that the wages in Sydney have always been substantially below those paid in other fields?

Hon. Mr. BEAUBIEN: Very well, sir. Is it not also absolutely true that it is very much cheaper to live in Sydney than in places in the States where higher wages are paid? As everybody knows, it is the difference between wages and cost of living that matters. However, that does not change the situation. When the big competitors on the other side of the line bring down the cost of their labour and their product we must bring down the cost of ours, and not wait four months to do so. Are the labourers going to compensate for the loss that will be incurred by the company if the coal is banked for four months at exhorbitant wages? No. So what will it mean? If you pass this legislation, honourable gentlemen, the only prudent thing that a company can do is to get the assent of their men to a reduction, or else close down. There will be no other alternative. The company must know what they are doing and what their product will cost them. So they will say to their men. "Will you or will you not accept a reduction of 10 per cent? You will not accept it? Then out you go." That is the only thing that can be done. The company cannot afford to do otherwise. The labour people know very well that it suits no industry to close down; to lock out their workmen, and companies do that only when forced to do it.

In short, honourable gentlemen, this Bill is legislating for the time during which the trial of the dispute will last, and it is a trial leading to a judgment which is of no value. By this legislation, if passed, you want to make sure that the status quo shall be maintained during the time the trial lasts, and that the interest of the workmen will not be injured, but you are making no provision—and, may I say, you cannot make any provision—to give a similar guarantee to the employer or the public utility corporation. For that reason I do not think this legislation is fair. Not only is it in my opinion unfair, but it is not advisable even from the point of view of the economics and good administration which ought to govern any business in this country.

Hon. Mr. DANDURAND: Is not the honourable gentleman addressing his objections to the clause as it is already in the Statute Book, containing all the elements against which my honourable friend is arguing?

Hon. Mr. ROBERTSON: Clearly.

Hon. Mr. DANDURAND: And not to these merely consequential amendments to the Act which are being suggested?

Hon. Mr. BEAUBIEN: The honourable gentleman, with the help of my honourable friend from Welland (Hon. Mr. Robertson), has made it quite clear that the intention of the clause as it now exists is to grip, but that it does not do so. You are putting the teeth into it now with this amendment. What I object to is that the clause, the spirit of which is unjust, would become unjust in practice because of the teeth that you are just going to put into it.

Hon. Mr. BEIQUE: Honourable gentlemen, I am not disposed to go as far as my honourable friend who has just spoken. I understand that he is against legislation of

this kind in toto. As far as I am concerned, I am in favour of legislation for the purpose of bringing the facts of an industrial dispute before the bar of public opinion. I think public opinion is the best judge and will have the best influence upon employers and employees in matters of this kind. But I invite the honourable leader of the Government again to read his amendment, and I think he will see that if that amendment is passed employers will be forever, unless this Act is repealed, under the impossibility of making any reduction in wages.

Hon. Mr. ROBERTSON: Oh, no.

Hon. Mr. BEIQUE: Oh, yes; absolutely.

Hon. Mr. CASGRAIN: Absolutely.

Hon. Mr. BEIQUE: Absolutely; because they cannot make a change before the matter has been passed upon by the board of conciliation, and they can make no change at all, but fall again under the Act; and if they proceeded 2 times in succession they would occupy the same position.

Hon. Mr. ROBERTSON: Surely my honourable friend does not advance that suggestion seriously.

Hon. Mr. BEIQUE: Yes, seriously.

Hon. Mr. ROBERTSON: The law has always been interpreted, and always—

Hon. Mr. BEIQUE: But my honourable friend refers to the clause without the change. I am speaking of it with the proposed change.

Hon. Mr. ROBERTSON: The section of the Act referring to the acceptance or rejection of a board's recommendation is not in any way changed, and is not under consideration.

Hon. Mr. BEIQUE: But this is a change. I base my assertion on these words: "It shall be unlawful for the employer to make effective a proposed change in wages or hours or the employees to go on strike."

Hon. Mr. ROBERTSON: Until?

Hon. Mr. BEIQUE: "Until the dispute has been finally dealt with by a board."

Hon. Mr. DANDURAND: By a board, yes.

Hon. Mr. BEIQUE: Yes, "and a copy of its report has been delivered through the Registrar to both the parties affected."

Hon. Mr. DANDURAND: Full stop.

Hon. Mr. BEIQUE: Then it goes on: "The application for the appointment of a board shall be made by the employers or employees proposing the change in wages or hours," and the board shall decide. But when the board has decided, no change has been made, and it will again be unlawful to make a change.

Hon. Mr. ROBERTSON: Impossible.

The Hon. the CHAIRMAN: Shall section 2 be adopted?

Hon. Mr. DANDURAND: One moment. I suggest that the amendments be taken seriatim. Section 2 contains three amendments. The first one is to provide that—

—employers and employees shall give at least thirty days' notice of an intended or desired change affecting conditions of employment with respect to wages or hours.

There is in that simply the addition of the words "or desired." I suppose that amendment is harmless.

Now, coming to the argument of my honourable friend from De Salaberry (Hon. Mr. Beique), to whose opinions I always listen with close attention and attach due weight, I cannot accept his interpretation. My honourable friend says he relies on these words:

It shall be unlawful for the employer to make effective a proposed change in wages or hours or for the employees to go on strike until the dispute has been finally dealt with by a board, and a copy of its report has been delivered through the Registrar to both the parties affected.

Hon. Mr. BEIQUE: If you stop there, it is all right.

Hon. Mr. DANDURAND: Yes, I stop there; or I will go further:

The application for the appointment of a board shall be made by the employers or employees proposing the change in wages or in hours; neither of these parties shall alter the conditions of employment with respect to wages or hours, or on account of the dispute do or be concerned in doing, directly or indirectly, anything in the nature of a lockout or strike, or a suspension or discontinuance of employment or work, but the relationship of employer and employee shall continue uninterrupted by the dispute, or anything arising out of the dispute; but if, in the opinion of the Board, either party uses this or any other provision of this Act for the purpose of unjustly maintaining a given condition of affairs through delay, and the Board so reports to the Minister, such party shall be guilty of an offence, and liable to the same penalties as are imposed for a violation of the next preceding section.

Now, honourable gentlemen, if the Act which is before us is read through, from the first section to the last, it will be seen that the whole purport and intent of it is to avert strikes or lockouts which would cause injury to the public, and the whole effort made under the Act is to bring the parties together in

order to have them agree, if possible, and, if after the report of the board they do not agree, then to give the public at large, who are interested in the dispute, a knowledge of the facts, so that the moral influence of public opinion may be brought to bear on the dispute.

Hon. Mr. ROBERTSON: Right.

Hon. Mr. DANDURAND: The dispute is made the subject of investigation, and when it has run the gauntlet of that investigation the trial is at an end, for the reason that the law is not made compulsory beyond the time when the board has made its report. The law does not declare that the employees must against their will give their services. The same principle is recognized and treated in that solemn document known as the Treaty of Versailles, containing the Covenant of the League of Nations, which declares that labour is not a commodity, but the work of human beings, and those human beings must remain free men. That is the reason why the arbitration stops at the board's report. But when it stops there, I venture to assert, it has done its work, inasmuch as it has brought together employer and employees and has investigated their differences. The Industrial Disputes Investigation Act has brought about this result in Canada, that of 580 disputes referred under the terms of the statute from 1907 to 1923, there have been only 36 cases in which the threatened strike was not averted. I maintain that this is a very important result. One of the late Ministers of Labour, who was not from the labour world, the late Hon. Mr. Crothers, stated in 1917, after having had the administration of this Act under his supervision, the following opinion:

> One sometimes hears it said that the labour laws of Australia are far in advance of ours, and I wish to say a word for the Industrial Disputes Investigation Act. Although the Act is not a child of mine, I have never lost an opportunity of giving credit to those who succeeded in getting this Act placed upon the Statute Book of Canada. I believe the principle involved in it is good, and I am sure that it has been the means of preventing large numbers of strikes. This Act has saved the wage earners of this country millions and millions of dollars. It has maintained industrial peace in scores of cases where very serious troubles would have developed but for the provisions of this or some similar Act.

Hon. Mr. CASGRAIN: If it is so good, why change it?

Hon. Mr. ROBERTSON: We are not changing it.

Hon. Mr. DANDURAND: The answer is simple: the effect of these amendments is simply to emphasize the good that is in it, and clarify it. That is all there is in this Bill. The amendment in the last clause simply extends the penalty to cover any change that may be made, contrary to the law which we have passed and which is now on the Statute Book. It provides a penalty for making a change effective before the parties have been brought together.

Hon. Mr. FOWLER: I beg leave to move that the Committee rise.

Some Hon. SENATORS: Carried.

Hon. Mr. DANDURAND: Of course, I can explain what the motion means.

Hon. Mr. FOWLER: There can be no discussion of that.

Hon. Mr. DANDURAND: The adoption of the motion means that the Bill is rejected, and that the Act remains as at present, that is, without the teeth, as my honourable friend from Montarville (Hon. Mr. Beaubien), has said.

Hon. Mr. BEAUBIEN: But with the spirit, as the honourable leader has said.

Hon. Mr. ROBERTSON: Two and a half per cent.

Hon. Mr. DANDURAND: It remains with the spirit, but I would draw the attention of honourable members of the House to this fact—

Hon. Mr. FOWLER: I call the attention of the Chair. This cannot be discussed.

Hon. Mr. DANDURAND: But I can continue to discuss the Bill on the motion that the Committee rise.

Hon. Mr. FOWLER: No, you cannot.

Hon. Mr. DANDURAND: I think I can. At all events, I would draw the attention of this Chamber to the fact that we are examining a Bill which has passed the other Chamber unanimously.

Hon. Mr. FOWLER: Order.

Hon. Mr. DANDURAND: We have, it is true, a right to reject it, and everyone must take his own responsibility.

Hon. Mr. FOWLER: We are willing to take it.

Hon. Mr. ROBERTSON: Will the honourable leader—

Some Hon. SENATORS: Order, order.

Hon. Mr. ROBERTSON: Mr. Chairman, I rise to a point of order. The honourable leader of the Government has not yet indicated to the House—

Hon. Mr. CASGRAIN: Order.

Hon. Mr. ROBERTSON: —the effect of the Committee adopting the motion of the honourable member from Sussex (Hon. Mr. Fowler).

Hon. Mr. CASGRAIN: Yes, he has.

Hon. Mr. FOWLER: Yes.

Hon. Mr. DANDURAND: Of course, the rising of the Committee will simply kill the Bill.

Hon. Mr. FOWLER: That is what the honourable gentleman said.

The motion of Hon. Mr. Fowler was negatived: yeas, 13; nays, 15.

Hon. Mr. BEAUBIEN: I move, Mr. Chairman, to strike out section 2.

Hon. Mr. LYNCH-STAUNTON: I agree with that motion if the honourable gentleman will substitute a clause such as I suggested before. I think that, as the honourable leader has said, the Act is a very good one, and we ought to try as far as we reasonably can to make it effective in every way. I do not agree with the present clause, but I think we might amend it.

Hon. Mr. BEIQUE: I move that the Committee rise and report progress.

Hon. Mr. DANDURAND: What is the object of that?

Hon. Mr. BEIQUE: To prepare an amendment and to submit it to the Government. I have voted against the motion which has been put, but if pressed to vote for the amendment as it stands, I would vote against it.

Hon. Mr. DANDURAND: There is only one objection that I have to rising. We have given two hours to the study of this Bill; we have laid before the Senate the various views of the members; we will meet to-morrow with another shift or a double number of Senators, and we will again have to discuss the whole of the Bill and go through the work we have done this evening. Is that fair to those who are here?

Hon. Mr. BEIQUE: This is a very important measure, and I do not think it would be proper to undertake at the moment to prepare the amendment which we have in mind.

Progress was reported.

CRIMINAL CODE BILL

SECOND READING

The Senate resumed from Thursday, May 8, the adjourned debate on the motion of Hon. Mr. Pardee for the second reading of Bill 102, an Act to amend the Criminal Code.

Hon. Mr. PARDEE: The other day I moved the second reading of this Bill. The honourable the leader of the Opposition said he rather objected to the Bill being read the second time, inasmuch as it might be taken as agreeing to the principle of the Bill. As it is my intention to move for a special Committee to consider the Bill, I would move the second reading now without the House accepting the principle of the Bill.

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

REFERRED TO SPECIAL COMMITTEE

Hon. Mr. PARDEE: I beg to move, seconded by Hon. Mr. Dandurand:

That this Bill be referred to a special Committee, consisting of Hon. Messrs. Belcourt, Barnard, Dandurand, Hardy, Fowler, McMeans, McCoig, McLennan, Lynch-Staunton, Lougheed (Sir James), Ross (Middleton), and the mover.

The motion was agreed to.

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

THE SENATE

Wednesday, May 16, 1923.

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

Prayers and routine proceedings.

COMBINES INVESTIGATION BILL

FIRST READING

Bill 54, an Act to provide for the Investigation of Combines, Trusts Monopolies and Mergers.—Hon. Mr. Dandurand.

THE PARLIAMENT BUILDINGS

PROPOSED CHIME OF BELLS FOR THE TOWER

Hon. GEORGE H. BRADBURY rose in accordance with the following notice:

That he will call the attention of the Senate and of the Government that on June 22, 1920, this House unanimously adopted a report of a special committee recommending that a carillon of bells be placed in the Victory Tower to be known as memorial bells, and inquire if it is the intention of the Government to take any action in the matter?

He said: Honourable gentlemen, I have placed this notice on the Order Paper for the purpose of ascertaining the intention of the Government in regard to placing in the tower of this magnificent building a carillon of bells. I desire for a few moments to refer to the report that was made in 1920 by a Special Committee appointed by this House, which

spent a great deal of time in securing information regarding the advisability and wisdom of placing a carillon in the tower. The report is lengthy, but so that the House may be reminded of its contents, I desire to read some portions of it. The report is dated Friday, June 8, 1920, and says:

The Special Committee appointed to consider the advisability of installing in the tower of the Parliament Buildings a firstclass Carillon in connection with the clock, and the cost thereof, beg leave to make their Second Report, as follows:--

In considering the matter referred to your Committee for report, the Committee examined the plans of the tower as prepared by the Architect, Mr. John Pearson, who appeared before the Committee, and gave as his opinion that the construction of the tower would lend itself admirably to the installation of the Carillon in connection with the clock.

In order to secure an estimate of the cost, the Committee has communicated with various well established firms of bell founders in the old country, and have received estimates covering the cost of manufacturing and installation of various styles and types of Carillon ranging in price from £8.165 to £40,000.

In the opinion of the Committee it is very desirable that a Carillon to be called "Memorial Bells" should be installed in the tower of the Parliament Buildings. As to the expenditure to be made in connection therewith, and the selection of the most suitable type of bells, your Committee recommend that these matters be left to the decision of a Committee composed of members of the Senate and House of Commons and the Architect, said Committee to be named by the Government.

Your Committee has been informed by the Architect that it is the intention to complete about 100 feet of the tower during the present summer and another 100 feet during next summer. The Architect informed your Committee that no changes in the construction of the tower would be necessary to accommodate the Carillon. He emphasized the fact that the bells ought to be on the ground here not later than September, 1921, so that they could be hoisted into position before the floors in the tower were completed.

Your Committee has been in communication with the largest and most reputable bell founders in the world, all of which are on British soil, in and around London. The firm of John Taylor and Company, of Loughborough, which is one of the oldest bell founders in Great Britain, has a splendid reputation. It has furnished some of the largest and greatest Carillons in the world. Its largest and greatest Carillon was furnished to the great Cathedral of St. Coleman, at Queenston, Ireland. The London Times, of 1919, speaking of this Carillon, said: "It is considered to be the largest and finest in the United Kingdom and has the most perfect set of bells in the world." This firm recommends for the Parliament Buildings here, a scale of 49 bells, being four octaves, chromatic, with largest bell about 7 tons, note "F." The total weight of these bells would be about 50 tons. In speaking of this proposed Carillon they say: "It would be a truly majestic Carillon, and we feel perfectly justified in claiming that it would rank as the finest in the world. For although the largest bell of the Malines Carillon is reputed to be heavier than we are proposing for Ottawa, still there are serious inequalities and blemishes in tune and tone in the Malines scale, which is really not a matter to be surprised at, considering the varying dates of the bells, as they are of five different centuries."

The estimated cost of this magnificent carillon involved in the tower is £40,000. Your Committee feel that some considerable reduction might be secured in this estimate by further negotiations.

Hon. Mr. BRADBURY.

This report, signed by myself, was passed unanimously. Since the report was made, honourable gentlemen, I have been advised that prices of everything used in connection with the manufacture of bells has been very much reduced.

The carillon that was quoted at £40,000 can now be bought for £20,000 to £25,000.

The carillon which I recommend for this memorial tower will be one of the largest and perhaps the best carillon in the world. The tenor bell will weigh from 16,000 to 18,000 lbs.

The 49 bells will weigh fully 50 tons or 100,000 lbs. I believe this carillon can be placed in the Tower here, completed in every particular, for a sum not exceeding $120,000.

Hon. Mr. ROCHE: What is the tone of the bell.

Hon. Mr. BRADBURY: F.

Hon. Mr. ROCHE: Yes, but sharp or flat?

Hon. Mr. BRADBURY: I cannot tell you. I think it is sharp.

Right here I wish to utter a word of warning to those who may be entrusted with the purchase of arranging for this carillon. It is this: there must be an absolute guarantee from the manufacturers that every bell is in perfect tune with itself. Every bell, I understand, has four distinct notes; consequently you can see the necessity of these bells being in perfect tune. The success of the carillon depends on the individual bells being in perfect tune, so that there will be perfect harmony in the combined carillon of bells.

In view of the purpose of this proposed memorial, Parliament will not surely balk at the necessary expenditure to provide what would be a magnificent speaking National Memorial to our revered Canadian soldiers who gave all that Justice and Freedom should be preserved to the world.

And now, honourable gentlemen, that we are about to complete the Victory Tower in connection with this magnificent building, and as it promises to be one of the grandest memorial towers on this continent, within which is to be arranged a beautiful Memorial Room, finished with a stone supplied by France, as a mark of its appreciation of the noble deeds and great sacrifices made by Canadians during the late war. There is to be also an individual tablet hung on the wall of this room bearing the name, rank and battalion number of each soldier who died in action during the war. In the centre of the room there will be a beautiful stand made of a dark marble taken from some of the battlefields of France. On that stand is to be placed a large book of history containing

the name and war record of each Canadian soldier who fell or died on duty during the war, and, in view of this memorial chamber in the Victory Tower, I ask this House what more fitting finish to this Tower and its sacred Memorial Room could be suggested, than a carillon of bells that would speak daily to tens of thousands of our people, of heroic deeds, and of great sacrifices made, and of a duty well and faithfully done by our splendid Canadian soldiers during the late world war.

True, honourable gentlemen, we cannot dedicate; we cannot consecrate; we cannot hallow the ground wherein the bodies of these Canadian sons lie—the flower of Canada's young manhood, who struggled and died fighting for great principles. These men have consecrated France with their blood, to the end that France and other Christian nations might carry on and perpetuate the great principles of Love, Justice and Freedom, the inheritance of all free men.

It is far above our power to add to or detract from what these gallant men have done. The world will little note or remember what we do or say here to-day, but it can never forget what our gallant citizen soldiers did for the cause of freedom and righteousness at Vimy Ridge, and at other well-fought battle fronts in France. It is then for us, honourable gentlemen, who live, rather to dedicate ourselves to the great tasks to be done—that, by and through the agony suffered, and the sacrifices made, by our honoured dead, we will seriously devote ourselves to that cause for which they gave the last full measure of devotion, and resolve that these dead shall not have died in vain.

These proposed Memorial Bells will speak daily in martial tones to tens of thousands of our people on both sides of the river, of a great and glorious victory and of patriotism and love of country. Love of country and flag must have permeated Canadian young manhood and inspired over 500,000 citizens to leave home and family offering their lives in defence of imperilled institutions; love of country and British institutions must have sustained and inspired our soldiers who died in defence of great principles, that these principles might be preserved to us and to future generations.

Nothing less sacred than this love of country and flag, could have sustained our gallant men during the years of great and unprecedented hardships, and heroic sacrifices made in the trenches, that principles underlying Christian civilization might be perpetuated and handed down to future generations. It was a noble love and patriotism, which ought to impel all Canadians to vie with each other in measuring up to the high standard of citizenship set by these our glorious dead.

This carillon of bells will keep before us our duty; they will speak to us of the glorious victory of our men at Vimy Ridge; they will appeal not only to our memory, but to our hearts, and remind us of the debt we owe to our splendid soldiers who died that we might live.

This bell music has a wonderful charm and influence on those who listen to their mellifluous notes. While they will ring out inspiring songs of victory that will recall the heroic deeds of our splendid Canadian army, they will also at times appeal to the emotional side of our nature, and touch hearts that no other influence can touch with the pathos of their beautiful mystic messages. The possibilities of such a carillon as I hope to see on this majestic tower is far beyond my powers of description. Suffice it to say it is the most powerful and one of the most harmonious musical instruments ever invented.

Honourable gentlemen, that the House and those interested outside of the House may realize the wonderful possibilities of this carillon which I propose, I will place on record a description of the opening of the carillon built by Taylor & Co., of Loughborough, England, in the tower of the Roman Catholic Church at Queenstown, Ireland. William Wooding Starmer, one of the greatest authorities in the world on carillons, speaking of this subject, says:

> The clock and the carillon machine is by Messrs. Smith, of Derby, and the movement is the largest and most powerful in Ireland. The clock face is 7 feet 6 inches in diameter. The quarter chimes (Westminster) are played on four bells, and the hour is struck on the great bell—the first stroke being the exact time. The clock also operates a chime—tune mechanism which requisitions seventeen bells of the carillon and plays twelve tunes: (1) The Minstrel Boy; (2) The Harp That Once; (3) Let Erin Remember; (4) Faith of Our Fathers; (5) Erin, the Tear; (6) God of Mercy; (7) Adeste Fideles; (8) Hail, Glorious St. Patrick; (9) God Bless Our Pope; (10) Tantum Ergo; (11) How Dear To Me; (12) Avenging and Bright.
>
> The chime-tunes are so arranged that, so far as possible, the bells are used equally, such a method keeping the whole of the mechanism in working order and preventing the undue wear of any particular bells and their connections.
>
> The carillon of forty-two bells with clavier 3½-octaves in compass is the largest and finest in the United Kingdom, and the most perfect set of bells in the world tunes to equal temperament. The founders are Messrs. John and Denison Taylor, of Loughborough. The total weight of the bells is 17 tons 2 cwt.

It will be noted, honourable gentlemen, that the total weight of the Queenstown carillon is about 17 tons. The carillon that is recommended for our Victory tower will weigh in the vicinity of 50 tons. The musical effect when properly played would be won-

derfully impressive. I desire to place on record another programme played at the opening of the Queenstown carillon. This is for the purpose of giving the House some idea of the great possibilities of a carillon of bells. There is nothing that can be played on an organ or piano that cannot be reproduced on a carillon such as I am suggesting:

Sonata	G. Van Hoey.
Ave Maria	Schubert.
Prelude in C. Major	Bach.
Adagio from "Pathetic" Sonata	Beethoven.
Neapolitan Song	Casella.
"Rubensmarch"	Benoit.
Adeste Fideles	Webb.
Song of Victory	Mestdagh.
Pecheurs de Perles	Bizet.
O Star of Eve	Wagner.
Gavotte	Vandervell.
Spring Song	Mendelssohn.
Serenade	Gabriel Marie.
Berceuse de Jocelyn	Godard.
Fantasia "Les Cloches de Corneville"	Planquette.
Flemish Songs:	
(a) My Mother Tongue	Benoit.
(b) When the Swallows Homeward Fly	De Broeck.
(c) Antwerp Tower	Verhaeren.
Stances	Flegier.
Andante Cantabile	Denyn.
Intermezzo	Mascagni.
Fantasia "Carmen"	Bizet.

All this, honourable gentlemen, goes to show that there is no limit to the possibilities of a properly constructed carillon.

Honourable gentlemen: it does seem to me that as a national memorial, no more fitting tribute to our gallant men who fell in France, and on the other battle fronts, could be devised than this grand Victory Tower, with its beautiful Memorial Room, and this proposed carillon of 49 bells. These bells would keep ever before us the sacrifices made by our citizen soldiers, and would be an inspiration to future generations. Their mystic notes would whisper inspiring messages to all classes and creeds, as the language of music is universal, and the bells would draw thousands of people from different parts of this continent to hear what I expect will be one of the greatest carillons in the world, and a fitting tribute to our glorious dead?

Honourable gentlemen, I sincerely trust that the Government will see its way clear to install this carillon when the tower is completed; and if the Government decides to do so, it will be necessary for it to take action a year ahead in order to give the bell founders a chance to get the carillon in position.

Hon. Mr. DANDURAND: Honourable gentlemen, I am sure we are all grateful to the honourable gentleman from Selkirk for giving us the interesting statement which he has placed on the records of the Senate. All I can say at this moment is that the tower of the Parliament Buildings has been so constructed that a carillon or chime of bells can be installed later, whenever financial conditions warrant it. I will make it my duty to transmit the remarks of the honourable gentleman to the Minister of Public Works and to draw the attention of Council to them.

PRINCE EDWARD ISLAND COURT OF APPEAL

INQUIRY

Hon. Mr. MURPHY inquired:

1. When do the Government intend appointing the extra judge to the Supreme Court of Prince Edward Island provided for in the provincial statute passed over a year ago to constitute a proper court of appeal?

2. Is the Government aware that grave injustice is being done litigants before the court awaiting this appointment?

Hon. Mr. DANDURAND:

(1) The Government has not decided to make an appointment.

(2) No. That is to say, apparently there is nothing in the record which would indicate that there have been demands or complaints concerning this matter.

Hon. Mr. MURPHY: We will have to put something in the record.

DISMISSAL OF GOVERNMENT OFFICIALS

DISCUSSION AND INQUIRY

Hon. W. H. BENNETT rose in accordance with the following notice:

That he will call the attention of the Senate to the dismissal of Government officials and inquire if it is the policy of the Government to dismiss officials on the statement of any Liberal Member of Parliament that such officials have been guilty of political interference without inquiry, as was done in the case of the Postmaster of Scott Junction, County of Beauce, on the statement of the present Minister of Health, Member for Beauce.

He said: My attention was drawn to this matter by the fact that on the 9th of May the following question was asked and answered in this Chamber:

Hon. Mr. Bolduc inquired of the Government:

1. Has Maurice Jobin been dismissed as Postmaster of Scott Junction, in the County of Beauce?

2. If the affirmative, has an investigation, concerning his behaviour, been held, previous to his dismissal?

Hon. Mr. Dandurand:

1. Yes.

2. No. Postmaster dismissed on statement of Member of Parliament that to his personal knowledge Postmaster engaged in acts of partisanship.

In this respect I want to point out that while honourable gentlemen opposite were in opposition there was for many years perhaps no question ever fought out more bitterly in the House of Commons than the question of the dismissal of men holding positions under the Crown. I want to say, further, that under the late Government, in the County that I at that time represented in the House of Commons, there was not a single dismissal made, and it is a large riding. One postmaster, who was alleged to have been guilty of political interference, was granted an investigation. He thereupon resigned, and consequently no investigation was held. The policy always laid down by the honourable gentlemen while in Opposition was that every dismissal must be clear and aboveboard, and in each case the employee concerned should have a chance to answer the charge.

But what is the case here? The leader in this House states that the postmaster was dismissed on the statement of a member of Parliament that to his personal knowledge the postmaster had been engaged in acts of partisanship. There could be, I assume, only one member of Parliament conversant with such an action on the part of the postmaster at Scott Junction, and that was the Hon. Dr. Béland. I hope the Minister will state who the member of Parliament was that made the complaint. But it is not only in that one riding: all over the country one hears these complaints. What I am going to ask the Minister to do when he replies is to say whether of necessity the member of Parliament shall be a Liberal, or whether an official shall be dismissed on complaint of a Progressive member or a Conservative member? There has been not only one dismissal in this county, but three—and I want to give all credit to the Postmaster General, the Hon. Mr. Murphy, for the fact that these dismissals have all been made during his absence from office: they have all been made in the month of April of the present year, during which time he has not been in the city. I presume, therefore, the acting Minister issued the orders for the dismissals, and I would like to know by whom these gentlemen were decapitated: first, at Scott Junction, Maurice Jobin, who received a salary of $753 a year, and in whose place no appointment has yet been made; second, in the post office at Bolduc, where Lucien Garneau was dimissed on the 6th of April, and where the salary was $670 a year, and where no appointment has been made; and at LeRocher, where a similar officer, Remi Bolduc, was dismissed on the 6th of April. This being a small post office, the salary was only $60. It will be noticed that none of these expulsions were made until this year, and the public might as well know that since Mr. Murphy has been out of his office, judging by all accounts, partizanship has been rampant.

I would like to ask the Minister—and he may answer this at some later time—whether it is not a fact that there are to-day upwards of one hundred applications for appointments as postmasters recommended by the Civil Service Commission, lying on the desk of the pro tem Postmaster General? Such statements are made publicly outside. The newspaper called The Veteran made the statement months ago that there were over fifty of those applications lying on the desk of the Postmaster General, and not only that, but that every applicant recommended was a returned soldier. I have reason to believe that the list has swollen until it to-day contains the names, of upwards of one hundred men.

The honourable gentleman might also tell us when we are to expect the Postmaster General back from Mexico, or wherever he may be, and whether the Government is prepared to receive him back with open arms or not. The way the Post Office Department is administered is a disgrace. Let me give an instance. In the town in which I live, a town of over 7,000 people, the postmastership, owing to the death of the late occupant of that position, has been open for over a year, and this spineless Government is afraid to make an appointment because they are terrified at the possible effect it might have on the local elections. And yet lying in the office here in Ottawa is an application from a returned soldier who was wounded, a man well qualified for the position, and who was formerly a railway mail clerk. He has not been on his run for months, but the Government is so terrified that it will not make an appointment in that town. Of all the departments, this Department seems to be the worst. For the satisfaction of office-holders all over the country, I hope the honourable gentleman will announce, as the Finance Minister of this Dominion announced the other day in regard to the tariff, that there is to be stability in this line of policy. If there is going to be stability in this line of policy of dismissing officials on the complaint of a Liberal member of Parliament, I ask whether or not the same practice will be extended also to Conservative and Progressive members of Parliament. Whenever some hankering camp-follower of honourable gentlemen opposite desires and

seeks for some office, is he to have it simply on the recommendation of the member for that district? If so, will the member be restricted to that district?

I hope, if the honourable gentleman postpones his remarks, that he will look carefully into the matter, and when he makes his reply will let it be known how many applications have been made by returned soldiers for positions in the Post Office Department, and how many recommendations have been made by the Civil Service Commission for the appointment of postmasters throughout the different provinces of this Dominion.

Hon. Mr. DANDURAND: As no other honourable gentleman apparently wishes to speak on this question, I will give the very short answer which I have; but I will preface that answer by informing the honourable gentleman that when we passed the Act constituting the Civil Service Commission, we laid down the principle that:

> No deputy head, officer, clerk or employee in the civil service shall be debarred from voting at any Dominion or provincial election if, under the laws governing the said election, he has the right to vote; but no such deputy head, officer, clerk or employee shall engage in partisan work in connection with any such election, or contribute, receive or in any way deal with any money for any party funds.

I do not know to what extent that clause has been extended or modified, but the principle is still recognized in the Act that a civil servant can be dismissed for political interference or political partizanship.

My honourable friend has travelled somewhat outside and away from his question to divulge a state of things which he claims exists in Ontario. I am not able to answer him in regard to that because I know nothing about the complaint. He may obtain information by putting questions on the Order Paper and I will see that answers are obtained, although that may take more than a day.

Of course, the speech of my honourable friend sounds a little queer to my ear, because we in this House are working in another atmosphere than the members of the other Chamber; and I would rather that members of the House of Commons who are in contact with the electorate should discuss this question than that it should be discussed in the Senate. All I can say is that it is in my memory that in 1913 or 1914 a question was put on the Order Paper, or an order was obtained, for a statement of the employees dismissed after 1911, and that up to the date of the return, 12,000 had been dismissed. But that was not the powerful part of the answer: 24,000 had been appointed in their stead.

Hon. Mr. BENNETT: Were not the bulk of the 12,000 who had been dismissed day labourers?

Hon. Mr. DANDURAND: I do not know. If the report had said that 12,000 were dismissed and 6,000 had been put in their places, I would have had very little complaint to make; and yet perhaps there was a justification for the increase. But I believe that it is not the duty of this Chamber to discuss these questions.

I must answer the question of my honourable friend. The answer is: "The Minister concerned may recommend the dismissal of a public official, if he is satisfied that to the personal knowledge of a member of Parliament that public official has been guilty of political interference."

Hon. Mr. MURPHY: Is that in the Civil Service Act?

Hon. Mr. DANDURAND: No, that is the answer to the question of my honourable friend. Of course the minister must be satisfied that there has been political interference. The principle is laid down that if a member of Parliament takes the responsibility of asserting that to his own knowledge a certain official has been guilty of political interference, the Minister may recommend that he be dismissed.

Hon. Sir JAMES LOUGHEED: Which side of the Speaker must the member sit upon?

Hon. Mr. DANDURAND: If my honourable friend will take cognizance of the answer, he will see that there is no qualification. I shall be free from the responsibility of applying this principle in the case of my own Department.

Hon. Mr. MURPHY: Will the honourable gentleman say what is the basis of the authority he has just read.

Hon. Mr. DANDURAND: It is simply an expression of policy, that is all.

Hon. Mr. BENNETT: Is there any stability to it?

Hon. Mr. CLORAN: Oh, yes, lots.

WRANGEL ISLAND

MOTION WITHDRAWN

On the Notice of Motion:

By Hon. Mr. Fowler:

Resolved, That in the opinion of the Senate it is desirable that the Canadian Government shall forthwith take such steps as are necessary to protect the rights of Canada to Wrangel Island, and all other parts of the extreme north which by situation, properly belong to Canada.

Hon. GEO. W. FOWLER: Honourable gentlemen, I had intended to move this motion, but since the motion was put upon the Order Paper it has come to my notice that the Government have sent Mr. Stefannson to London—I do not mean in consequence of the motion having been put on the Order Paper—for the purpose of discussing with the Imperial Government the taking over or retention of Wrangel Island or the abandonment of the same, and therefore it will not be necessary for me to move the resolution which stands in my name.

I congratulate the Government upon having done this, and upon having shown themselves wide awake with regard to our northern territory. I say "our" because at the present time the title of Wrangel Island is no doubt in Canada. This island was originally discovered by a Captain Kellett, a British officer, along about 1840, I think—at all events, more than half a century ago, and for a long time was called Kellet Land after the original discoverer. Nothing was done to hold it, no settlement or anything of that kind, and it was afterwards come across by an American, Captain Long; and as Baron Wrangel had been exploring in that section of the Arctic, although he was never within 400 miles of this island, Captain Long named it Wrangel Island after him and it has been so named ever since. However, no possession was taken until Mr. Stefannson took possession of the island in 1913 or 1914, and on the 1st of July raised the British flag and formally took possession.

It is necessary, however, in order to hold territory that you should not only take possession, but should maintain possession; that is, an unreasonable time should not elapse between the taking of possession and some other act showing that you mean to hold possession. So the title that was in Canada by reason of Mr. Stefannson taking possession lapsed in 1919, and in 1921 Mr. Stefannson, who is greatly interested in the north, as those who read the papers know—and I hope that includes all the members of this House—at his own expense, and very considerable expense, sent men up there to take and hold possession; and they are there at the present time, and are being maintained at the expense of Mr. Stefannson.

Now, an unfortunate thing has occurred. One of the newspapers published in this city, a paper usually very sound and sane in its judgment as to men and things, has seen fit to speak very harshly and very wrongfully of Mr. Stefannson. Mr. Stefannson has made a boast; I may say, of his Canadian citizenship: he was born in Canada, and, although some year or two after his birth his father moved away, yet he returned to Canada and claims that he is a British subject and a Canadian citizen.

Hon. Mr. BELCOURT: And an American citizen at the same time.

Hon. Mr. FOWLER: I do not think so.

Hon. Mr. BELCOURT: I have seen that claim made.

Hon. Mr. FOWLER: At any rate, he satisfied the mind of the Government as to his Canadian citizenship; he met all the requirements and laid the cards on the table, as it were, and explained the whole situation; and, on taking the oath of allegiance here, he was pronounced a Canadian citizen, and commanded a Canadian expedition. As I say, this newspaper not only has spoken of him as not being a Canadian citizen, and as claiming Canadian citizenship under false pretences, but it has also derided his work and the efforts which he has made in the North. I want to say that he is the first Canadian explorer who has made any reputation in regard to explorations in the Polar regions, and it seems strange that a leading newspaper should wish to throw discredit upon this man and his work. He has done what no other northern explorer has ever done: he has revolutionized all our ideas with regard to the north country. I can understand how little attention some people pay to this sort of thing, because their knowledge, perhaps, is very limited in regard to what I am speaking about.

Hon. Mr. WATSON: Their ideas are small.

Hon. Mr. FOWLER: Yes. The dismissal of a postmaster is more important.

This man has revolutionized our ideas with regard to the Polar country, and a great portion of the territory of Canada lies within the Polar regions. He has shown that the territory adjoining the Arctic Circle is valuable and will be valuable in the future. He has shown that the summer in the Arctic, although short, is very nearly as warm as with us; that the growth of vegetation is much more rapid, and consequently plants will ripen as well in that northern country as in the countries farther south. He has shown that the territory, instead of being eternally covered with snow, is in the summer time covered with grasses, most nutritious and valuable for the feeding of animals, and with flowers of every hue. These are very important things, for we are a northern people, and if this country is to become great in the

future it must not be merely a narrow strip along the 45th parallel, but we must go widely to the north. We have been able to go farther north year by year, and in that work of extending northward and opening up valuable territory, one of our Canadian citizens, a citizen of Ottawa, Dr. Saunders, has played an important part by discovering, or inventing—creating would perhaps be a better term to use—Marquis Wheat. That has extended the line of wheat-growing 400 miles more to the north than it was before. The great work of Dr. Saunders has added millions upon millions—hundreds of millions—to the wealth of this country. Yet the other day he was so little regarded that he was let out of the Government service on the mean pittance of $900 a year as a pension—what would not be paid to a fifth-class clerk. That is the way men who have done great things for Canada are treated. Both Mr. Stefansson and Dr. Saunders have been ill-treated, it seems to me, by the Canadian Government.

To return to Mr. Stefansson. In the United States, in Great Britain, and in every other country interested in the exploration of the Polar regions, he has received all the honours that come to any explorer; but the only thing that he has received in Canada has been a vote of thanks passed by Order in Council. He has been placed at the head of the Geographical Society, as President; he has been honoured by Greeley and Peary and other explorers, and by the late Sir Clements Markham, of England. They have all recognized his work as tremendously valuable. Yet it remains for an Ottawa paper to deride this man, or speak in terms of ridicule of him and his work. I am very sorry that it happened to be that particular paper, because it is a paper to which I subscribe and of which I am a constant reader: and, outside of this matter, I have always enjoyed its columns.

Hon. Mr. ROCHE: Will the honourable gentleman permit me to ask him a question?

Hon. Mr. FOWLER: Yes.

Hon. Mr. ROCHE: I do not want to interrupt him, but were minerals or anything valuable found in the ground, or are they known to exist?

Hon. Mr. FOWLER: That portion of Canada is full of minerals—coal, gold, oil, and everything else.

Hon. Mr. TANNER: And precious stones?

Hon. Mr. FOWLER: Yes, even precious stones. The whole of the northern country, so far as we know, is extremely rich in minerals. We had evidence of that before the Committee on the Hudson Bay. Very valuable mines are working in the Hudson Bay district. One of the richest copper mines in the world is not more than 150 miles from Le Pas, where I was assured by the general manager that the company had never paid a dividend of less than 50 per cent, so pure was the copper, and so rich the mineral. The country is full of minerals.

Hon. Mr. GRIESBACH: Where is this island of which the honourable gentleman speaks?

Hon. Mr. FOWLER: It does not lie directly north of us; it lies to the northwest of Canada.

Hon. Mr. TURRIFF: About 700 miles west of any territory we own.

Hon. Mr. FOWLER: It is several hundred miles to the west. The value of it is this. It is said—and my authority is General Mitchell, who is at the head of the United States Air Service—that the Artic will be the great air route from America, and if that is the case Wrangel Island will be a very valuable strategic point. As I say, Wrangel Island lies to the northwest of Alaska. It is not owned by the Americans, but is owned by us, and the question is whether it is better to keep it or give it up. I suppose my honourable friend from Halifax (Hon. Mr. Roche), who asked that question, had in mind what we all learned in the old days from the school books, that that country was a frozen region and good for nothing.

We have before us the case of Alaska, an object lesson from which we could surely learn. When Alaska was purchased by Seward, shortly after the American war—I think it was in the early 70's—he paid $7,200,000 for it. He was Secretary of State at the time, and it was looked upon as a foolish enterprize. To pay $7,200,000 for Alaska was regarded as absolutely throwing that money away. What has been the result of the purchase? Hundreds of millions have come to the United States by reason of that purchase. Alaska should have belonged to us, as a matter of fact; it should have been a part of Canada, rounding out the continent and extending down that long, narrow strip to the South in front of our Canadian territory. It would have been a very valuable acquisition for us.

So, before we release any rights that we may have upon any portion of that northern territory, it seems to me we should be very careful and make sure that at no time in the

future will the territory that we relinquish become valuable; for we are not living only for this day and generation, but it is our duty, as we have been heirs of those who have gone before, to leave intact to our successors the territory that has been bequeathed to us. So I say we should not give up anything that we have, but should act on the principle of "What we have we hold."

The Hon. the SPEAKER: It has been moved by the Hon. Mr. Fowler—

Hon. Mr. FOWLER: No. I thought I had made myself clear at the outset. In view of the attitude of the Government and the steps they have taken I withdraw the motion.

With the leave of the House, the motion was withdrawn.

Hon. Mr. TURRIFF: Honourable gentlemen, may I say just a word on this matter? While I agree that it is right and proper that if we have a good claim on that territory we ought to hold it, and while I endorse the remark the honourable gentleman has just made that you cannot tell at once what value a northern territory may have—and he very aptly cited the case of Alaska—I hope that Canada will not take too active a part in pressing for the retention of Wrangel Island. So far as we know now, it is not worth much, and there is a great possibility of it doing us harm in the future. Wrangel Island is situated about 700 miles west of any territory that Canada owns or ever has owned. There are two nations who have territory very much closer. It is right to the North; a few miles out in the Artic ocean north of Russia, and it is also several hundred miles nearer United States territory than it is to ours, and there is just this possibility: the Americans have made certain landings and have at times expressed certain claims on territory that lies just to the north of Canadian territory and far south of the latitude of Wrangel Island. Now, if we pressed our claim to retain Wrangel Island, and succeded in that claim, it might put us in a very awkward postion with relation to the United States or any other country claiming territory adjacent to our mainland. So I think it would be advisable for Canada to go slowly in a matter of this kind.

As to Mr. Stefansson's work, I am not greatly impressed with him as being so very patriotic a Canadian. I think you will find that for every dollar he has expended of his own money he will want to claim $10 or $20 from Canada—

Hon. Mr. FOWLER: He has not done so yet.

Hon. Mr. TURRIFF: —when the time comes. However, that may be—

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman tell us why he thinks so? On what does he found that statement?

Hon. Mr. TURRIFF: For one reason, I do not think there exists in America a bigger self-advertiser than Mr. Stefansson. He has been a self-advertiser from the time he first went to the north. The officers who went with him have not so high an opinion of Mr. Stefansson as my honourable friend (Hon. Mr. Fowler). All that I want to say is that this is a matter in which I think we may well go slow. I do not at all object to the measure the Government has taken in sending him to England. I think the British people will be sensible enough to keep out of any possible quarrel with any other nation which might result from claiming an island which is not a large island and which is not at the present time known to be of any value except possibly as a base for aeroplanes passing from America to Europe. So I think we can very well leave it to the British.

Hon. Mr. DANDURAND: I would call your attention, Mr. Speaker, to the fact that there is nothing before the Chair.

DIVORCE BILLS

FIRST READINGS

Bill D5, an Act for the relief of James Dunnet.—Hon. Mr. Blain.

Bill E5, an Act for the relief of Laura MacBrien.—Hon. Mr. Ratz.

Bill F5, an Act for the relief of Chester Abbott Redmond.—Hon. Mr. Ratz.

COST OF THE CIVIL SERVICE

RETURN

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to lay on the Table of the House a return that was moved for by the honourable gentleman from Selkirk (Hon. Mr. Bradbury), respecting the total cost of the Civil Service for the year ending March 31, 1919, and for the year ending March 31, 1922. In connection with this return I would like to point out to honourable gentlemen that sometimes a question is put which seems very easy to answer, yet is not. I was under the impression, when this motion was put, that the Finance Department would have on hand the necessary data; but I find that the Secretary of State had circularized every Department in order to obtain the information con-

tained in this return, and, as some of the Departments have been less active than others, the return was completed only yesterday.

DIVORCE BILLS

THIRD READINGS

Bill X4, an Act for the relief of Gladys Teague.—Hon. Mr. Green.

Bill Y4, an Act for the relief of Elizabeth McKinley.—Hon. Mr. Bennett.

Bill Z4, an Act for the relief of Algernon Cecil Aubry Moran.—Hon. Mr. Pope.

Bill A5, an Act for the relief of Emily Adlene McCausland.—Hon. G. V. White.

THE PORT OF SYDNEY, N.S.

SALE OF LAND TO IMPERIAL OIL COMPANY

The Senate resumed from May 3 the adjourned debate on the inquiry of Hon. J. S. McLennan.

That he will call the attention of the Senate to a sale of land at Sydney, N.S., to the Imperial Oil Co., and will ask the Government what action it will take in the matter.

Hon. F. L. BEIQUE: Honourable gentlemen, as I have taken the trouble to read the volumnious correspondence to which the honourable gentleman from Sydney (Hon. Mr. McLennan) referred in dealing with this question, I beg the opportunity of saying a very few words. I did not understand from the remarks of the honourable gentleman that he intended to attack the present Minister of Railways or the late Minister of Railways, but I understood him to suggest that officials of the Department had been lax in the performance of their duties. On reading the correspondence, that impression has been confirmed.

So far as the inhabitants or the City Council of Sydney are concerned, I submit that they are not entitled to a great deal of consideration, because they were given warning after warning of the advisability of making their desires known and of taking action in the matter; and they rather have been inclined to remain silent with the exception of one or two occasions when resolutions were passed by the Council on which the Council itself was decided.

I understood the honourable gentleman to complain first that those lands had been sold when they should have been kept as the property of Canada. In that I think he is quite right. If it was advisable to dispose of the lands they should have been disposed of by way of lease instead of by absolute sale. I think the Government should always hesitate in selling lands, especially lands of that kind which form part of an important harbour. It is quite true that the lands are not now required for harbour purposes, but nobody knows the development which may take place in the future, and therefore whether or not those lands will be necessary in the future for the purposes of the harbour.

The other complaint was that instead of a sale it should have been a lease, and that in the Order in Council authorizing the sale provision had been made for the reservation of a street, a term which had not been observed. I think the complaint in that respect is quite well founded.

The honourable gentleman suggested also, I think, that in cases of alienation of public property, the value of the land should be ascertained by the Exchequer Court or under the machinery which obtains for the expropriation of land for railway or public purposes. Now that such valuable properties have come under the ownership of the Government, now that railways extending for some 20,000 miles have become the property of this Dominion, we should be very careful to close the door to all sales of that kind until proper precautions have been taken; and precautions should be taken to prevent officials of any Department being influenced in making over public properties to private corporations. I would have expected the honourable gentleman to follow the question further, and have it made the subject of inquiry so that officials of the Public Works Department or of the Railway Department would have been called upon to explain how they had come to suggest that the Government should part with that property.

Hon. Mr. ROCHE: How much did they give?—how much money?

Hon. Mr. McLENNAN: $8,000.

Hon. Mr. BEIQUE: The honourable gentleman stated that the money did not represent more than one-third or one-quarter of the value of the land. As to that I am not informed; but the correspondence seems to bear out that statement to a certain extent.

I would have been glad if the honourable gentleman had seen it his duty to go further and ask to have the matter referred to a Special Committee before which the employees of the Department would have been examined and invited to justify the course which was followed. I think such action would have been a notice to them to be very careful in the future, and would have shown them that Parliament, or one branch of Parliament, was keeping its eyes open for

the purpose of protecting public property as far as necessary.

Hon. J. S. McLENNAN: Before the leader of the Government speaks, as I assume he will, I would like to ask the indulgence of the House to say a word or two on one of the points taken up by the honourable member from Grenville (Hon. Mr. Reid). I think anybody who happened to be interested enough to read what I said on certain points in connection with shipping from Sydney, and the impression which the honourable gentleman gave of what I had said, will find that there is a very wide difference between them.

There was another point on which I think the House ought to be put right. The honourable senator from Grenville said:

> However, the matter finally came before the late Hon. William Kennedy, Minister of Railways and Canals in the present Government. Mr. Kennedy was making a trip down to the East, and decided to go on the ground himself. He visited the city of Sydney and went over the situation personally, right on the ground. It was after he came back that he signed the recommendation to Council and the Order was passed by the Government.

I think the honourable Senator must have been careless in verifying his facts, for I find that during the whole month of January the late Minister of Railways was in Ottawa, that on the 19th of that month he made the application to Council, that it was passed in Council on the 26th of January, and that the late Minister did not visit Sydney until the 17th of February.

I am thankful to the honourable member for De Salaberry (Hon. Mr. Béique) for having brought out the fact that I made no attack on Mr. Kennedy or his predecessor, the honourable Senator from Grenville. The point, however, on which I want to say a word, because it affects one's standing as a member and supporter of a party, is this alleged remissness on my part. I regret that the honourable gentleman is not here, although I told him that on the first opportunity I would take up this matter. He said:

> Now, the Session of 1920 was in progress when this matter started. I was here; Sir Robert Borden was here; Mr. McCurdy was here. I met the honourable gentleman many times; but he never mentioned anything about this matter at all during the year 1920.

During the year 1920, as far as my knowledge goes, no person in Sydney, even the most faithful of the party then in power, knew that there were any negotiations in connection with the Imperial Oil Company site. It seems to me that, instead of me and my associates in Sydney who were interested in this matter being blamed for not having come to the Minister in regard to the negotiations, the existence of which we did not know at all, we should have some cause for resentment against the Minister because he did not tell us anything about it and ask our opinion.

Then he goes on to say that about 1921 we were here and knew about it then. As far as we knew, it began in February, and I was here in Ottawa. Since I took any interest in politics at all, I had always understood that in local matters you should first of all go to the local member and should then consult the local Minister before going to anybody else. The local member was consulted and acted in the matter; the local Minister, Mr. McCurdy, was consulted, and acted in the matter, and the thing was held up; and I do not see why I should have butted in when this had been done, and when the answer to the local member and the answer by the local Minister, Mr. McCurdy, was perfectly satisfactory to us, it being an assurance that this matter would not go through.

Again the same thing happened in 1922. To my own knowledge it was brought again to the Minister who represented that district, the Hon. D. D. McKenzie, who at once went to his colleague who had the matter in charge, and it was also brought, as I know, to the attention of the Hon. Mr. King, who acted in the matter. The local member was changed to one of a different political faith, and I am credibly informed that the local member promised to bring the matter up in the other House and ask for the papers, and it has only come up at this late date because he did not do so in 1922.

Hon. Mr. DANDURAND: I have a statement from the Department of Railways and Canals in answer to the inquiry of my honourable friend. It reads as follows:

> Memorandum for Senator Dandurand re Imperial Oil matter at Sydney
>
> The matter appears to resolve itself into three questions:
>
> 1. Whether a provident or an improvident arrangement was made by the Department of Railways and Canals;
>
> 2. Whether the arrangement is prejudicial to the City of Sydney;
>
> 3. Whether the conditions attaching to the permit granted the Oil Company by the City Council of Sydney are to be fulfilled.
>
> The Imperial Oil Company holds certain areas in Sydney for the purpose of their warehouses and storage tanks under a 99 years' lease from the Crown. Owing to the increase in their business by reason of

the enlargement of the Dominion Iron and Steel works and the increasing demand for oil and gasoline by automobile owners, it was necessary for them to enlarge their plant. The property in the neighbourhood of this plant had become built up (with residences) and it was desirable to move further out from the town, and an application was made in March 1921 by the Oil Company to the Sydney City Council for a permit to erect additional warehouses and storage tanks on the property known as Barrack Point, on the lot adjoining trackage to the old Government wharf which has not been in use for many years.

The City Council, after full discussion, granted the necessary permit in April, 1921, providing that the proposal would not interfere with the possible ultimate construction of ocean railway terminals at Sydney; that a street right-of-way be reserved through the plant, and that the Imperial Oil Company should expend annually on the site an amount equal to that spent annually by the City of Sydney on Victoria Park adjoining, up to $1,000.

(1) The property in question is a rough, irregular piece of land which could not be used except for industrial purposes. The Company proposed to spend $150,000 in constructing an oil distributing plant on this piece of land, and because of the very large traffic furnished to the National Railways by the Oil Company all over Canada, and as the improvement of facilities at that point would mean more traffic for the Railway, the proposition was favourably considered.

The price of $3,000 per acre, or about 7 cents per square foot, was based on investigations made by the local valuators for the Railways in Nova Scotia from figures furnished by the Assessor in Sydney, and was considered fair and reasonable. The valuation of residential properties in the vicinity, at about 9 cents per square foot, is no better price than the 7 cents per square foot set upon the property in question. In a sale for residential purposes, allowance must be made for street reservations, etc., whereas this property, owing to its irregular shape, could not possibly be cut up advantageously into lots even if a purchaser could be found for the low land along the water front. For these reasons, it is not considered that an improvident bargain was made.

(2) Every precaution was taken to make sure that the arrangement was in conformity with public opinion at Sydney, as expressed by a majority of the Town Council and other public bodies interested, and every objection that was received was carefully gone into and disposed of before action was taken.

The site for the oil plant was approved by the City Engineer, and so reported to Council. It was approved by the Fire Chief of Sydney from the standpoint of safety; it also had the approval of the Provincial Fire Marshall for the Province of Nova Scotia; of the Nova Scotia Board of Fire Underwriters, of the Board of Trade of Sydney and the Great War Veterans. The resolution granting the permit was moved by the alderman of Ward No. 1, in which the plant was to be located, the arrangement was approved by the Railway Management, and by Hon. J. D. Reid, now of the Senate but the then Minister, as representing the Department of Railways and Canals.

Objection was made that the land in question was not under the control of Railways, but under the control of the Militia Department. A special survey was made and it was shown to the Militia Department that these lands were expropriated by the Railway Department in 1887, and plans filed in the Registry Office at Sydney. The Militia Department thereupon withdrew its objection.

Opponents of the proposal also urged upon the Federal Department of Health an objection on account of the proximity of the Oil Company's buildings to the Marine Hospital, but, on examination of the location by Deputy Minister Amyot, this objection was withdrawn.

Objection was also urged that the location of the buildings might interfere with the public wharf, in which, previous to the last election the Minister of Public Works of the late Government had shown an interest. Honourable Mr. McCurdy, the then Minister, made a personal examination of the ground, and as a result advised the City Clerk of Sydney, on December 15, 1921, that as far as the Public Works Department was concerned no objection would be made to the granting of the privilege sought as it would in no way interefere with free navigation.

In addition to the precautionary measures above referred to, the matter was not finally disposed of by the Department until it had been reconsidered and reaffirmed by the City Council. This was done at a public meeting of the City Council on January 5, 1922, and an Order-in-Council passed on January 19th.

It was afterwards ascertained that the area had been incorrectly stated in the original Order, and on June 29th, an amending Order was passed indicating the corect area, and increasing the amount to be received from $6,729 to $8,160. As a matter of fact, no less than three different plans of the area in question were forwarded by the Railways to the Department. This led to the necessity for passing the second Order-in-Council, which was entirely in the interests of the Crown.

(3) There remain to be considered the conditions attaching to the permit of the City Council, which were of a twofold nature:

(a) That a street right-of-way should be reserved across the property; and

(b) That the Company should annually spend in improving the site an amount equal to that spent by the City on Victoria Park nearby, up to $1,000.

This was regarded by the officials of the Department of Railways and Canals as an arrangement between the Company and the municipality, and the company will be expected to give effect to it. It should be borne in mind that the permit of the City Council was to the Oil Company, and it was the Oil Company that was to provide a road allowance across the property and spend thereon an amount equal to what the City should spend on Victoria Park adjoining, up to $1,000 per annum. This did not imply the dedication of the road allowance to the City either by the Crown or by the Company. Such a course of action would have placed on the Town the cost of construction and maintenance of the road or street. The City Council preferred that the roadway be reserved and improved at the expense of the Company. There is no justification for any supposition that the roadway will not be provided.

The Company has filed with the Department of Railways a plan (dated 5-10-22) showing the lay-out of its works on the property in question, including the road reservation, and there is no reason to suppose that the understanding and arrangement between the City and the Company will not be loyally adhered to. The impression created by the organized attack on the arrangement is unfortunate and unwarrranted. The policy was determined and the matter largely dealt with during the term of office of Senator McLennan's political friends. Since the change of Government, the late Minister of Railways, Mr. Kennedy, visited Sydney in February of 1922, and Sir Henry Thornton was there in recent months. If the interests of Sydney had been "betrayed" as stated by Senator McLennan, public opinion would have made itself manifest on those occasions, or at least on the occasion of the municipal election in March last. The Department understands that the new municipal council stands on this matter exactly as did its predecessor. As there

has been no change in public sentiment, it is reasonable to presume that Senator McLennan does not represent public opinion of his district and that this was more adequately expressed by the petitions for and against the proposal, when those "for" outnumbered those "against" by practically 4 to 1.

Senator Tanner seems to have made a curious error in referring to a telegram from an official of the Department of Railways to the Vice-President of the Canadian National Railways, Toronto, which, Senator Tanner stated, urged the latter to "stop" the proceedings. A perusal of the telegram in question would indicate that the word "stop" was merely an expression of punctuation common to telegraphic communications.

Hon. Mr. McLENNAN: But after the "stop" it went on: "Hold in abeyance." So that, I think, is only a quibble.

Hon. Mr. DANDURAND (reading):

Senator McLennan objects that the papers produced were not complete because they did not include any reference to a pipe line privilege to the dock. He asked for, and received, copies of the papers having to do with the sale or lease of a particular piece of land. He has since asked for the papers as to the pipe line application. These the railway has been asked to supply, and they will be brought down in due course.

Geo. W. Yates, for Deputy Minister.

I may say that I have been handed a telegram from the Oil Company, which was assailed for its activities. I give the telegram, because it contains some information bearing on the transaction.

I may say that I have no personal knowledge whatever of this transaction, but nevertheless I will draw the attention of Sir Henry Thornton, President of the new Management, to the remark that has been made regarding it by honourable members of the Senate, and to the suggestion which has fallen from the lips of the honourable gentleman from De Salaberry (Hon. Mr. Béique) as to the future disposal of property belonging to the Railways.

I lay on the table a plan which accompanied this statement, and which will indicate how that piece of property is located and used.

Hon. Mr. McLENNAN: That rather bears out my contention that the return was incomplete, because it ought to have been included in the return.

IMMIGRATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 136, an Act to amend the Immigration Act.

He said: Honourable gentlemen, we have before us a Bill to amend the Immigration Act. It covers a number of sections, and I will not on the second reading explain them all. I think this will be a matter for the Committee of the Whole House. I will simply point out that among the amendments is one which has already engaged the attention of the Senate, concerning the description of persons who may be said to form the undesirable class. I refer to the amendment to section 41. Honourable members will recall that we have had more than one discussion regarding this clause, which was amended in 1919.

Section 41 of the Act now in effect defines certain undesirable classes of persons who may be brought before a Board of Inquiry for examination as provided by Section 42, which gives the machinery for examination and subsequent action as a result of such examination. The Section now in effect does not apply to any person who is a British Subject either by reason of birth in Canada, or by reason of naturalization in Canada. Section 3 of the proposed Bill, however, is applicable only to an alien who advocates in Canada the overthrow by force or violence of the Government of Great Britain or Canada or other British Dominion, etc.

The Act as it stands to-day reads as follows:

41. (1) Every person who by word or act in Canada seeks to overthrow by force or violence the Government of or constituted law and authority in the United Kingdom of Great Britain and Ireland, or Canada, or any of the provinces of Canada, or the government of any other of His Majesty's dominions, colonies, possessions or dependencies, or advocates the assassination of any official of any of the said governments or of any foreign government, or who in Canada defends or suggests the unlawful destruction of property or by word or act creates or attempts to create any riot or public disorder in Canada, or who without lawful authority assumes any powers of government in Canada or in any part thereof, or who by common repute belongs to or is suspected of belonging to any secret society or organization which extorts money from or in any way attempts to control any resident of Canada by force or by threat of bodily harm, or by blackmail, or who is a member of or affiliated with any organization entertaining or teaching disbelief in or opposition to organized government shall, for the purposes of this Act, be deemed to belong to the prohibited or undesirable classes, and shall be liable to deportation in the manner provided by this Act, and it shall be the duty of any officer becoming cognizant thereof and of the clerk, secretary or other official of any municipality in Canada wherein any such person may be, forthwith to send a written complaint to the Minister, giving full particulars: Provided that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalization in Canada.

(2) Proof that any person belonged to or was within the description of any of the prohibited or undesirable classes within the meaning of this section at any time since the fourth day of May, one thousand nine hundred and ten, shall, for all the purposes of this Act, be deemed to establish prima facie that he still belongs to such prohibited or undesirable class or classes.

Hon. Sir JAMES LOUGHEED: That is not in the present Bill?

Hon. Mr. DANDURAND: No; this is in the existing law.

Hon. Mr. LYNCH-STAUNTON: Does the law as it now stands apply to everybody except a native-born Canadian?

Hon. Sir JAMES LOUGHEED: Except a "Canadian citizen," whatever that may be.

Hon. Mr. DANDURAND: The present Bill, as introduced in the House of Commons, provides:

Whenever any person other than a Canadian citizen advocates in Canada the overthrow by force or violence . . . . .

Hon. Sir JAMES LOUGHEED: You strike out "person other than a Canadian citizen," and you insert "alien." That is the change that has been made in the Bill.

Hon. Mr. LYNCH-STAUNTON: Yes. Anybody can upset the Government if he is not an alien.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND: I had before me the Bill as introduced in the House of Commons. The Bill in the form in which it comes to this House reads:

Whenever any alien advocates in Canada the overthrow by force or violence of the Government of Great Britain or Canada, or other British dominion. . . .

That is an important amendment. I move the second reading of the Bill, and we can discuss the various clauses in Committee.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I do not intend at this time to enter upon a discussion of the section to which my honourable friend has just alluded, save to say that on two former occasions the Senate rejected this proposed amendment but adhered to the Act as we have it upon the Statute Book, a section which, I think, is very beneficial to the public interest of Canada. It was placed there under conditions which warranted our passing the legislation. Prior to the passing of that particular section, and from that time to the present, any troubles that we have had to confront in Canada by way of sedition or turbulent agitation, or otherwise—all those movements have come from persons whom that particular section will reach. I will not at the moment designate whence those persons come, but it seems to me that the policy of this Chamber should be to retain that clause on the Statute Book. Furthermore, we should impress upon those coming from the British Isles to Canada that we look more to them for the maintenance of law and order than we do to aliens from the centre and other parts of Europe.

A change is now made at the instance of a very small and irresponsible group in the House of Commons. I am satisfied that this Bill does not represent the sentiments of that House, and it certainly does not represent the attitude of the Parliament of Canada. The small and irresponsible group in the Commons would engraft upon the statute legislation which would permit of every license being exercised in the way of agitation and sedition, and it is for the Senate to prevent anything of that kind. I am satisfied that when this Bill goes before the Committee of the Whole we shall see that the law as it stands at present is retained.

Hon. Mr. FOWLER: Is this the section that gives the Government power to deport British subjects?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. FOWLER: Well, we must retain that.

Hon. Mr. DANDURAND: The Bill as introduced by the Minister of Immigration did not contain that amendment to the Act. The Bill as introduced read:

Section forty-one of the said Act, as enacted by chapter twenty-six of the statutes of 1919, is repealed and the following is substituted therefor—

"Whenever any person other than a Canadian citizen advocates in Canada the overthrow by force or violence—

This maintained the principle to which my honourable friend has just alluded.

Hon. Sir JAMES LOUGHEED: Yes, but there is in the House of Commons a Labour Party of one—or two; I think it numbers two.

Hon. Mr. FOWLER: The Government showed that they had some sense in the beginning, but then they gave way to the improper gang. We get out the worst and most dangerous agitators from the British Isles—

Hon. Sir JAMES LOUGHEED: No doubt about that.

Hon. Mr. FOWLER: —because they are used to talking in Hyde Park, and everybody who knows London knows that one can say anything he likes in Hyde Park, and people only laugh and pass on. The English are a peculiar people, and if a man is attacked by the public he will be protected by the police. But that same type of agitator comes out to this country, where we have a lot of people from southern Europe, and he agitates and inflames them, and they say, "Oh, he is an Englishman," and that makes him all the more dangerous.

Hon. Mr. DANDURAND: I will draw the attention of the Minister of Immigration to

the fact that the Senate has twice gone on record as being opposed to any alteration of this clause.

Hon. Sir JAMES LOUGHEED: Tell him we are going on record a third time.

Hon. Mr. BELCOURT: From my recollection of what took place in this House when we were discussing the matter before, it was not so much objection to the principle involved as it was to the manner of carrying it out. I think some of us rather objected to the manner in which this deportation could be had. If I remember rightly, it did not call for any kind of investigation: any detective or police officer could administer the whole thing.

Hon. Sir JAMES LOUGHEED: No, there is elaborate machinery provided; but what the agitators and demagogues want is a trial by a jury; they would be dissatisfied with a trial by a judge.

Hon. Mr. FOWLER: It is to be by order of the Minister.

Hon. Mr. TURRIFF: The Minister of Immigration.

Hon. Mr. BELCOURT: Otherwise, I feel very much like my honourable friend with regard to the necessity of dealing with this matter in a very determined way. It was only the other day that a friend of mine returning from England had this to say to me: that outside of Moscow there is not a greater hotbed of Bolshevism than the Clyde. If he was well informed, and was speaking the truth, I think it is about time we had some strong legislation on the matter.

Hon. Sir JAMES LOUGHEED: We have the Clyde overflow here.

Hon. Mr. BRADBURY: I think the honourable member for Ottawa (Hon. Mr. Belcourt) has some grounds for his misunderstanding, because some of the speeches made in this Chamber would lead one to believe that these men could be deported without a trial. That, of course, is absolutely foreign to the truth.

Under the Act as it stands now, if any of these men violated section 41, they could be taken by the Immigration Department and tried by that Department. There are officers appointed for the purpose, and these men receive a trial and may have counsel. There is a report of the proceedings taken by a stenographer, and there can be an appeal from the decision to the Minister; so, although they do not get a trial by jury, they are tried and have every opportunity to clear themselves if they can. I think it was very clearly demonstrated when this matter was voted on a year ago that it would be a calamity to interfere with the present legislation. It was thought wise during the war to have legislation of this kind, and I submit, honourable gentlemen, that conditions have not improved so far as the agitator in Canada is concerned. We have this very dangerous element here; we have them down in Sydney; and invariably the leaders are British subjects, who come to our country, some from the Clyde, some from London and Edinburgh and other places, and they are men who cause the trouble. Nearly all of the serious trouble which we had in Winnipeg some years ago was fomented and maintained and carried on by men of that stamp. The foreign element of the West, who were almost in open rebellion, until it was necessary to call out the Mounted Police, were led by these agitators. Consequently I say that I am surprised at the Government introducing legislation to take out of their hands the power which they have of dealing with characters of this kind. Surely it is no justification for a man to claim that he is a British subject, and that he should be able to come into this country and commit unlawful acts and do things which foreign citizens would be deported for doing. We cannot deport Canadian citizens, but we can put them in the penitentiary, and I submit that we do not want to fill our penitentiaries with men of that stamp; on the contrary, if we have these men here, they should be deported without very much consideration.

The only objection I have to this legislation is that the Department charged with the administration of the Act has not administered it: the law has not been properly enforced. I say, honourable gentlemen, that this law is a wise one: it gives the Government a stick to hold over the heads of lawbreakers. No reputable citizen should feel at all aggrieved by reason of a law of this kind: it is not meant for him: it is for the class of lawbreakers that lead our labour men into trouble. We have in this country just as reputable a class of labour men as any in the world, but it is the labour agitators who are getting $12,000 and $15,000 a year from these poor dupes who should be deported.

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

COPYRIGHT BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Belcourt, the Senate went into Committee on Bill 24, an Act to amend the Copyright Act.

Hon. Mr. Blain in the Chair.

Section 1 was agreed to.

On section 2—application of provision regarding licenses and importation:

Hon. Mr. WILLOUGHBY: I should like to ask the honourable the senior member for Ottawa, who has charge of this Bill, a question or two. Personally I take objection to penalizing Canadian citizens, but I do not know what the practical effects may be of excluding from the benefits of our Copyright Acts citizens of other nations which are not subject to the Treaty of Berne. They are dealt with in a subsequent portion of the section, which says the Act shall not apply to the subjects "of a country which has adhered to the Convention and the additional protocol." The United States, we know, has not adhered to the Convention, and it is in connection with them that the difficulty arises. Although I have given some consideration to this matter, I do not know what would be the effect of striking out the portion of the clause dealing with Canadian citizens, which I think we should do in any event. I think it is an insult to Canadian authors to penalize them in their own country, and to put the inhabitants of all the countries under the Berne Convention at an advantage.

Hon. Mr. GRIESBACH: The honourable gentleman gains his point if we strike out the words which were added in another place to the Bill as originally introduced. In order to bring the matter to a focus I will move:

That all the words after "1921" in the seventh line of section 2 be struck out, and that the words "are hereby repealed" be added.

That brings the Bill back to where it was when it was introduced in the House of Commons. The words added in the House of Commons are the ones which penalize the Canadian author.

Hon. Mr. BELCOURT: May I briefly answer the honourable gentleman from Moose Jaw? He is not quite satisfied as to what would be the effect of carrying out the suggestion made by the honourable gentleman frm Edmonon (Hon. Mr. Griesbach). Let me point out to him that the clause as it comes to us from the Commons is going to leave Canadian authors subject to the provisions of sections 12, 13, 14, 15 and 27 of the Copyright Act: in two words, the effect of it is that that if a Canadian author, who has published his book elsewhere wants to reprint it in Canada, he cannot do so unless he makes same arrangement with a publisher; and if he and the publisher cannot agree, they have to go to the Minister of Trade and Commerce. This unquestionably discriminates against the Canadian author.

Hon. Mr. WILLOUGHBY: I absolutely agree with that.

Hon. Mr. BELCOURT: If everybody is satisfied, I will accept the amendment proposed by the honourable gentleman from Edmonton.

Hon. Mr. WILLOUGHBY: I was going to move.

That sections 12, 13, 14, 15 and 27 of the Copyright Act of 1921 shall apply only to subjects or citizens of a country which has not adhered to the Convention and the additional protocol thereto.

Hon. Mr. BELCOURT: That is unnecessary because the United States is not a member of the Berne Convention, and that will leave the situation just as it is.

Hon. Mr. WILLOUGHBY: I do not think so. I think that if we adopt the amendment moved by the honourable gentleman from Edmonton, we give the citizens of the United States and other countries not within the Berne Convention the same rights as those who are.

Hon. Mr. GRIESBACH: With respect to that, we have a clear-cut assurance that in the near future the United States will enter the Berne Convention. One objection to including the licensing clauses of the Bill is that if the United States enters the Berne Convention, by our own legislation we are discriminating against our own authors and our own publishers who may have purchased the copyright. I would like to read an appreciation which has come to hand in the Times Literary Supplement of April 19th, which devotes a column and a half to this bill. It says:

"Protection" under the Berne Convention means that authors shall have the exclusive and absolute right of authorizing the reproduction of their works for a definite term. The term of protection accorded is left to each contracting country. This intention is clearly expressed under Articles 8, 9, 11, 12 and 13.

The licensing clauses in the Canadian Act clearly impose a condition on the author's exclusive and absolute right. Unless he prints and publishes an edition of his book he may be deprived of his right, and further may have to place under the control of a Government department the drafting of contracts and the settlement as to the monetary value of literary property. What can a Government department know about the clauses that should be inserted or omitted from this most difficult form of contract? What as

to the varying value of the property of each individual author? A's property may be worth one pound per thousand words to-day, and worth ten pounds per thousand words to-morrow.

This article is written by Mr. G. Herbert Thring, the Solicitor for the Authors' Association of England, and a well-recognized authority on this subject.

There is another aspect of the case which this section materially affects, to which I might draw attention. A scientific work, or say, for the sake of argument, a military work is written, say last year, by a soldier, based on the lessons of the war. Two years hence—and the same observation will apply to any scientific work—as a result of evidence which has recently come to hand, the author is dissatisfied with his work and desires to bring out a fresh work—a work which revises what he has previously written. Under these licensing clauses this unfortunate man may find that his previous book, which is now to his own knowledge and the knowledge of other scientists full of information which is quite unreliable, has got out of his possession and is being republished. The reprinting may be done under conditions to which he objects, but it is perhaps supported by a good deal of money, and the information is disseminated in such a way that he will never be able to overtake it with a subsequent book. I submit that under the licensing clauses it is possible not only to hinder an author in his natural development as such, but also to do him incalculable injury—injury which no subsequent legislation can undo. Consequently I urge the adoption—

Hon. Mr. FOWLER: Would not that apply if the author sold the copyright of his book? The owner could still continue to advertise that book and sell it.

Hon. Mr. GRIESBACH: The writer of a scientific book would, when selling the copyright, hedge it about with conditions; especially the writer of, we will say, a book on aeronautics, or war, or wireless telegraphy, or moving pictures, etc.—subjects which, as everybody knows, are rapidly developing. In selling the copyright of such a book the author would no doubt stipulate for the control of the book and for the subsequent publication of revised versions. That is true also of text books, as to which provision is always made for revision.

So I say that, if we immediately pass the amendment which I suggest, we can next year deal with any situation that may have arisen. But if we allow this clause to stand, we lay ourselves open to the charge of having thoughtlessly and carelessly done our authors, who are a large class, a very serious and more or less permanent injury.

Hon. C. P. BEAUBIEN: It seems to me honourable gentlemen, that the effect of the Bill submitted upon our existing law and upon our relations with other countries is not any too clear. So far as I am concerned, I would like to be put right if I am wrong. First of all, I understand that we are now under the Berne Convention.

Hon. Mr. CHAPAIS: No.

Hon. Mr. BELCOURT: No.

Hon. Mr. GRIESBACH: I say yes.

Hon. Mr. FOWLER: I say yes, too.

Hon. Mr. BEAUBIEN: At any rate the House is not of one opinion on a fact on which all should be informed.

Hon. Mr. BELCOURT: May I say to my honourable friend—

Hon. Mr. BEAUBIEN: Just a second, please.

Hon. Mr. GRIESBACH: I can authoritatively answer the honourable gentleman's question immediately.

Hon. Mr. BEAUBIEN: I shall try to answer it myself, but I want to know whether I am right or not. I understand that we are under the Berne Convention of 1886, which of course provides for no licensing clauses, such as we are now discussing. That is the first point. The question put before the House in this Bill is whether we shall adhere to the amended Convention of Berne. In 1908 all the nations participating in the previous Berne Convention, that of 1886, met and said: "We ought to provide for the further protection of authors; we ought to simplify procedure for the copyrighting of books; we ought to simplify procedure for action in cases of infringement," etc., etc. They drafted a revised and improved Convention.

Hon. Mr. BEIQUE: Requiring the adherence of those who wanted to take advantage of it.

Hon. Mr. BEAUBIEN: Certainly. This revised Convention of 1908 is before us. The question is whether we want to enter into that improved Convention or not.

Hon. Mr. FOWLER: We are in it.

Hon. Mr. BEAUBIEN: That is the question.

Hon. Mr. FOWLER: We are in it.

Hon. Mr. BEAUBIEN: No, we are not in the improved Convention.

Hon. Mr. FOWLER: I say we are.

Hon. Mr. BEAUBIEN: With due deference to the opinion of my honourable friend, I think he is wrong. We are undoubtedly in the first Convention—that of 1886. When the 1908 Convention was passed we did not adhere to it, but in 1921 we had a Bill submitted to us so that we might join that improved Convention.

Hon. Mr. DANDURAND: It was an attempt.

Hon. Mr. BEAUBIEN: A Bill was drafted containing these licensing clauses, but when it was submitted to the House in 1921, with these objectionable clauses, which the authors strenuously opposed, the Minister of Justice said: "Gentlemen, it is quite possible that these clauses may constitute an obstacle such as to prevent Canada from joining the 1908 Convention. In that case the Bill will be reconsidered and those clauses eliminated." The 1921 Bill was submitted to the authorities of the Berne Convention; those clauses were weighed and were found to constitute an obstacle such as had been pointed out by the authors at the time the sections were passed. For that reason the 1921 measure was never put into force. It is therefore for the purpose of fulfilling the promise made by the Minister of Justice, Hon. Mr. Doherty, that a Bill is again submitted to us. It was introduced in the lower House free from the objectionable clauses, in order that the promise of the Minister of Justice might be fulfilled, and the obstacle preventing us from entering the Berne Convention removed; but the same influence that brought about the insertion of those clauses in the 1921 Bill succeeded in having them included, in modified form, in the Bill now before us.

What, after all, does section 2 mean? That is what we want to know. It means this, that the objectionable licensing clauses, which prevented us from entering the 1908 Convention would still apply to Canada, and, in the second place, to all nations outside the Berne Convention—that is, Non-Unionist nations. Those belonging to the Berne Convention are called Unionist nations. But whom have we in view in drafting a provision dealing with Non-Unionist countries? Only one that really matters to us—our neighbour to the south, the United States. That is, if I understand rightly, the nation we have particularly in mind in providing that these four clauses shall not apply to Non-Unionist countries.

Now, who are the people desiring these clauses? To my mind it is most important for us to be very clear on this point. Who are the people who want to saddle the Canadian authors with that burden? They must be persons of importance, because we are making a law concerning authors, and 900 of them forming an Association have made strenuous efforts to be liberated from that burden, yet it is being fastened on their backs. By whom? Well, I am advised that it is by an association known as the Canadian Book and Magazine Producers. They are printers. I do not say that in disparagement of them at all. As we say in French, "Il n'y a pas de sot métier." Printers constitute a very respectable portion of our population. But is this the time to deal with their rights? Yes, if the rights we grant to authors infringe upon the rights of the printers, but I submit that they can hardly be said to do so. We are now dealing with the property of the author, the product of his brain. We are giving to authors the means whereby their propery rights may be protected throughout the world. The printers come and say: "Yes, your right shall be protected on condition that we print your thoughts—that we publish your works. Before we allow this law to pass, we shall require a monopoly of the printing of your works." It is nothing else.

Honourable gentlemen, if we desire to protect printers in this country, have we not means at our disposal? If we want to make compulsory the printing of Canadian thought by Canadian hands, with Canadian type, paper and machine, have we not the tariff? What about protection? That is the weapon, it seems to me, that ought to be used for such a purpose.

Hon. Mr. WILLOUGHBY: The customs.

Hon. Mr. BEAUBIEN: Custom duties. That is the weapon we can use to protect our printers against foreign publishers; and protection is their whole argument. I have read with care the circular published by the Canadian Book and Magazine Producers, and the gist of it was this. When a Canadian author writes a book and is attracted by the greater market across the line, he is there met by an autocrat printer who says to him: "Mr Canadian Author, I will buy your rights for the United States if you throw in with them your rights for Canada. If you will not do that, I will not buy." Therefore the Cana-

dian author is obliged to cede also his rights for Canada. And our printers say, mind you, that the law now proposed will protect the author against himself. He may be weak: he may like to retain his rights for Canada; but he cannot drive the desired bargain, and those rights slip from his hand. Well, the proposed restriction may work both ways. If the American publisher is not willing to buy the United States rights alone, and will make a bargain only when he can publish for both Canadian and United States markets, what is going to happen? If he is precluded from doing so, he will not buy at all. He will say to the Canadian author: "You have now a law that prevents me from buying the rights for both markets; therefore I will not purchase." That is one danger of the section now before us.

But, leaving that consideration aside, what does the proposal mean? It seems to me the position is simply this—and with your permission I will illustrate it in a manner which I think the House will accept more readily than anything else I might say. The rights that we—at any rate, the great majority in this House—desire to protect are the rights of the author to the conceptions of his brain. We think that he ought to remain the sole owner of his own work as long and under as favourable conditions as authors in other lands. If the clauses that have been inserted in the other Chamber should become law, the Canadian author would cease to be the owner of his work: he must take a partner who is imposed upon him, and perhaps 20 years after writing his book, or perchance 30 years, the partner may come to him and say: "My friend, this book of yours does not exist in Canada; will you have it printed?" The author says: "No. Thank goodness, it is not in print, and I will not have it reprinted. That was an error of my youth. It was my first scribble. I would not reproduce that for any thing in the world." The printer says: "But you are not alone. We are twin brothers now. We have been united by the law, and if you do not print the book, I will, my friend. The only question between you and me is the question of remuneration. Whether that book of yours, which has been for years a source of remorse in your life, is to be kept in the dark, is a question which does not rest with you. It depends on your twin brother, to whom certain powers, in reality a monopoly, have been granted by Parliament."

Will you bear with me, honourable gentlemen, while I read a page from Bernard Shaw, which I think applies to this case. In 1905 Bernard Shaw reproduced in the United States "The Irrational Knot," a novel that had been published years before, in 1880. And this is what he says:

> This novel was written in the year 1880, only a few years after I had exported myself from Dublin to London in a condition of extreme rawness and inexperience concerning the specifically English side of the life with which the book pretends to deal. Everybody wrote novels then. It was my second attempt; and it shared the fate of my first. That is to say, nobody would publish it, though I tried all the London publishers and some American ones. And I should not greatly blame them if I could feel sure that it was the book's faults and not its qualities that repelled them.
>
> I have narrated elsewhere how in the course of time the rejected manuscript became Mrs. Annie Besant's excuse for lending me her ever helping hand by publishing it as a serial in a propagandist magazine of hers. That was how it got loose beyond all possibility of recapture. It is out of my power now to stand between it and the American public: all I can do is to rescue it from unauthorized mutilations and make the best of a jejune job.
>
> At present, of course, I am not the author of The Irrational Knot. Physiologists inform us that the substance of our bodies (and consequently of our souls) is shed and renewed at such a rate that no part of us lasts longer than eight years: I am therefore not now in any atom of me the person who wrote The Irrational Knot in 1880. The last of that author perished in 1888; and two of his successors have since joined the majority. Fourth of his line, I cannot be expected to take any very lively interest in the novels of my literary great-grandfather.

That of course is written in a jocular vein.

Hon. Mr. MURPHY: What is the date of that?

Hon. Mr. BEAUBIEN: That is 1905. Does it not show very clearly, honourable gentlemen, that after a few years an author may for very good reasons wish to prevent if he can the publication of any of his former works? What did we see a short time ago in Paris? M. d'Haraucourt, who recently presented himself for the French Academy, and who was defeated because in his youth he had published "La Légende des Sexes," which was really a parody on "La Légende des Siècles," a book which d'Haraucourt, having graduated from the frolics of youth into the dignified status of one of France's greatest poets, wanted to repudiate. He in fact did so, although to no avail. But what would have been his predicament if, instead of having one of his competitors reproaching him with this book practically out of circulation, a twin-brother, fastened upon him by a law like this very one, should have said to him: "I will publish that for you, whether you want it or not?"

The same thing can be said of Francois Coppée, the poet of the great multitude in France. In his youth he also published doubtful legends, and it took the last years of his life to repudiate and correct as best he

could the folly of his youth. No man ever wrote a finer book from every point of view, I believe, especially from the moral point of view, than "La Bonne Souffrance," —"Salutary Suffering."

The same can be said also of Paul Féval. He published hundreds of novels, and to-day no man need fear that his daughter may take up one of those novels, because for years Féval called in his books and expurgated from them passages which were not without reproach.

It seems to me, honourable gentlemen, that we ought to respect the sacredness of property. We do it in every other form of property; why not in the most precious and dignifiied of all, the production of the brain? Surely we are justified in asking that the Bill be restored to its orginal form, and thus fulfil the promise made by the Hon. Mr. Doherty in 1921, and bring in legislation in every way conforming to the Revised Berne Convention. For that reason I am strongly indeed in favour of the suppression of clause 2, which was added in the lower House, and of substituting for it the original clause 2, which I understand was authorized by the Minister when the Bill was introduced in its original form.

Hon. Mr. FOWLER: Honourable gentlemen, as far as I am concerned, my sympathies in this mattter are entirely with the authors. I would like to see the author have an opportunity to protect himself—not but that copyright is natural; for it is a privilege which a country may grant or withhold; and if it were withheld the general public would get their books cheaper, because the publishers would then be in a position to pirate everything they published. But, after all, there is such a thing as a sense of justice and fair play, and a man should be able to protect the product of his brain.

My honourable friend who has just delivered so long and beautiful an oration (Hon. Mr. Beaubien) has felt that under this Bill we would not be members of the Berne Convention. I differ with the honourable gentleman in that regard What do we do by this Act before us? We simply impose certain restrictions upon our own nationals, and upon a country which is outside the Berne Convention; we do not impose those restrictions upon any member of the Berne Convention. We can do what we like with our own nationals; that affects no other signatories of the Berne Convention; therefore I say we can come in under it. I do not care what the official bulletin of the Berne Convention says. I am satisfied that I am right in that contention.

Hon. Mr. CHAPAIS: Oh, you are right.

Hon. Mr. FOWLER: The Bill in its present form is the result of a compromise. I have been in very close communication with a certain section of the authors, and I know that this Bill is the result of a compromise in the other House. While they did not like it they were willing to accept it on the principle that half a loaf is better than no bread. Therefore, while I would be very glad to see the amendment of my honourable friend across the way (Hon. Mr. Griesbach) carried, I am prepared to vote for the Bill as it is if that will settle the question. But what will be the result if we make any change in this Bill? It will go back to the other House, and the other House will not accept it, and the result will be that there will be no Bill at all. That is the difficulty; that is the danger.

I want to point out to friends of the authors —I believe almost every member of this House has a strong sympathy for them—that there is a powerful influence working against this Bill, an influence that could not make itself felt in this House, because, fortunately, we are independent people who decide matters according to justice and the right of the case. But that is not true of the other House, and pernicious influences can and do work there, and there is a very strong influence working against the Bill as we desire to see it. For that reason I would say to the friends of the authors that we had better accept this Bill and pass it as it is rather than run the risk of making a change which would endanger the Bill in the other House.

Hon. Mr. CHAPAIS: In answer to what the honourable gentleman has just said, I may say that if he is in favour of the clause as it stood in the first version of the Bill, let him join us, and let us try together to amend the Bill in the proper way. Let us try to do our duty in this House, and then let us wait and see the result of our action. I hope it is the feeling of the House that we should amend this Bill in the direction of the motion proposed by the honourable gentleman from Edmonton (Hon. Mr. Griesbach).

Before the Committee is called upon to dispose finally of this amendment, I would like to make a very brief statement and appeal to the Committee. I would like to call the attention of my honourable colleagues to what I would call the normal condition of writers and literary men in this country from time immemorial. It has been their part to work for nothing; to burn the midnight oil,

to strive painfully at producing works not altogether devoid of intellectual merit, with only the hope of reaping perhaps a little fame, but more likely at the risk of meeting public indifference, if not scorn or abuse. From the pecuniary viewpoint I have known more than one Canadian writer who has lost money for the silly satisfaction of giving to the public a book of poetry, of fiction, of scientific or historical research. In many instances publishers have been the sole reapers of profit from the noble toil of the writer. Of late there has been some improvement in that respect; but we are still far from the state of things which, in some countries, can assure to literary men a measure of fair reward. Of course we were a young people; big and arduous tasks were confronting us; we had to lay down the solid foundation and to erect the strong walls of our national home before thinking of painting and decorating it. And we did not care much for fine poetry, for elegant prose, for writings of a nature too remote from our matter-of-fact solicitudes. Is it not now time to care a little more? Is it not time to show a little more sympathy to our Canadian writers and intellectual producers? They are not useless citizens. They are working, and striving, and struggling against heavy odds to give Canada what is one of the characteristics of true civilization—some literary and artistic renown. And their generous ambition is to build up a literature worthy of this country of ours and of its great future. In the fulfilment of that task, they need our help, they need our protection. Let us offer them a helping hand; let us protect them; let us frame this copyright law in such a way that some harvest may come to them from their patriotic work, that they may enjoy freedom of choice in securing the lowest publishing cost, so that they can receive a better reward without being exposed to the risk of losing the unrestricted ownership of their work. In the name of Canadian authors, in the name of my brethren the intellectual workers of Canada, I appeal earnestly to my colleagues in this Senate, and I pray them to protect the literary and artistic producers of this country from the fetters and the yoke which have been inadvertently prepared for them.

Hon. Mr. ROCHE: Would the honourable gentleman enlighten some of us who are not literary men as to the reason why the Canadian public does not appreciate the work of Canadian authors if they have the superlative merits which he describes to us.

Hon. Mr. CHAPAIS: It is a very small public in the first place, and the market is not very wide; and of course there may be other reasons, but I do not intend to give them to-day before this House.

Hon. Mr. DANDURAND: The honourable gentleman from Sussex (Hon. Mr. Fowler) claimed that there was danger of this Bill being lost, and with it the vestige of advantage which it contains, if it were amended here and sent to the House of Commons. I simply want to make the point that whatever amendment is made by the Senate will have to be considered by the House of Commons, and the worst that can happen to the amendment is that it would not be entertained by the House of Commons. We would then fall back upon the Bill as it is to-day.

Hon. Sir JAMES LOUGHEED: Is my honourable friend justified in saying that we shall fall back in the event of rejection by the House of Commons?

Hon. Mr. DANDURAND: I say the worst that could befall the authors would be to get the half loaf which is contained in this Bill.

The other point urged by the honourable gentleman from Sussex, which I would like to contradict, is that the amendment made in the other House was the result of a compromise. I am told by authors on all sides that they have not been consulted at all, that they have not accepted the amendment, and that consequently there was no compromise. The Minister gave way, thinking he could save that half loaf, and that was all. I think I am stating fairly the situation in the House of Commons.

The authors, not having been a party to the compromise, protested, and I think the Senate is free to apportion to them the rights to which they are entitled. In 1921 I objected to these four clauses, and gave many reasons why they should not be entertained. I asserted the right of the author to dispose of his own work; and, having taken that stand in 1921, I am free to say that I will support the amendment of the honourable gentleman from Edmonton.

Hon. Mr. BELCOURT: May I for the further information of the House read a telegram sent to the Minister of Trade and Commerce when the Bill was introduced in the House of Commons and before section 2 was amended and changed to its present form. The telegram is from the Chairman of the Book Publishers' Committee of the Toronto Board of Trade, and is as follows:

Book publishers approve amendment of Copyright Act contained in Bill 24, provided Act not brought into

force until reciprocal copyright arrangement effected with United States.

At that time the Pupblishers' Committee of the Board of Trade of Toronto, speaking for the publishers, approved of the Bill as it was introduced.

Hon. Sir JAMES LOUGHEED: Subject to United States legislation coming into force.

The amendment of Hon. Mr. Griesbach was agreed to, and section 2 as amended was agreed to.

Sections 3, 4, and 5, the preamble, and the title, were agreed to.

The Bill was reported as amended.

DIVORCE BILL

SECOND READING

Bill B5, an Act for the relief of Winifred Scatcherd.—Hon. Mr. Taylor.

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

THE SENATE

Thursday, May 17, 1923.

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

Prayers and routine proceedings.

PRIVATE BILL

THIRD READING

Bill A4, an Act respecting the Northern Trust Company.—Hon. Mr. McMeans.

THE PORT OF SYDNEY, N.S.

SALE OF LAND TO IMPERIAL OIL COMPANY

On the Orders of the Day:

Hon. J. S. McLENNAN: Honourable gentlemen, I would like to ask the attention of the House to a matter of privilege, in connection with the reply which was made yesterday by the honourable the leader of the Government. After a considerable delay, which was not his fault, the reply that appears in Hansard to-day was brought down. That reply is largely composed of a resumé of a memorandum by the Imperial Oil Company. Many of the phrases are the same, much of the matter is the same, and it does not touch at all the principal part of the attack—if you will put it that way—which I made on this whole transaction. I attacked what seemed to me an improvident bargain made by the Department of Railways in the alienation of this property and the giving up of valuable traffic without, so far as was shown, any compensating advantage to the railways.

The greater part of this reply deals exclusively with the relation of the transaction to the city of Sydney and this was a phase I touched on only incidentally. I was under the impression that there was a rule of this House which stated that the imputation of motives in this House was forbidden, or was not within the proper conduct of its business. I did not find that rule in a hurried examination; but I believe such is good practice in this and in every other parliamentary assembly. Still more, it seems to me, motives should not be imputed by the officials of any Department of the Government in making a reply to a question which any member of this House or the other House was within his rights in asking, and if he believed it tended to promote the public service or right any wrong, not only is it his right and privilege to make that inquiry, but it is also his duty

The reply says:

> The matter appears to resolve itself into three questions:
>
> 1. Whether a provident or an improvident arrangement was made by the Department of Railways and Canals.

That is not correct; it was not the Department of Railways and Canals, but the Management of the Canadian National Railways, which is not mentioned at all. The whole point of my criticism is left out. This reply is misleading in various ways. It says that previous to the last election the Minister of Public Works of the late Government had shown an interest in this question. As a matter of fact, in March, 1921, the Minister of Public Works brought down a vote for proceeding with the wharf. Again, it goes on:

> Hon. Mr. McCurdy, the then Minister, made a personal examination on the ground, and as a result advised the City Clerk of Sydney, on December 15, 1921, that, as far as the Public Works Department was concerned, no objection would be made to the granting of the privilege sought, as it would in no way interfere with free navigation.

Free navigation is not within the scope of the Ministry of Public Works. More than that, Mr. McCurdy was in Sydney in June or July of that year, and he only made his recommendation after he had practically gone out of office. He was still nominally Minister of Public Works, but the elections had taken place on the 11th of December, and he did this on the 15th. That, I think, is a misstatement on the part of the Government.

Then, again:

> The Department understands that the new municipal council stands on this matter exactly as did its predecessor. As there has been no change in public senti-

ment, it is reasonable to presume that Senator McLennan does not represent public opinion of his district, and that this was more adequately expressed by the petitions for and against the proposal, when those "for" outnumbered those "against" by practically four to one.

I do not quite see how he makes his calculation. Still it is not a question of me as an individual; it is a question of me as a member of this House, the senior wing of the Parliament of Canada, and whether an official of any Department should have gone beyond his rights in making criticsms of that kind of our members. Whether I misstated any facts, whether I made any wrong deductions, I feel and I think the House will agree with me, although some of our members smile, that this is not a proper way for an officer of a Department to treat the members of this House.

Again, the reply goes on:

Senator McLennan objects that the papers produced were not complete because they did not include any reference to a pipe-line privilege to the dock.

I showed over and over again, eight or ten different times, where there were documents missing that ought to be in that return, to make it a coherent and consistent account of the transaction; but this one instance is singled out by Mr. Yates, for a Deputy Minister.

If anybody will take the trouble to look at my remarks, he will see that over and over again I pointed out that letters and documents were referred to which were not in the return; yet this official singles out one thing, and says that it is the only matter.

He has since asked for the papers as to the pipe-line application.

I asked for those on the 13th of May, and those papers have not yet been handed down, although they can only consist of a document or two which should have been prepared a full twelve months ago.

I think also that the honourable gentleman that leads the Government in this House, who is courteous, and who, I am sure, yields to no one in his respect for the privileges of Parliament and of this House, overlooked the fact that a telegram—to whom it was not stated—was brought down and read by him. It is signed by Mr. Shatford, the agent of the Imperial Oil Company, and contains one statement which catches my eye, namely, that this property was within 100 yards of the Steel Company's blast furnaces. It is nearer a thousand yards. It also infers that I alleged that they obtained the water front. I never made such an allegation or statement. Then it goes on to say that this whole agitation was drummed up by Mr. Duchemin, with whom I am closely associated, and with whom I consider it a privilege to be associated, and whose ability and character, I am sure, are respected by anyone in this House who knows him. The telegram goes on to imply that I was his tool and practically in his hands in bringing up this matter. I would be glad if the honourable gentleman would consider the question of whether, I am sure by inadvertence, he did not go beyond the well-understood practice of the House in reading reflections on one of the members of this House contained in a letter attached to a return from the Railway Department.

Hon. F. L. BEIQUE: As a member of this House, I may be permitted to join with the honourable gentleman in calling attention to the impropriety of the Department in making the return which was made yesterday. I understand that the honourable the leader of the Government, in reading the telegram of the Imperial Oil Company to which my honourable friend opposite has just referred, read it as part of the answer of the Department. It was very improper on the part of the Department to go and borrow answers from the Imperial Oil Company or from anybody else outside of the officials of the Department, and I hope that this honourable House will not stand for anything of the kind, and will let the officials of the Department understand that when they are called upon to make a return it should be made by themselves and should not contain information borrowed from outside sources. To my mind their action adds to the faults which have been charged by the honourable gentleman against some of the officials of the Department. They should be made to understand that they should not indulge in comment, and should not reflect on the motives of members of this honourable House.

Hon. C. E. TANNER: Honourable gentlemen, I want to express my pleasure at the remarks of the honourable member from De Salaberry (Hon. Mr. Béique), inasmuch as I myself am a little interested in this matter.

There is a remark in this statement which in one respect is of very little consequence, but which in the respect referred to by my honourable friend who has just spoken is of very great consequence. After a perusal of this document in Hansard to-day, I am bound to express my surprise at my honourable friend the leader of the House reading such a document in this House, although I have no doubt that he did it in good faith, and not quite realizing the infringement which I think it quite clearly makes upon the privileges of the honourable members of this House.

I am not going into any discussion of the statement at large: from beginning to end it is one which is full of evasions, full of misrepresentations, and which suppresses several of the salient points and facts in the matter. To the erroneousness and viciousness of the document which is prepared by some member of the staff of the Railway Department, is added the further affront, namely, the reading of an insulting and impertinent letter written by a man who is not a member of this House in respect to a member of the House. Anyone who peruses that letter, or telegram, in respect to my honourable friend from Sydney (Hon. Mr. McLennan) can see that it very clearly, impertinently and insultingly, imputes motives to the honourable member. There is no clearer principle of parliamentary practice, as I understand it, than that not only is an honourable member of the House not permitted to impute motives to a fellow-member, but that a person outside is prohibited from imputing motives to any member of this or the other House, and that no such document should be read, and I would be happy to know that my honourable friend the leader of the House will see to it that that document is expunged from the records.

Hon. Mr. SCHAFFNER: Bring the writer before the Bar of the House.

Hon. Mr. TANNER: I know the gentleman, and it is not worth while.

The point which I say is not of much consequence, but which characterizes the whole document, refers to a telegram that I spoke of when speaking on this subject. The telegram was sent on the 4th of June, 1921, from the late Mr. Brady to Mr. Kingsland, and I want to read it:

> Referring to my letter yesterday re sale Sydney lands to Imperial Oil Stop Hold matter in abeyance until further advice.

Now, what construction does Mr. Yates put upon what I said? If honourable gentlemen refer to the Debates, they will see that I played a little on the word "stop," but I played on the word "stop" for the purpose of emphasizing the fact that on June 4, 1921, all the proceedings did stop, and that nothing further was done in regard to the matter until after the elections of December, 1921. On this statement of facts I argued that the whole matter had been side-tracked and either dropped completely, or side-tracked without any serious intention of going on with it. Therefore I said the matter was dropped, or stopped.

The writer of this document goes on to say:

> Hon. Mr. TANNER.
>
> Senator Tanner seems to have made a curious error in referring to a telegram from an official of the Department of Railways to the Vice-President of the Canadian National Railways, Toronto, which Senator Tanner stated urged the latter to stop the proceedings. A perusal of the telegram in question would indicate that the word "stop" was merely an expression of punctuation common to telegraphic communications.

I can hardly characterize such a statement as that inserted by a responsible civil servant in a document submitted to this House—assuming that any honourable member of this House is so utterly stupid that he does not understand the meaning of the word "stop" in a telegram. I can only say that if the gentleman who wrote this document is so stupid as to think honourable members of this House are not capable of understanding the meaning of the word "stop" in a telegram, then that gentleman is too stupid to occupy a position in the Civil Service of this country.

But the main point to which I desire to direct attention is this. The writer of this telegram entirely suppresses the one point I was making, namely, that the proceedings in respect to the acquisition of this land were stopped—as a matter of fact were dropped—and that that telegram said:

> Hold matter in abeyance until further advised.

Not a word of that appears in this document. The writer simply attempts to turn the whole matter over on a silly joke or a piffling statement that I did not understand the meaning of the word "stop." That is all I have to say in regard to that gentleman.

In conclusion, let me again express the hope that no such document as this, from a person in the service of the country will ever again be read in this House. We quite realize that the leader of the House has a right to make his arguments and statements here; but when statements are brought in from the servants of the country, it is for them to state facts and not to enter into arguments with members of this House, or make reflections upon them, or suppress facts or exaggerate them, and evade important points, as this gentleman has done. I hope my honourable friend will decide, with respect to the letter from Mr. Shatford, that it should be removed from the Revised Hansard of this House

Hon. Mr. DANDURAND: Honourable gentlemen, I think that my honourable friend who sits opposite will have some sympathy with the situation I occupy in this Chamber, because he has had experience of the procedure through which answers from the Departments reach his hands and mine. An inquiry is made; many inquiries are made on the same day, and are distributed to the Departments. I take for granted that it is

good doctrine to say that when the answer comes it is the answer of the Department, under the responsibility of the Minister of that Department. I confess that, having that doctrine in mind, I should have stopped when I came to the last words of the document which I read, and should have abstained from reading the signature of the departmental official who signed it. I take for granted that the document is supposed to be addressed to his Minister, and transferred to this Chamber, and read through my instrumentality.

I have disclosed the fact that the document was prepared by Mr. So-and-so, and he bears the responsibility for the contents of that document, but I think it is good doctrine to affirm that we cannot reach him—that this work of his is supposed to be endorsed by the head of the Department.

I may say that this query of my honourable friend from Cape Breton (Hon. Mr. McLennan) has been a long time before this Chamber, and that the telegram which was added to that document I had myself received and marked, simply to indicate that there was a statement there which was interesting, and which had not been disclosed, and—I stand corrected if I am in error—which had not been disclosed to this Chamber, namely, that the Chamber of Commerce or the Board of Trade of Sydney had approved of the transaction. I simply passed my pencil under the words "Board of Trade" and added the document to the statement, and it is that part of the statement as read that is my fault. I took the responsibility of it, and I will see that that telegram is expunged from the Revised Hansard of the Senate, and I express my regret to my honourable friend if I did read that telegram which should have been used only for taking out of it the statement that the Board of Trade of Sydney had approved of the transaction.

Hon. Mr. McLENNAN: Excuse me, sir, that is not in the telegram.

Hon. Mr. DANDURAND: Oh, yes.

Hon. Mr. McLENNAN: Not as it is here, as you read it.

Hon. Mr. DANDURAND: Oh, yes.

Hon. Mr. McLENNAN: No, it is not in the telegram.

Hon. Mr. DANDURAND: Well, that is my recollection of it.

Hon. Mr. McLENNAN: Yates said it, and it was in the return or memorandum you brought down from the Oil Company, which I was only dealing with incidentally.

Hon. Mr. BELCOURT: It is in Yates' statement.

Hon. Mr. McLENNAN: It is in Yates' statement, yes; but can you tell me to whom this telegram was addressed? Was it to the honourable the leader?

Hon. Mr. DANDURAND: Yes; my honourable friend will find that:

> Sydney Board of Trade approved our application and sent deputation City Council support our request for property, and citizens signed petition favouring it.

Hon. Mr. McLENNAN: I beg your pardon; I had not read so far, just now.

Hon. Mr. DANDURAND: This telegram was handed to me by a member of this Chamber.

Hon. Mr. McLENNAN: That is on the 24th of April.

COPYRIGHT BILL

RE-COMMITTED AND PASSED

Hon. Mr. BELCOURT moved the third reading of Bill 24, an Act to amend the Copyright Act, as amended.

Hon. Mr. DANDURAND: I desire to make a slight amendment to this Bill. The Act of 1921, chapter 24, contains a final clause which reads as follows:

> This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

Now, this clause was amended by the present Bill which is before us, to read:

> This Act shall come into force on the first of July, 1923.

The Department has asked me to move this further amendment, which would read in this form:

> That this Bill be not now read the third time, but be further amended by adding thereto the following words to clause 5: "Unless before that date"—

That is, before the 1st of July next—

> —an Order in Council is passed fixing a later date.

The reason is that, if this Bill passes as we adopted it yesterday in this Chamber, the Department will need to negotiate with the United States in view of the new situation which will be created by this Act. The United States and Canada are working under certain regulations that were entered into between Great Britain and the United States some years ago. They will perhaps need more time than will elapse between now and the first of July, and in consequence they feel that it is prudent to add this amendment.

Hon. Sir JAMES LOUGHEED: In view of certain telegrams which I have received,

I desire to move an amendment to the motion of my honourable friend. It must necessarily be by anmendment, because I was entirely unaware of his intention to make the motion which he has just made. I would therefore move in amendment:

That the Bill be not now read the third time, but that it be re-committed to the Committee of the Whole House forthwith.

May I be permitted to say, in support of this amendment, that if the Senate of Canada stands for anything it stands for giving mature consideration and deliberation to all important legislation. Yesterday this Bill was sent to the Committee of the Whole House, and in the course of a few minutes was discussed, as is indicated in the minutes. Now, this Bill, when before the House of Commons, was not only the subject of very lengthy discussion, but it was represented by very important bodies of printers and publishers and others interested in the industrial life of Canada so that a grave injustice would be done to some of the most important interests in this Dominion were the Bill to be passed as it was then introduced. The result was that the Government saw fit, upon the representations which were made, to embody in the Bill what today is known as the licensing clauses, or the printing clauses, which yesterday, after a few minutes consideration, were stricken out by this Chamber.

When this Bill was sent from the Commons to the Senate, it was sent on the express understanding, as was stated in the House of Commons, that this Chamber had more time to give consideration and mature thought to the Bill than had the House of Commons itself. Yet, notwithstanding that the House of Commons had given considerable thought to it, that it had been the subject of discussion on the floor of that Chamber and in the committee rooms of the Commons, and notwithstanding the responsibility of the Government for the Bill, yet upon its reaching this Chamber, with scarcely any discussion, my honourable friends who had charge of the Bill and who represented the Government, at once destroyed the Bill. They who were the sponsors of the Bill intimated to this House that it was entirely unsatisfactory, and by their censure they struck out the clauses which had received so much discussion in the other Chamber.

My honourable friend the leader of the Government handed the Bill over to the senior member for Ottawa (Hon. Mr. Belcourt), who, in presenting the Bill, at the same time denounced it, at least denounced those sections which had been controversial, and which had been the storm-centre of discussion from the time it was introduced into the House of Commons until it reached this Chamber. My honourable friend the leader of the Government in this House, who is charged with conducting the Bill through the shoals and currents of this House, also denounced the Bill, and in even stronger language than my honourable friend from Ottawa. Hence we had presented to us a most extraordinary situation.: the Government sending down from the other House a very important measure, probably the most contentious measure which has received the attention of Parliament this Session, and which I may say has been the subject of contention from Confederation down to the present time; the most contentious, the most controversial subject that has ever been before the Parliament of Canada;—because I challenge any honourable gentleman to point out any statute on the Statute Book upon which so much difference has taken place, not only within the Parliament of Canada, but between Canada itself and the Imperial authorities, as this same copyright question. Yet in disregarding the responsibility placed upon my honourable friends opposite in conducting it through the Senate, they denounced the Bill, they amended it, and then perhaps they would have sent it down to the House of Commons notwithstanding—

Hon. Mr. BELCOURT: The House amended it.

Hon. Sir JAMES LOUGHEED: — notwithstanding the protests that were made by various representative bodies who had waited upon the House of Commons, and whom the House of Commons considered entitled to the demands which were made.

Now, in view of what has taken place, it is not unreasonable that this Chamber should give more mature deliberation to this very contentious subject. I say that no thought was given to it worthy of the importance of the Bill. In the first place, there were not more than 25 per cent of the Senators present in their places when the Bill was considered. I do not state this as a reflection on the Chamber, because I have no doubt that those honourable gentlemen who were absent yesterday were away on very important business, otherwise they would have been here.

Hon. Mr. DANDURAND: But they were very worthily represented by my honourable friend.

Hon. Sir JAMES LOUGHEED: Referring to myself, I might say that, owing to the absence of about 75 per cent of the members, I kept silent upon the subject; but I noticed on the other side of the House that many of the friends of my honourable friend were out in force, and apparently had anticipated the motion that was to be made to strike out section 2 of the Bill, which was really the storm-centre.

Hon. Mr. DANDURAND: I beg to differ with my honourable friend. I think I saw the large majority of the members of this Chamber sitting around him.

Hon. Sir JAMES LOUGHEED: Well, my honourable friend's vision may be more acute than mine, but I certainly looked for them on many occasions, but failed to find them.

Hon. Mr. BELCOURT: They were behind you, but in front of us, and we could see them better.

Hon. Sir JAMES LOUGHEED: Now, it is desirable, apart from jocular references to the situation that arose yesterday, that further thought be given to this Bill.

The subject of copyright has been an extremely acute one in Canada since 1842. I do not purpose to go into the history of copyright, except to say this, that since 1842 this subject has probably occasioned more friction in the parliament of Canada, both in colonial days and afterwards under self-government, than any other subject with which we have been confronted.

Under the Imperial Copyright Act of 1842 the Imperial authorities ruled that every author must first publish his work in the United Kingdom. Notwithstanding the rights that we thought we had within the overseas dominions at that time the colonial author or the author living in a self-governing Dominion, was compelled to proceed to the United Kingdom, and there publish his work. That continued down to Confederation; and at the time of Confederation we took the authority to pass legislation touching copyright. We had express authority in Canada under the Confederation Act to pass legislation as to copyright; yet the British or Imperial authorities claimed and were sustained in that view by the judgment of the Privy Council—that the Imperial Act of 1842 was in full force and operation within all the self-governing Dominions of the Crown, notwithstanding our Canadian statute. We have legislated from that time down to the present, however, and permit me to say that in many Acts we have placed upon the Statute Book may be found the very same policy we struck out yesterday upon five or ten minutes consideration.

Now, there has passed to the Parliament of Canada since Confederation, with scarcely any interruption, a policy which expressly declared that any copyright issued by the Dominion of Canada should be subject to the printing and publishing clauses, and I see no good reason why that policy, which was good at Confederation and after Confederation, should not be equally good to-day. If we grant a privilege to an author in Canada, I say there is nothing unreasonable in attaching to it certain terms, namely, the term that the author should publish and print his book in Canada. They are doing that in the United States to-day. Does any honourable gentleman think that, in anticipation of the passage by the United States of a Copyright Act such as my honourable friend has suggested, and their adhering to the Convention of Berne, they will exclude the requirement of printing within the boundaries of the United States? Those who come to a decision of that kind, I venture to say, are entirely ignorant of the policy of the United States on this question. So we would be in this peculiar position, that while the United States, if they should pass a Copyright Act, would embody within it compulsory clauses insisting upon all authors printing and publishing their work first in the United States, we in Canada would be without such a provision.

Hon. Mr. FOWLER: Could they be members of the Berne Convention if they did?

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: I venture to say that if the United States will insist upon that, they will become members of the Berne Convention, and the Imperial authorities will be the first to assist them.

Hon. Mr. BELCOURT: No, no.

Hon. Mr. DANDURAND. No.

Hon. Sir JAMES LOUGHEED: But, according to what my honourable friend stated yesterday, the United States can do this: they can impose that obligation upon their nationals.

Hon. Mr. FOWLER: Yes, they can do that.

Hon. Sir JAMES LOUGHEED: And that is the sort of thing we are doing to-day. The United States on other occasions have imposed additional obligations, and those obligations have been accepted by Great Britain.

Hon. Mr. BEAUBIEN: Will my honourable friend be kind enough to allow me to ask him a question. I would like to be quite clear. Did I understand the honourable gentleman to say that we are still bound by the printing clauses? Is that his contention?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BEAUBIEN: At present?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. CHAPAIS: No.

Hon. Mr. BEAUBIEN: Will my honourable friend be good enough, to let me know by virtue of what law?

Hon. Sir JAMES LOUGHEED: Yes, I say that is the case.

Hon. Mr. BEAUBIEN: Very well: under what law?

Hon. Mr. CHAPAIS: It is only after the death of the author—not during his life.

Hon. Sir JAMES LOUGHEED: I am going back now to the policy of Canada in 1889. A Canadian Copyright Act was passed, but the Royal Assent was withheld. Canada—I say it with hesitation—should have resented the Imperial Government withholding the Royal Assent to any legislation of the Canadian Parliament, as was done on that occasion. That Act provided that all printing and publishing should be done in Canada.

Hon. Mr. BEAUBIEN: That is, the Act of 1889?

Hon. Sir JAMES LOUGHEED: The Act of 1889.

Hon. Mr. BEAUBIEN: Is it in force?

Hon. Mr. DANDURAND: It was disallowed.

Hon. Sir JAMES LOUGHEED: The Royal Assent was withheld at that time. Then, in 1900 the Imperial authorities passed certain legislation in Great Britain giving power to the Overseas Dominions to impose any obligation of that kind they chose.

Hon. Mr. CHAPAIS: It was never done.

Hon. Sir JAMES LOUGHEED: The Act to-day, as it is in the Revised Statutes of Canada, has in it the licensing clauses. If my honourable friend will look at Chapter 70 of the Revised Statutes of Canada he will find there this provision:

> Every work of which the copyright has been granted and is subsisting in the United Kingdom, and copyright of which is not secured or subsisting in Canada, under any Act of the Parliament of Canada, or of the Legislature of the late Province of Canada, or of the legislature of any of the provinces forming part of Canada, shall, when printed and published, or reprinted and republished in Canada, be entitled to copyright under this Act.

Hon. Mr. BEAUBIEN: May I ask my honourable friend whether that is a reproduction of the statute of 1889, to which he referred a moment ago?

Hon. Sir JAMES LOUGHEED: I have sent for that statute, but have not yet been able to get it. This is the Act as contained in the Revised Statutes.

However, honourable gentlemen, what I wish to impress upon the House is this, that, after the passage by the Parliament of Canada of copyright legislation, most of the Acts have not been proclaimed; they have failed either to receive the Royal Assent, or to be brought into force by the Government of Canada; yet, from the time of Confederation down to the present they, without exception, embodied that one policy. I stand subject to correction, but that is my reading of the law—that they embodied that one policy, that the printing and publishing must be done within the Dominion. That was accentuated by reason of Imperial policy, in which, under the Imperial Act of 1842, it was declared that an author, even though living outside the United Kingdom, whether living in the British possessions overseas or living elsewhere, should first publish his work in the United Kingdom.

The United States have adopted a similar policy, and I am satisfied that the United States will adhere to it, and neither the Berne Convention nor any other national or international force will shake them in their resolve to insist upon the printing and publishing being done within their own country.

I must remind this Chamber that in 1919 the Government of the day brought down a Copyright Bill. As honourable gentlemen know, nearly every Government since Confederation, has been importuned to place upon the Statute Book effective copyright legislation. In 1919 the Government brought down an Act similar to that which the present Government introduced the other day in the House of Commons, without the printing clauses. It was impressed upon us that in order to become adherents of the Berne Convention it would be desirable for us to dispense with those sections. But no sooner had the Bill come before the Senate than the representations which were made, from the Atlantic to the Pacific, not only induced but forced the Senate of Canada to accept this policy, and we did accept it, and embodied it in the Act then passed by the Senate. And are we going to depart from the policy which

after full deliberation, we adopted on that occasion? My recollection is that we sat for perhaps two or three weks, giving the closest attention to public opinion and sentiment and to public needs, and we considered that policy to be sound and passed the Bill accordingly.

Hon. Mr. GRIESBACH: May I ask the honourable gentleman to come down to brass tacks and tell us what the argument is—not that an argument exists, but what is the argument in favour of these clauses?

Hon. Sir JAMES LOUGHEED: The argument in favour of the clauses is simply this. If the authors of Canada make application for all the privileges of copyright, which under the Berne Convention would last for their own lifetime and for 50 years thereafter, it is the right of the Parliament of Canada to take into consideration the interests involved in condition or term of the privilege which we the granting of those rights, and to do so as a give to the author. To such an extent have many of the authors recognized it that it is the opinion, I venture to say, of the majority of the authors in Canada that this principle should be accepted. I have had representations made from responsible bodies of authors that it should be accepted. They realize full well that it will be difficult, if not impossible, to secure a Copyright Act without such a condition. Honourable gentlemen should take into consideration this fact, that the authors of Canada represent only a very small group of men in comparison with artisans engaged in the printing and publishing business in Canada, who have a right to profit by the printing and publication of the work of our own authors. If we give to those authors copyright, why should we enact any legislation whereby they may go over to the United States, as they most certainly would, and have their works printed and published in that country? Is it thus that we build up our own native industries, or are we trying to build up foreign industries?

Hon. Mr. LYNCH-STAUNTON: It is no more than we exact from patentees.

Hon. Sir JAMES LOUGHEED: No. Furthermore, why should this privilege, this extraordinary benefit, be given to authors without our compensating ourselves in some degree?

Some honourable gentlemen who spoke yesterday referred to the copyright as that of the brain work of the author; but their main argument was that it was a property right, and that authors were entitled to the protection of a property right. If they are entitled to the protection of a property right, they should be subject to the obligations that go with property. I ask, what obligations are imposed in this Bill, to accompany the extraordinary rights that we are giving to the authors? Are they subject to taxation? Are they subject to all the burdens and obligations to which other property owners are liable? Not at all. If the privilege which those gentlemen seek is to be granted during their own lifetime and for fifty years thereafter, it must, in my judgment, be made subject to whatever burdens the Parliament of Canada may see fit to impose, and those burdens are, it seems to me, but light and insignificant in comparison with the burdens that other property in Canada is bearing.

Hon. Mr. BEIQUE: May I ask the honourable gentleman a question? I have not had time to verify the fact. Are we to understand that the clauses referred to, sections 13, 14, 15 and 27, are incompatible with the Revised Convention of Berne?

Hon. Sir JAMES LOUGHEED: No. My honourable friend who had charge of the Bill yesterday read to us an opinion, as I understood, from the Journal of the Convention, that the legislation which came from the House of Commons was not incompatible with that.

Hon. Mr. BELCOURT: Not at all.

Hon. Sir JAMES LOUGHEED: But we have the right to impose upon our own nationals the printing obligations.

Hon. Mr. BELCOURT: No, no.

Hon. Sir JAMES LOUGHEED: I did understand that.

Hon. Mr. BELCOURT: My honourable friend misunderstood me altogether in the opinion which I quoted.

Hon. Sir JAMES LOUGHEED: Am I to understand, then, that my honourable friend's statement is equivalent to saying that the Government has deliberately sent to this Chamber a Bill embodying clauses which put it out of the Berne Convention?

Hon. Mr. BELCOURT: May I be permitted to interrupt my honourable friend? The Government Bill originally provided for the repeal of clauses 13, 14, 15 and 27. The House of Commons chose to add to the amendment to which objection has been taken.

Hon. Mr. FOWLER: And the Government accepted it.

Hon. Sir JAMES LOUGHEED: Is not the Government in control of the House of Commons?

Hon. Mr. BELCOURT: The Bill that comes to us in not the Government Bill at all. My honourable friend must apportion the responsibility.

Hon. Mr. LYNCH-STAUNTON: Is this not now a Government Bill?

Hon. Mr. BELCOURT: There is no use in quibbling. I say that the Government Bill, the Bill introduced by the Minister of Trade and Commerce, is the Bill which provided for the repeal of those sections. It was the House of Commons, not the Government, that amended it.

Hon. Mr. FOWLER: Did not the Government accept it?

Hon. Mr. BELCOURT: The House of Commons chose to amend the Bill. That is the situation.

Hon. Mr. LYNCH-STAUNTON: Do the House of Commons always do the amending.

Hon. Sir JAMES LOUGHEED: Do I understand my honourable friend to say that the Government occupies so humiliating a position in the House of Commons that it can have imposed upon it an amending clause with which it is not in sympathy?

Hon. Mr. BELCOURT: My honourable friend can make any comment he pleases, but it is distorting the facts.

Hon. Mr. FOWLER: You are distorting the facts.

Hon. Sir JAMES LOUGHEED: I say this Bill came down to this Chamber with the imprimatur of the Government upon it. My honourable friend the leader of the House (Hon. Mr. Dandurand) brought it down, and, according to all constitutional practice, this Chamber must regard the Bill as voicing the views of the Government. Surely the Government had the privilege of accepting or rejecting it? And it was the duty of the Government not to accept such an amendment as that made in the House of Commons if it was against the policy of the Government or against the views it entertained upon the subject. But the Government accepted it.

Hon. Mr. DANDURAND: But I suppose my honourable friend does not feel himself bound by the fact that this is a Government measure.

Hon. Sir JAMES LOUGHEED: I do not.

Hon. Mr. DANDURAND: If he does, I must hasten to free him from that bondage.

Hon. Sir JAMES LOUGHEED: I am coming to the rescue of the Government. I say it is the duty of this Chamber to accept the Bill which the Government sent down to this House, and to pass it in its entirety.

Hon. Mr. BELCOURT: Is that principle to be applied to all Government Bills?

Hon. Sir JAMES LOUGHEED: No, but it is to be applied to this Bill. However, honourable gentlemen, I think the House will agree with me in this regard, that the Bill is worthy of more consideration than was given to it yesterday. No one respects the opinions of my honourable friend opposite more than I do. We have a right to differ upon a subject of this kind. The Bill is of sufficient importance to permit of the widest difference being entertained, and it is certainly the duty of the Senate to give it full consideration. If there be a volume of public opinion expressing itself as desirous of being heard by the Senate, this Bill should be referred to a special committee, so that those who are interested—and interested to the very large extent that we know they are—should be heard before that Committee, so that the public voice may be heard and we may enact the necessary legislation to give effect to what is the real public opinion of Canada.

Hon. Mr. TURRIFF: I have been trying to understand something about this Bill, but after listening to both sides I am about as clear now as when the discussion started.

Hon. Mr. LYNCH-STAUNTON: Give it up.

Hon. Mr. BELCOURT: You might be worse.

Hon. Mr. TURRIFF: What I desire to know is this. If these four manufacturing clauses are eliminated from the Bill, will the Canadian author then have the right to send his work to be printed outside of Canada, anywhere he likes?

Hon. Mr. BELCOURT: Yes.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. TURRIFF: Well, why should he not do so?

Hon. Mr. BELCOURT: Hear, hear.

Hon. Mr. TURRIFF: If he can get it done more cheaply elsewhere.

Hon. Mr. CHAPAIS: Hear, hear.

Hon. Sir JAMES LOUGHEED: Then you want to vote for it.

Hon. Mr. TURRIFF: To my mind it is just a matter of giving protection to the printers at the expense of the authors.

Hon. Mr. BELCOURT: Exactly. That is the whole point.

Hon. Mr. MURPHY: What the honourable Senator from Ottawa (Hon. Mr. Belcourt) said the other day is recorded in Hansard:

Hon. Mr. Belcourt: The effect of the amendment made in the Commons is that sections 13, 14, 15 and 27 are still part of our copyright law—

Hon Mr. Griesbach: With respect to Canadians.

Hon. Mr. Belcourt: With respect to Canadians.

Hon. Mr. Griesbach: And with respect to nationals not members of the Union.

Hon. Mr. Belcourt: Yes.

Hon. Mr. Murphy: Would that vitiate the Bill as far as the Berne Convention is concerned?

Hon. Mr. Belcourt: I do not think it would. I suppose that any member of the Union may impose certain restrictions; but the point is that with these clauses the Canadian author is not going to get the protection which British subjects in the British Isles and in the other Dominions of the Empire are to-day enjoying.

The honourable gentleman has given it as his opinion that the fact of those clauses remaining in the Bill would not vitiate it, so far as the Berne Convention was concerned.

Some Hon. SENATORS: Question, question.

Hon. Mr. BEIQUE: The honourable gentleman (Hon. Sir James Lougheed) has not presented his motion.

The Hon. the SPEAKER: I did not exactly hear the motion that was moved by the honourable member from Calgary (Hon. Sir James Lougheed).

Hon. Sir JAMES LOUGHEED:

That this Bill be not now read the third time, but that it be recommitted to Committee of the Whole House forthwith.

That is the amendment to my honourable friend's (Hon. Mr. Dandurand) motion. If the Bill is recommitted to the Committee of the Whole, the entire matter can be discussed—both my honourable friend's resolution and this question.

Hon. Mr. BELCOURT: But must not that be moved by way of sub-amendment?

Hon. Mr. DANDURAND: I moved an amendment. I have not examined this point, but if it prevents my honourable friend from moving his sub-amendment. I will gladly withdraw my motion and wait until we have disposed of that of my honourable friend.

Hon. Sir JAMES LOUGHEED: Very well.

Hon. Mr. BEIQUE: I thought the honourable gentleman's intention was to have the Bill referred to a special committee, so that the interested parties might be heard.

Hon. Sir JAMES LOUGHEED: The purpose is to have it recommended to the Committee of the Whole. First of all, perhaps it should go back to the Committee of the Whole. Then it can be fully discussed, and if it is found advisable to send it to a special committee, the Committee of the Whole may so report to the House and the House may refer it accordingly.

The Hon. the SPEAKER: Do I understand that the honourable leader of the Government withdraws his amendment for the time being?

Hon. Mr. DANDURAND: My honourable friend's (Hon. Sir James Lougheed's) motion will stand as a sub-amendment..

Hon. Mr. BELCOURT: My honourable friend from Calgary (Hon. Sir James Lougheed) has made a very eloquent speech, as he always does, and a very impassioned one. I wonder why he did not do it yesterday. He was present during the whole of this discussion, and it was not quite so short as he has intimated—five minutes only, in Committee, he says.

Hon. Sir JAMES LOUGHEED: I thought it better to do it to-day.

Hon. Mr. BELCOURT: Then, on the second reading we spent practically a whole afternoon. I am not going to question the honourable gentleman's appeal to allow anybody to change his mind, even in the short space of hardly 24 hours; that right is conceded. My honourable friend last night had either a happy dream or a nightmare: I am afraid it was the latter rather than the former. Why all this indignation to-day when we could have had it yesterday before the House had dealt with the question and voted upon it? and may I remind my honourable friend that he voted for the amendment

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. BELCOURT: There was no division, but when the question was put my honourable friend sat silent, and by his silence gave acquiescence as distinctly as if there had been a division.

Now, what is the object of this legislation, and what is the attitude taken by the Government with regard to it? The Government introduced a Bill one clause of which contains all the important matter—that is, sec-

tion 2, which simply provided for the repeal of these clauses—13, 14, 15 and 27. That is what the Government wanted; that is the Government's policy. That the Bill came to us with an amendment put upon it by the House of Commons does not alter the policy of the Government at all.

I may say that before taking charge of the Bill I had consultations with the Minister of Trade and Commerce, who was responsible for the introduction of the Bill in the other House, and the honourable gentleman told me that what he wanted was the Government Bill as introduced into the House of Commons. The Government's policy is to protect the author—to protect the property which a man acquires in the production of his own brain. There is no inconsistency at all in this Bill coming before us. The House of Commons chose to amend it, and it had to come over here in the amended form independently of the wishes or the policy of the Minister or the Government.

My honourable friend dealt with a lot of ancient history—with the legislation of 1899 and of some other dates which I do not quite remember; but he carefully forgot to deal with the legislation of 1921, which is all-important in dealing with this matter here to-day. The legislation of 1921 was intended to do just what this Government is intending to do to-day—afford protection to the Canadian author, and hence the introduction of this Bill. Why was the Bill of 1921 never proclaimed? It was not proclaimed because it was thought, and the then Minister of Justice, the Hon. Mr. Doherty, felt, that there was a grave doubt, if these provisions remained in it, of the Bill securing the approval of the Berne Convention, and, as a consequence, whether it would afford to the Canadian author the protection which the Government intended to give him. My honourable friend will remember what the Minister of Justice said.

Hon. Sir JAMES LOUGHEED: That may be; but my contention is that that was not the opinion of Parliament, and that Parliament must prevail.

Hon. Mr. BELCOURT: I think my honourable friend is wrong there also, if he will permit me to say so. The opinion of the Minister of Justice was adopted by the House, and it was crystallized in section 50, which suspended the operation of the Act until proclamation. What did the Minister of Justice say? He said:

If these sections are at variance with the Convention, we shall have to come back to the House because the law of this country would put the Government in a position where it could not consistently adhere to the Convention, and we should have to decide the question then.

That was the opinion expressed by the Minister of Justice,and adopted by the House of Commons by the enactment of section 50, leaving the Act in suspension until the Berne Convention pronounced upon it.

Now, we have the judgment of the Berne Convention upon the point, and there can be no doubt whatever that the inclusion of the amendment is going to deprive the Canadian author of the protection of copyright which every other member of the Convention has a right to.

Hon. Mr. MURPHY: You did not say that.

Hon. Mr. BELCOURT: If the honourable gentleman will permit me, I read the opinion of the Berne Convention with regard to these various sections, and I think it will not be amiss for me to read them again.

Here is the authority for my statement. It appeared in the July, 1921, number of Le Droit d'Auteur, the organ of the Berne Convention, published in Geneva. I will translate as I go along, and I will read the conclusion of the article:

"The result of what precedes is that, according to our conviction frankly expressed the accession of Canada to the revised Convention of Berne which the Law of the 4th of June—

The law has been in suspension since 1921. —that is, the 4th of June, 1921; that is our Act—

—is supposed to bring about, will not be announced by the Government, to the central Government, and by the latter to the Swiss Federal Council, only if articles 13, 14, 15 and 27 are eliminated from the law. If Canada desires to maintain these for special reasons, they will have to be declared inapplicable to the countries which are members of the Berne Union by a formal disposition.

I wonder what language could be clearer? What language could be more definite?

In the latter case they would apply, far example, to the United States, but they would automatically lose their effect also towards this country the day the Washington Government would adhere, in its turn, to the Union Treaty.

"A declaration of adhesion to the Treaty without these matters of so-called obligatory licenses determined in the sense here indicated, and without other ameliorations being brought to the law in accordance with suggestions contained in the first chapter hereof, could not be reconciled, according to us, with the primorial engagement of every Unionist country to assure the legal protection of the rights which are the object of the revised Convention, (Article 25)."

Now, honourable gentlemen, could anything be more clearer? And what is the manifest duty cast upon this Parliament?

Hon. Sir JAMES LOUGHEED: My honourable friend is discussing something different from what I discussed. I discussed the section as it came before us yesterday, which only imposed the obligation on our own nationals. My honourable friend is referring to the obligation which extends to all nationals under the Act of 1921.

Hon. Mr. BELCOURT: No. I am surprised that my honourable friend will not follow the clear language stated here. What misapprehension can there be?

The result of what precedes is that, according to our conviction frankly expressed, the accession of Canada to the revised Convention of Berne which the Law of the 4th of June is supposed to bring about, will not be announced by the Government to the central Government, and by the latter to the Swiss Federal Council, only if articles 13, 14, 15 and 27 are eliminated from the law.

Hon. Mr. ROBERTSON: Can our honourable friend tell us the date of that opinion?

Hon. Mr. BELCOURT: I mentioned it here—July, 1921.

Hon. Mr. ROBERTSON: That opinion, then, can have no bearing upon the Bill now before this House—the Bill as it came over from the House of Commons to this Chamber a few days ago. Those clauses are not the same as they were in the Bill of 1921; they have been modified by the House of Commons.

Hon. Mr. BELCOURT: They are not there at all.

Hon. Mr. ROBERTSON: Admitted by the Minister of Justice to be now in conformity with the terms of the Berne Convention; and the honourable gentleman admitted that to the honourable member from Prince Edward Island (Hon. Mr. Murphy).

Hon. Mr. BELCOURT: Let us not play at cross purposes. As I understand it, the object of the honourable gentleman who leads the Opposition is to have the Bill sent back for the purpose of reinstating these clauses.

Hon. Sir JAMES LOUGHEED: No, but for reinstating the clauses which were stricken out yesterday in which the obligation was imposed upon our own nationals of doing the printing in Canada.

Hon. Mr. BELCOURT: The clause of the Bill as introduced was to repeal those sections 13, 14, 15 and 27.

Hon. Sir JAMES LOUGHEED: But it added an obligation on the Canadian author to have his work printed in Canada, and my honourable friend gave the opinion yesterday that that would be in accordance with the Berne Convention.

Hon. Mr. BELCOURT: I said nothing of the sort. In support of the position I took, I read the translation of the article in Le Droit d'Auteur; and if the object which is sought in recommitting this Bill is not to restore the amendment put into it by the House of Commons, I fail to see what object my honourable friend has in view.

Hon. Sir JAMES LOUGHEED: The restoration of the House of Commons clause, namely, clause 2, which reads as follows:

Sections 13, 14, 15 and 27 of the Copyright Act, 1921, shall not apply to any work the author of which is a British subject, other than a Canadian citizen, or the subject or citizen of a country which has adhered to the Convention and the additional Protocol thereto set out in the second schedule to the said Act.

That is entirely different from the clauses of 1921.

Hon. Mr. BELCOURT: Will my honourable friend tell us exactly what he wants?

Hon. Sir JAMES LOUGHEED: I want the restoration of this clause which is the Government clause.

Hon. Mr. BELCOURT: The honourable gentleman next to him has an entirely different opinion.

Hon. Mr. ROBERTSON: What I want to point out is this—

Hon. Mr. BELCOURT: You will have your chance to speak. Let me make my statement; I cannot be interrupted all the time.

Hon. Sir JAMES LOUGHEED: We apologize.

Hon. Mr. BELCOURT: The object, therefore, is to send the Bill back to Committee in order that the amendment introduced by the House of Commons may be restored; in other words, that section 2 as it came to us from the House of Commons shall be restored by us.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BELCOURT: I am pointing out that if that is done—and that is the ground, I think, upon which the House proceeded yseterday—Canadian authors will not enjoy the full benefits enjoyed by all the other members of the Berne Convention. Canadian authors will be singled out; they will have imposed upon them a burden which is not imposed upon any other member of the Berne Convention, a burden which does not exist in the British Isles or in any other part

of the British Dominions, all of which have accepted a Bill similar to the one we voted for yesterday, my honourable friend included. That is going to be the result.

Hon. Mr. TANNER: Will my honourable friend permit me to remind him that in moving the amendment, the Minister said distinctly that that amendment would enable Canada to come in under the Berne Convention.

Hon. Mr. MURPHY: He said that himself.

Hon. Mr. BELCOURT: I do not remember seeing the statement, but if I take it that the honourable gentleman's statement is correct, I do not think I am doing any injustice to the Minister if I say that I prefer the judgment of the Berne Convention in the matter.

Hon. Sir JAMES LOUGHEED: My honourable friend gave the opinion yesterday or on Monday that it would not exclude us from the Berne Convention.

Hon. Mr. FOWLER: He was right when he said that.

Hon. Sir JAMES LOUGHEED: I will read it:

> Hon. Mr. Murphy: Would that vitiate the Bill as far as the Berne Convention is concerned?
>
> Hon. Mr. Belcourt: I do not think it would. I suppose that any member of the Union may impose certain restrictions; but the point is that with these clauses the Canadian author is not going to get the protection which British subjects in the British Isles and in the other Dominions of the Empire are today enjoying.

That does not exclude us from the Berne Convention.

Hon. Mr. BELCOURT: It excludes us from the full benefits of the Berne Convention. Restrictions are imposed upon our authors that are not imposed upon other members of the Union. That is all I said. I did not mean to say that we would have no benefit whatever.

Hon. Sir JAMES LOUGHEED: We are agreed upon that.

Hon. Mr. BELCOURT: I am not going to say to just what extent we would be deprived of the full benefits of the Berne Convention if we continued these sections, but it is quite clear that our Canadian authors will be in a different position to those of any other country which is now a member of the Convention.

My honourable friend forgets that the Act of 1921 was introduced by the Government of which he was a member, and that he himself introduced it in this House—I am speaking now of the matter of policy of which we have heard so much—and he himself was responsible for that policy. So the policy of 1921 was the ultimate policy adopted with regard to copyright. Why go back to the policy in force 30 or 40 years ago? The ultimate judgment of Parliament in 1921, after hearing a great deal of evidence in Committee, was, that if these sections put Canadian authors in an inferior position, they would be repealed. Of course, the honourable gentleman has a right to change his mind any day he likes; but I would like to have from him some explanation of why it has changed —why what was good policy in 1921 is not good policy to-day. He told us himself the matter had been very much discussed for weeks and weeks in Committee.

Hon. Sir JAMES LOUGHEED: The licensing clauses are in the Act of 1921.

Hon. Mr. BELCOURT: My honourable friend forgets that he himself adhered to the doctrine that if these clauses stood in the way of enjoyment of full rights by Canadian authors they would have to be repealed

Hon. Sir JAMES LOUGHEED: Yes, but we accepted them.

Hon. Mr. BELCOURT: The Bill was passed with the understanding that if they stood in the way they would be repealed. Am I right or am I wrong?

Hon. Sir JAMES LOUGHEED: I am not prepared to say that.

Hon. Mr. BELCOURT: My honourable friend cannot repudiate the Minister of Justice in that way.

Hon. Sir JAMES LOUGHEED: It is not in the statute.

Hon. W. B. ROSS: There was no contract to be revived, or no undertaking.

Hon. Mr. BELCOURT: That may be so, but it was on that condition that Parliament accepted the Bill.

Hon. Sir JAMES LOUGHEED: It is not in the Act.

Hon. Mr. BELCOURT: The Bill would not have been passed at that time if that statement had not been made by the Minister of Justice.

Hon. Sir JAMES LOUGHEED: But it is not embodied in the statute, I may say to my honourable friend.

Hon. Mr. BELCOURT: I am not discussing the statute: I am discussing the policy.

Hon. Sir JAMES LOUGHEED: I say that that discloses what the policy of Parliament was at that time, and the Government of 1921 accepted that policy.

Hon. Mr. BELCOURT: Accepted the policy that if those sections were—

Hon. Sir JAMES LOUGHEED: No, that is not in the statute. The Minister of Justice could not give an undertaking to repeal or suspend what Parliament had declared to be law.

Hon. Mr. BELCOURT: If it had been in the statute, I do not think my honourable friend would have spent so much time or indignation as he did this afternoon. We shall have to have recourse to the Debates of the House to see upon what policy Parliament adopted this Bill, and I am only putting it to my honourable friend, when he is discussing policy, that the policy which it is attempted to enforce by this method is the policy to which he gave his full adhesion in 1921. He cannot dispute that.

Hon. Sir JAMES LOUGHEED: I do not agree to that at all. The statute shows what the policy was, and that is the best evidence you can have.

Hon. Mr. BELCOURT: The Minister of Justice, the man who had every right to express an opinion, said what the policy of the Government of the day was, and that was accepted by both Houses, in order that that policy might be determined, that the Act should be suspended indefinitely, that is, not to come into force until that question was settled. Now it is settled. The Berne Convention has given its opinion about it. Why not carry out the policy?

Hon. W. B. ROSS: What policy? Are we committed to anything by the Minister of Justice, or not? All he said was that if those sections prevented the Bill from coming under the Berne Convention the whole thing would have to come back to Parliament, that is all; but we were not committed either to adhering to those clauses, or repealing them. It is all open to discussion.

Hon. Sir JAMES LOUGHEED: I may say to my honourable friend that the more serious consideration in the suspension of the Act was the possible attitude of the United States to Canada, should the Act be put in force. The authors who attended before the Committee, and who waited upon the Government, were apprehensive that reprisals would be adopted by the United States which would be very injurious to them, and my impression is that both correspondence and negotiations were entered into with the United States as to a common understanding between the two countries in case the Act was put in force. We always looked forward to that.

Hon. Mr. BELCOURT: I am putting my honourable friend up against his policy. Of course, my honourable friend from Middleton (Hon. W. B. Ross) has no responsibility for that, but my honourable friend opposite had, and when he talks about policy I want to remind him what the policy has been all along, and I want to know why he has changed.

Hon. Sir JAMES LOUGHEED: There it is in the Statute Book; it has not changed.

Hon. Mr. BELCOURT: My honourable friend spoke in a way which I think is not warranted and not fair as to the right of ownership in a man who produces a book. Why should the author of a book not have in his own property the full and complete rights that anybody has in anything he acquires or makes?

Hon. Sir JAMES LOUGHEED: He has not. The owner of any other property has not the full and complete rights, that my honourable friend would infer.

Hon. Mr. BELCOURT: He has to pay his taxes. Does not the author pay his taxes?

Hon. Sir JAMES LOUGHEED: Not on his copyright.

Hon. Mr. BELCOURT: Does my honourable friend pay taxes on the chattels he buys, or on the goods in his own house?

Hon. Sir JAMES LOUGHEED: Of course, we do.

Hon. Mr. BELCOURT: What special tax?

Hon. Sir JAMES LOUGHEED: Most of the provinces impose taxes upon furniture—upon personal chattels.

Hon. Mr. BELCOURT: I do not know of any province that does.

Hon. Sir JAMES LOUGHEED: And a very heavy tax, too.

Hon. Mr. BELCOURT: The case is not different from this. My honourable friend has a farm out in Alberta, and I come along and say to him, "You have got to employ me on your farm; you cannot employ anybody but me; I must do your work, and if we don't agree as to the price of my wages,

we will have to go to somebody else to settle or arbitrate about my wages." That is entirely this case. The publisher in Canada says to the author, "You have produced a book, but I am going to get the printing of it, and I am going to give you what I consider fair," and he goes to the Minister of Trade and Commerce, who regulates that. Why should I be compelled to sell my goods at a certain price? Why should my honourable friend be told by the Minister of Trade and Commerce that his property in Calgary is to be sold for a certain amount?

Hon. Sir JAMES LOUGHEED: That is not a parallel case.

Hon. Mr. BELCOURT: It is exactly parallel. The publisher says to this author, "You have got to accept the price that is offered, or I will print it for you." I am surprised that a man of great culture should treat so lightly the productions of Canadian authorship.

Hon. Sir JAMES LOUGHEED: My honourable friend supported a similar clause in the Patent Bill which came up before us some days ago.

Hon. Mr. BELCOURT: The difference between the Patent Bill and this is that in the Patent Bill he gets an exclusive monopoly, and why should he not pay for it? The author gets no monopoly.

Hon. Sir JAMES LOUGHEED: Yes, he does. There is a monopoly during his lifetime, and for 50 years after, whereas a patentee has only an 18 years' monopoly.

Hon. Mr. BELCOURT: I am afraid my honourable friend will have great difficulty in getting away from his past attitude on the question of policy which I am discussing, because, after all, that is the main thing here. He is responsible for the policy that the Canadian author should not have imposed on him restrictions other than restrictions imposed on other members of the Berne Convention. Now, the provisions added to the Bill by the House of Commons would inevitably discriminate against the Canadian author, and I thought my honourable friend was so impressed yesterday with that view that he actually allowed the Bill to be reported without any protest on his part, but by his silence gave approval to what the majority of the Senate wanted to do.

Hon. Sir JAMES LOUGHEED: We have borrowed this policy from England. Since 1842 they have insisted on that—publication in the United Kingdom.

Hon. Mr. BELCOURT: There is no provision of that kind to-day in the Copyright Act of Great Britain, or any other part of the Empire.

Hon. Sir JAMES LOUGHEED: I doubt that.

Hon. Mr. BELCOURT: We are the only Dominion that has not yet adopted a Copyright Act in accord with the terms of the Berne Convention. I think it is about time we should.

Hon Mr. BEAUBIEN: I hold views so strongly on this question that I ask permission to express them briefly. The arguments that were presented by the leader of the House, with his usual skill and effect and authority, can be summarized under three heads. Let us examine them, and find whether they are well founded. The first is this: the Canadian law now comprises the printing clauses—

Hon. Mr. DANDURAND: Licensing clauses.

Hon. Mr. BEAUBIEN: Well, I understand that these terms are synonymous. Secondly, we should follow the policy of Great Britain; thirdly, there is no earthly reason why we should give the product of the brain of an author any special protection.

Hon. Sir JAMES LOUGHEED: I take exception to that last statement. I did not take that position—no special protection. I said, give him protection, but subject to the term which we have already imposed.

Hon. Mr. BEAUBIEN: I apologize to my honourable friend if I did not truly reflect his thought and sentiment, and I want my interpretation to be corrected and made absolutely in compliance with what he has just expressed. I am free, however, to state that on a matter of so great importance, when this Chamber has, after what I thought a serious discussion, made a decision which was unanimous in the presence of the honourable gentleman who has brought the amendment, really few people in this House would have the authority, the skill, the debonnair manner, the ingratiating manner, of bringing the whole matter again before the House, and changing its aspect entirely, without any reason whatsoever. The question, as it came yesterday, is the same to-day; facts have not changed in the night. For my part, I fail to understand how a discussion of this importance can be carried out in the manner we have just witnessed.

But let that go. The first objection of my honourable friend is this: copyright in Can-

ada to-day comprises an obligation equivalent to the licensing clause. Well, I stand subject to correction, but I state that in law and in practice this is not what I understand to be the case at all. Any man who has his copyright under the 1886 Berne Convention which governs us to-day, need not print his book in Canada, and I ask any honourable gentleman to show me the clause of the statute to contradict the opinion which I hold, and have held for years. There is no obligation on any author to-day to print his book in Canada in order to obtain the protection of the Berne Convention of 1886, which protects him at home as well as abroad.

The second objection is this: why not follow the policy of England? Well, I never wished for a better cue for argument than that. I say with my honourable friend, in all earnestness, why not follow the policy of England? England had a policy in 1842, and has improved and perfected that policy since. It has adhered to the Convention of 1886, and the Convention of 1908. If we are behind the times it is because we have not followed that policy: there cannot be two opinions on that subject. Not only Great Britain, but all the colonies have done the same. Therefore I say, let us follow the policy of Great Britain, which, more and more, as time went by, showed its respect for the product of the brain, in company with the rest of the world.

That brings me to the last point: why should the product of the brain of a man be especially protected or privileged?

Hon. Mr. BLONDIN: What is the difference between the Bill presented to the other House and this one, if the Berne Convention gives all protection?

Hon. Mr. BEAUBIEN: We are now protected by the Berne Convention of 1886. We are not obliged to print in Canada, but we are now under certain disabilities, because the first Berne Convention stated that whenever a man wanted copyright protection he would have to submit to many formalities—for instance, to registration. In 1908 those were all done away with—because the 1908 Convention is a perfected Convention. An author being a subject of a country participating in the 1908 convention, can register to-day without all the troubles and annoyances of the Convention of 1886. He has the use of the modern instrument, that is all. The object of the Bill now before the House is to give Canadians the use of that perfected instrument, which does away with a lot of formalities as to registration, cases of infringement, and so on.

As to the third point: why protect in such an extraordinary way the product of the brain of man? I will leave aside the appeal made last night so eloquently by a man who had a right to make it before this House, a man whom I have known for 40 years, who has just been honoured by being named by his peers as the representative of Canada in the Academy of Belgium, a man to whom every author in Canada will extend the compliment, well-deserved, that he has had a laborious life, and has not worked to accumulate wealth, but rather to advance Canada in the literary and historical work of the world. Well, gentlemen, let me draw a parallel, if you please. One man has worked for 30 or 40 years. He has grown pale from working at nights. He makes nothing in the way of a fortune, though he gains much in the way of learning and of education for his own people and a great deal in the way of glory for his country. The other man, turning his face to the West, went forth when he was young, full of energy, courage and intelligence, and he had the power of turning everything to gold. He went West and settled there as a pioneer, and became in his district a man respected, one of those who are regarded as belonging to the privileged capitalist class. The honourable gentleman's neighbour on the left probably understands what I mean.

The produce of thirty or forty years of toil is in one man's brain in education and ability. He may express it in a few months in a work that will immortalize himself and his country. The other man has his compensation in real estate, in bonds worth hundreds of thousands, and in shares in dozens of large companies.

Hon. Mr. CASGRAIN: What about the income tax?

Hon. Mr. BEAUBIEN: Tell me, honourable gentlemen, do we not exercise the utmost care to protect the property of the man who has devoted his ability to the acquisition of worldly goods? Has anyone the right to use that man's property without his permission? Mind you, I do not mean to expropriate or rob it, but simply to use it. Why, then, should not the case be the same for the man who toils with his brain? For my part, I cannot see the difference. One man's property is as sacred as the other's.

Why not take the judgment of the world on this question, honourable gentlemen? This Parliament may be too small a jury. The country may be too small a jury. Will you accept the opinion of the world? Is that too small? And what does every civilized country

in the world say? Let me ask you Britishers par excellence, is the whole British Empire excepting Canada too small a jury for you? What does the British Empire say? It says: "Protect the work of the mind. The author is entitled to that protection." Why do we refrain from following the example that is set us not only by the British Empire, but by the entire civilized world? For my part I cannot see the reason.

Such were the facts last night; such are they to-day. As I understand it, this motion raises a question as important as that of the second reading, of the Bill, for it concerns the principle involved in it, and for my part I will certainly vote against it.

Hon. Mr. ROBERTSON: The honourable member who has just spoken has very thoroughly and forcefully advanced an argument on behalf of the toiler—the man who toils with his brain. May I briefly refer to another side of the picture, though I realize my inability to paint a word picture as my honourable friend has done?

Without dealing with nations, and with a desire to make my remarks brief, let me recall the fact. There was introduced into Parliament, and passed in 1921 a Copyright Bill which included the so-called manufacturing clauses. The date when that measure was to become effective was not definitely fixed, because some doubt existed in the mind of the Minister of Justice of that day as to whether or not the Bill would interfere or conflict with the requirements of the Berne Convention. Subsequently the opinion was expressed by those in authority that the enactment did not fully comply with the requirements of the Convention. At the Parliamentary Session of 1923 the Government of this day introduced a Bill respecting Copyright, omitting the manufacturing clauses. When the Bill was discussed in the House of Commons the manufacturing clauses were inserted in another form, and admitted to be not in conflict with the terms of the Berne Convention.

Hon. Mr. BELCOURT: Does my honourable friend say that they were admitted not to be?

Hon. Mr. ROBERTSON: Admitted not to be in conflict.

Hon. Mr. BELCOURT: Admitted by whom?

Hon. Mr. ROBERTSON: By the House of Commons.

Hon. Mr. BELCOURT: No; it was the reserve.

Hon. Mr. BEAUBIEN.

Hon. Mr. ROBERTSON: Because, as was admitted there, and as is admitted here by my honourable friend, the Parliament of Canada has a right to place a restriction upon its own nationals, and the Bill as it came from the House of Commons contained only that restriction.

Now, why did it retain that restriction? In the first place, it is a foregone conclusion that if people are to write books there must be people to read them. If Canada needs books, there must be people in this country to peruse them. If the printing of books and other industrial activities are to carried on entirely outside of Canada, or nearly so, then what demand will there be for the product of the author here? The manufacturing clauses provide that the work of the Canadian author shall be printed in Canada, and that if a Canadian publisher demands for the printing of such work a price that appears exorbitant and unfair, the author shall have the right and may exercise the right of appealing to the Minister, who is the arbitrator. Is not that the same principle as prevails in connection with what the workmen shall receive in our public utilities? If a workman thinks he is worth $10 a day and his employer says, "You are worth $2," and they cannot agree, what happens? The Parliament of Canada intervenes and says, "You must arbitrate the matter."

Hon. Mr. BEAUBIEN: I would like to ask the honourable gentleman a question, because I want to be quite clear on that point. I am absolutely sincere in this. Do I understand the honourable gentleman to say that both the workmen in the one case and the author in the other would be bound in the same way by law? Will not the honourable gentleman admit that the workman is perfectly free either to agree or to refuse to work?

Hon. Mr. ROBERTSON: I am delighted to find that the honourable member who has just spoken has at least declared himself not to be in favour of compulsory arbitration, because it has been my opinion for several years past that he was.

Hon. Mr. BEAUBIEN: In favour of compulsory arbitration?

Hon. Mr. ROBERTSON: In favour of the compulsory arbitration of labour disputes.

Hon. Mr. BEAUBIEN: Certainly, if both parties are to be bound, but not so long as one party alone remains free, as the labour class has been. I do not think that is proper.

Hon. Mr. ROBERTSON: Both parties are free; so they are equally treated.

Hon. Mr. BEAUBIEN: They are not.

Hon. Mr. ROBERTSON: This Bill proposes that the work of authors shall be published in Canada. The result will be that many hundreds of men will have employment and industry in this country, will be stimulated and will flourish, instead of the work being done elsewhere.

May I illustrate just what I mean? In the year 1917, I think, a very prominent gentleman in this country wrote a book entitled, "Industry and Humanity." It was copyrighted in November, 1918, by W. L. Mackenzie King—"All rights reserved." Where was that book published?

Hon. Mr. CASGRAIN: In the States.

Hon. Mr. ROBERTSON: By Houghton, Mifflin and Company, of Boston and New York. Is there any reason why a book written by a Canadian so prominent as the present Prime Minister should not be printed in Canada?

Hon. Mr. BELCOURT: May I answer that question?

Hon. Mr. ROBERTSON: Is there any reason why the work of his brain should not be followed by the work and skill of the Canadian workman in the production of his books? Is there any reason why the author should be privileged in the way that the workman is not? If Parliament in 1921—

Hon. Mr. BELCOURT: Will my honourable friend permit me to answer that question?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. BELCOURT: The honourable gentleman has put a question and has, I take it, invited any honourable member to answer.

Hon. Mr. ROBERTSON: Right.

Hon. Mr. BELCOURT: The reason it was published in New York—or Boston—was very likely the same reason which applies to the publication of almost any book in Canada. The fact is that you can go to London, or Paris, or Boston, or New York, and get a book printed for about one-third or one-fourth of the price that the Canadian publisher requires.

Hon. Mr. ROBERTSON: No. I will tell my honourable friend why it had to be published in Boston or New York. It was because he wanted to distribute and sell that book in the United States. You get copyright in the United States if you publish in the United States. When an author from Canada goes to a publisher there and asks to have his book published, the publisher says: "Yes, I will publish your book provided you give me also the copyright for Canada." Because of the club that the United States publisher holds over the head of the Canadian author, the publishing houses and labour in this country have to suffer and are suffering; and if the motion now before the House prevails and those clauses are restored which unfortunately were struck out yesterday, justice will be done to a great many people, and in my opinion a favour will be done to the authors themselves, because they will no longer be under the restraint which they now suffer.

Hon. Mr. CASGRAIN: I want to ask the honourable gentleman a question. If the price which the printers ask is to much and the Minister fixes a price, is the publisher obliged then to print the book?

Hon. Mr. LYNCH-STAUNTON: No. The author is privileged to print it if he refuses.

Hon. Mr. WILLOUGHBY: Honourable gentlemen, when the Bill was up in the House yesterday, I suggested by way of amendment a different course from that which the House ultimately pursued. The Bill as it passsd the second reading makes it obligatory on a Canadian citizen, as well as the citizen or national of any country not in the Berne Convention, to be subject to the licensing clauses. I personally took exception then, and I do now, to the placing of an obligation on a Canadian citizen to be subject to the licensing clauses when there is not such obligation placed on the national of any other country under the Berne Convention—and there are 30 or 40 countries in it, including most of the leading countries of Europe and some of South America. They are not subject to the licensing clauses at all. If this Bill passes, the Canadian citizen will be subject to them. That would impose upon the Canadian author a handicap which ought not to be placed upon him. That is a discrimination against our own people.

Hon. Mr. BEIQUE: I would draw the honourable gentleman's attention to this fact, which I think would be an answer to his question. Citizens of other countries do not occupy a position similar to that which we occupy alongside the United States.

Hon. Mr. WILLOUGHBY: Quite true. I quite agree with the statement of the honour-

able gentleman. But then you have the other provision, as well as the one applicable to the Canadian citizen, namely, that the Nationals of those countries who do not belong to the Berne Convention are subject to the licensing clauses. All our copyright legislation, after our relations with Great Britain were adjusted and we obtained the power to do as we wanted, has been largely governed, of necessity, by our contiguity to the United States. I dare say the origin of the printing clauses could be traced to the United States. Back in the old land each country had its own language and there was not very much need for the insertion of printing clauses or very much advantage to gain by it. The difference in language made them unnecessary. But we are situated beside the United States, who are not under the Berne Convention, and in whose country it is necessary not only that books be printed but that the type be cast. They have overshadowed us in regard to publications as well as in many other ways, and I think that as against the United States we ought in any event to make them subject to the licensing clauses, because I believe in absolute reciprocity in that respect. If we publish over there we must have the book printed with type cast in the United States.

Hon. Mr. McLENNAN: Set.

Hon. Mr. WILLOUGHBY: I am corrected; with type set in the United States. I am sorry that I could not follow the suggestion made by the honourable leader on this side. If I understood him right, he said that these printing or licensing clauses should apply to our own nationals. As I indicated yesterday in the proposed amendment that I read to the House, any country not under the Berne Convention—and particularly the United States, whom we have in mind—should be made subject to the licensing clauses, because in my opinion that would tend to develop the printing interests of this country.

I think we ought in any event to approach this Act in a spirit of compromise. We have been for a long period of years trying to get a satisfactory copyright law in Canada. There are at present certain classes of the population. brain workers, such as song writers and composers, who have no copyright at all, owing to the defective nature of our law; because we are not up to date. For people of that class, if we cannot agree on this law, we should pass an independent Act in any event, for the protection of those whose works are reproduced mechanically—by the player piano, the phonograph, and perhaps the radiograph, and in other ways. We should protect the work of the composer's brain, even if we cannot agree in the larger field of authors.

So that while I would be quite ready to support the motion of the honourable leader on this side of the House, knowing that after all there must be a certain degree of compromise in dealing with this matter, yet I realize and appreciate the importance of what I consider the primary right of the author to protection for the product of his brain. At the same time in this country of ours, placed as we are beside the United States, with our struggling publishing interests, handicapped enormously by the vast field for circulation in the United States and the great accumulation of capital in their printing houses, I do think we ought incidentally, in connection with copyrights, to do something for the protection of our publishing interests.

Hon. Mr. ROCHE: Honourable gentlemen, I think that I, amongst others, shall be expected to give a vote on this question. I am disposed to help the authors to the extent of my vote and my good wishes, and I would like to know whether it would be more advantageous to the author to have the benefits of this Berne Convention or to have the benefit of publication of his work in the United States. There is the alternative. I would like to have it decided which would be more to the advantage of the author, and I will vote for that.

Hon. Mr. ROBERTSON: Discuss it in Committee.

Hon. Mr. BEAUBIEN: I may tell my honourable friend that there is an association of Canadian authors composed of 900 members which has urged upon the Minister of Trade and Commerce the necessity of passing this law as it was introduced in the Lower House, without the printing clauses that we are discussing. Surely, therefore, there can be no better test of where lie the interests of the authors as between the two alternatives mentioned by the honourable gentleman.

Some Hon. SENATORS: Question.

Hon. Mr. CHAPAIS: Honourable gentlemen, I suppose I may be allowed to say a few words upon that question. I know something about it and will detain the House for only a very brief space of time.

I was surprised and deeply regretted to see the stand taken by the honourable member for Calgary (Hon. Sir James Lougheed), the leader of this side of the House, this afternoon. Yesterday he was in his place, peaceful, smiling, acquiescent, and everything went smoothly. There were not a great number of mem-

bers in the Chamber, it is true, but we were a respectable number, and I think that on both sides we could be fairly said to represent the intellect and parliamentary experience of this House; and we debated the question fully.

This is not a new question, honourable gentlemen, but one that has been debated for many years in this Parliament. As you remember perfectly well, the manufacturing clauses were in the Bill of 1921, and we discussed that matter for many days before the Bill was adopted; and you know the result. The Bill contained these clauses 13, 14, 15 and 27, which were deemed objectionable, and for that reason the Bill was never proclaimed.

Now we have this new Bill before us. Yesterday, after having heard many speeches, we decided that clause 2 of the Bill as it was read the first time in the House of Commons on the 21st of February was to be reinserted; and now we are asked by the honourable member for Calgary to go back on what was done yesterday and to reinsert the amendment which was adopted in the House of Commons, thus reviving clauses 13, 14, 15 and 27.

Now, honourable gentlemen, I want to call your kind attention to a demonstration which I will try to place before this House. With all due respect to my colleagues, I do not think that a great many of them understand the working and the result of these clauses. I am not going to talk of myself, but if I use some words that would seem to be personal, it is only as a matter of expression. What will be the result of these clauses 13, 14, 15 and 27, as far as Canadian authors are concerned? Let us go to the bottom of the question; and if you will give me your attention for a few minutes, I think I can show you the unfairness of them.

Suppose I am going to publish a book. It may be historical or poetical or fiction, or otherwise. I have spent many months, perhaps years, in painful work, deep research, patient investigation, and my book is ready to be given to the public. Of course, it may be bad, it may be good, or it may be indifferent; but I want to publish it; and I am inclined to believe—or course authors are always a little vain—that it may be a good book for the public of this country. I go to a publisher in Quebec or in Montreal, and say: "Here is my manuscript, 500 pages; you see the notes, indexes, and so on. How much would it cost me to publish that book? I am a poor man"—authors as a rule are poor men; they may have intellectual power, but usually they are poor so far as wordly goods are concerned—"I am a poor man; I hope the book will be a success, so give me your lowest price." He goes to his office and inquires about the cost of paper and so on, and comes back and says: "I will print your book for such and such." Mind you, honourable gentlemen, it is a very costly proceeding. I do not think there are many members of this House who are in the painful position of having to print books; but if they are, they must know that it is very costly to print books in Canada to-day because of many reasons which I will not detain the House to explain.

I have been informed by a friend who has just come from Europe that in Brussels I could print that same book for half the price that is asked by a printer in Quebec or Montreal. Having received that information I tell that to my friend the publisher, and he says: "I am very sorry; I have given you the lowest price I can ask you." After thinking it over I decide that I will go and have my book printed in Brussels. It has been done; I know of Canadians who have had their books printer there. Our own Canadian poet, Louis Fréchette had one of his books printed in Paris.

Hon. Mr. BELCOURT: Will my honourable friend allow me to give him a very recent case of that kind? It is a book published by the Right Hon. Sir Robert Borden "The War and the Future."

Hon. Mr. CHAPAIS: I know the book; it was printed in London—and very many others do that.

I go to Brussels and have two or three thousand copies of my book printed there, and I come back to Canada and make the negotiations necessary for the sale of my book—I go to the booksellers and so on—and while I am doing that preparatory work for the selling of my book, the publisher of Quebec or Montreal comes to me and says: "I hear you have printed a book in Paris or Brussels or London." I assent, and he says, "Has it been printed in Canada?" "No." "Ah, something will have to be done; I am going to print the book." "But," I say, "you are joking; I have my book, 3,000 copies of it, and I am going to sell them. It is my book; it is the product of my brain; I have put two or three years, perhaps 10 years, into that book, and you are coming and telling me I cannot sell it. Surely you are joking." But clause 13 of the Copyright Act of Canada says:

> Any person may apply to the Minister for license to print and publish in Canada any book wherein copyright subsists, if at any time after publication and within the duration of the copyright the owner of the copyright fails:

a. to print the said book or cause the same to be printed in Canada;

b. To supply by means of copies so printed the reasonable demands of the Canadian market for such book.

"So," says my friend the publisher, "if you don't make a contract with me for the printing of your book, I shall go to the Minister and ask for a license to print it; and I shall have the right to print 1,000 copies of it." "But, my dear friend, I have 3,000 copies of it, and I think that is plenty." "I will go to the Minister and get my license, and will print your book, with your consent if you give it, or without it if you do not want to give it." He says, "I will give you something." "What will you give me?" Of course, he may name a low figure. If I don't agree, the minister shall decide. I am in their hands. I think I am in a very bad predicament with that Canadian law so full of protection for Canadian publishers.

The other day we had a printed memorandum put before the House which came from the official of the Department that has to deal with that matter, and from which I read these lines:

Bill 24, as amended by the House of Commons while it removes objections both of the British and International authorities, still affords the publishers the protection of the licensing sections of the Act both as against the resident Canadian author and the author of the United States.

Protection against whom? Protection to the publishers against the Canadian authors.

Who needs the protection? Our literature is in its infancy; we must build it up if we want to be a great nation—if we want to be a civilized nation. We want material things, of course—railways and transportation and things of that kind—but if we have the proud ambition of becoming a great nation, we should care a little more what we do for the protection of Canadian authors and the building up of Canadian literature. And what protection are we giving them? They come to us, and get protection for the publishers. Is it fair, honourable gentlemen?

Let me go back to my demonstration. My good friend the publisher says: "I will go to the Minister and will have your book printed. I cannot agree with his as to the price he is going to give me: it may be a paltry sum, and he gets a license, and my book is printed without my consent. I have the 3,000 copies that have been printed in Belgium. What am I to do with them? I wil try, perhaps, you will say, to have my book brought here from Belgium to compete with my books printed by the Canadian publisher. But do you think I would be free to do that? You will see. Here is clause 27:

Where the owner of the copyright has by license or otherwise granted the right to reproduce any book in Canada, or where a license to reproduce such book has been granted under sections 12 or 13, it shall not be lawful except as provided in subsection 3 to import into Canada copies of such book, and such copies shall be deemed to be included in schedule C to the Customs Tariff, 1907, and that schedule shall apply accordingly.

I shall not have the right to sell my book; I shall be prevented by clause 27 from importing my own book into Canada to compete with the book that has been printed by the publisher here. Honourable gentlemen, if this is justice, if this is fair play, if this is protection for Canadian literature, I know nothing about words.

I think I am entitled to ask protection, not for myself, but in the name of the great fraternity of those good citizens who are the literary men of Canada. The authors of history, poetry, fiction, science, are great men, honourable gentlemen; other men may do great things for Canada, but these humble men who toil, who spend their nights in writing books and trying to build up Canadian literature, are worthy of protection; and it is in their name that I now ask this House not to adopt the amendment presented by the honourable gentleman from Calgary, but to stand by the action taken by this House yesterday.

Hon. Mr. McDONALD: If all the printing in Canada was that of the authors, and you could get all that work done for one-third of the amount in Germany, would you have it done in Germany?

Hon Mr. CHAPAIS: Never, never, because Germany is not one of my own; but when I go to France or Belgium I go to my own—to those who were our allies in the great fight for liberty and civilization.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McDONALD: Would you have it printed in Japan?

Hon. Mr. CHAPAIS: Are you going to ask if I would have it printed in Patagonia?

Hon. Mr. McDONALD: If all the printing in Canada was furnished by the authors, and you could get the work done in any other country for one-third, would you do it with Mr. Fielding holding up his hands and saying: "We cannot meet the deficit," and with factories closing all over Canada? If you go to another country and get the work done for half the cost, and close up the factories and put them out of business, who will pay the taxes?

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to lay clearly before the Senate the situation of the Minister of Trade and Commerce, who introduced this Bill in the House of Commons. Before a Bill of this importance is introduced in the House of Commons I take for granted that the general principle is submitted to Council, and that this was done in this instance. When the Bill was introduced it had for its object the eliminating of the licensing clauses. In the House of Commons, when it was examined in Committee, some objections were made to the principle of the Bill. The Minister of Trade and Commerce discussed those objections, and, remembering the difficulties which the late Minister of Justice had had in passing the Bill of 1921, came to the conclusion that perhaps, in the interest of the authors, whose interest he was championing, he should accept a compromise—I will not say really a compromise, but a half measure. I do not say compromise because the parties in whose favour he was supposed to legislate did not give their consent to that half-measure.

When the Bill thus passed the Commons I was entrusted with its fortune in this Chamber. I informed the Minister of Trade and Commerce that I stood for the authors in this matter—for the principle of freedom embodied in the Bill as originally introduced, and that I wanted to remain free to test the Senate as to the full right of the authors to come under the Berne Convention, untrammeled by those four clauses which are now under discussion.

The Minister of Trade and Commerce informed me that he viewed the matter as I did; that, perhaps he could have pressed this matter to a vote in the House of Commons and tested the opinion of that House on the Bill as originally introduced, but that when it came to this Chamber, the Senate should be free to express its opinion on the matter; and that, if we felt strongly that this half-measure was not acceptable to the authors, we should say so, and he would make an effort when it returned to the House of Commons to have our views prevail. This is the position of the Minister of Trade and Commerce, and my own position.

Now, I want to say that I accompanied a very imposing delegation of the authors of this country last spring to the Minister of Trade and Commerce, and urged him to bring down last year the Bill, which he introduced this Session. He told us then that the Session was somewhat advanced, but he promised us to bring at the following Session this measure, as introduced some time ago in the Commons. He did so.

Nothing had happened to bring me to alter my view, and, with all due apology to this Chamber, I will read the very concise remarks I made in 1921; and to the conclusions I then reached I now adhere. I was addressing myself to my honourable friend opposite:

> Honourable gentlemen, the Government leader has stated that not only had the authors rights in connection with the publication of their books, but that the public was to be considered. I do not understand exactly what my honourable friend meant by that word, the public. Did he mean the readers at large throughout the land? Or did that expression cover simply the publisher or printer? If he meant the public at large, I do not see that the public needs any protection in this connection. Suppose a Canadian author has written a book: he goes to a Canadian publisher, who refuses to publish it:—he crosses the line, goes to New York or Boston, and obtains a contract, favourable to himself and quite satisfactory, for the printing of the book, and he gives the right to the publisher to sell that book throughout the United States and Canada. This is a right which, up to this moment, seems to violate no principle, if this law does not interevene; but, if this law should interevene, then that contract which the author had made or would make, he may not be able to make. The Boston or New York publisher may say: "I have a considerable clientele among the reading public in Canada, and I will make for you certain favourable conditions if you give me the right to extend my sales to your country." But the author will be hampered in disposing of his rights and entering into a contract for the publication of his book in the United States, which is the large constituency, representing a market of 110,000,000 people as against 7,000,000 or 8,000,000 Canadian people;—because under this legislation any publisher may immediately give notice to the Minister of Justice that he intends to claim a license and publish that book in Canada. If the American publisher has consented to enter into that contract, and is hampered in regard to entering the Canadian market through that demand for a license the contract may be set at nought; difficulties may appear; and the author may be involved in lawsuits and in loss—all because a Canadian publisher, who may have refused the risk of publishing that book when it was first offered to him, feeling assured now that it is a success, will pounce upon it and say, "Now I will print it in Canada"—in violation of a contract that may have been entered into with the American house by the author. This is the step we are about to take in putting into this Act these sections 13, 14, and 15. For my part I am not disposed thus to hamper the Canadian author. He has produced his book, he is a free man, he can offer it to a Canadian publishing house; that house may accept or refuse it; or he may, without offering it, decide that it can be launched on the American market, and he may cross over to the other side and publish it.
>
> Now, why should this Parliament interfere by saying: "You shall be limited in the right of disposing of your own property; you will be limited because if you go across the border to print your book you may to-morrow have a demand from a publisher to print a Canadian edition." There is no use blinking the fact that these clauses are incorporated in this Act to allow the Canadian printer or publisher a right to publish a book of a Canadian author which has achieved some success on the other side. If it were a failure, I suppose there would be no difficulty. But by what right should this Parliament hamper and

restrict the liberty of the author in favour of the publisher and printer? I am in favour of giving Canadian printer and publisher all the possible advantages that may accrue to him regularly under our laws; but not at the expense of his neighbour. I do not see that the Canadian publisher or printer has any right to a mortgage of any kind upon the property of his neighbour; yet this is what we are giving him by these sections 13, 14, and 15. I want the Canadian author to go absolutely unhampered, and I want this Parliament, if it can do it by my vote, to accept the principle of the Berne Convention, which declares that when a state enters that convention, any one of its nationals—to use an expression we discussed lately, and to which we gave the legal sense—is to be allowed to publish his book, and to have the help of that constituency represented by the countries that accept the Berne Convention. For that reason I think clauses 13, 14, and 15 contain a vicious principle. The Minister of Justice has expressed the hope that he may successfully negotiate Canada into the Berne Convention, and have the United States accept these as reciprocal clauses. I am convinced that if we adopt that principle the Minister of Justice will come next Session and dclare his utter failure. But, as I cannot admit the prnciple on which he wants to rest, I am not ready to vote for these clauses.

Honourable gentlemen, I know that the Commons have put in a half-way clause, but that half-way clause does not change the principle. It still allows the Canadian author to be subject to the will of a stranger to his work—printer or publisher. It puts him under his absolute rule. I believe that the brains of Canadian authors should not be thus shackled. I deem them to be free men, and I want them to hold to their full property. It is for this reason that I refused to accept the present Bill in this Chamber, thinking that the Senate of Canada would recognize the freedom of Canadian authors and restore to them their full rights.

Hon. Mr. LYNCH-STAUNTON: Would the honourable gentleman answer my question? The argument seems to be fairly convincing, but I would like him to differentiate the treatment that it was proposed to give to the authors by these clauses which have been ejected from the Bill, from the treatment which we give a man who owns a patent. As I understand the patent law, if I patent an article I must manufacture it in this country within a certain time, or I lose my control over it. Now, what is the difference? Each is the product of a man's brain, and the product, perhaps, of a genius who has laboured for years and years on it; but for the life of me I cannot see the distinction between the two.

Hon. Mr. DANDURAND: The patentee obtains, under a universal convention throughout the world, the very same advantages that the author gets under the Berne Convention. He is protected against infringement throughout the countries in which he obtains the privilege to operate or sell his patent.

Hon. Mr. LYNCH-STAUNTON: On condition that he manufactures it in the country?

Hon. Mr. DANDURAND: No.

Hon. Mr. LYNCH-STAUNTON: Oh, yes.

Hon. Sir JAMES LOUGHEED: Yes, the licensing clauses are the same.

Hon. Mr. DANDURAND: Yes, there is that to be said; but I surmise that we shall not commercialize the brain-work of the author.

Hon. Mr. LYNCH-STAUNTON: Oh, but we do: he commercializes it himself, when he offers it for sale.

Hon. Mr. ROBERTSON: That is why he has objection to this Bill.

Hon. Mr. DANDURAND: He does, but he stands, it seems to me, in a different position from the one who manufactures an article for sale in a commercial market.

Hon. Mr. LYNCH-STAUNTON: Oh, no.

Hon. Mr. DANDURAND: The author brings forth the product of his brain. He must, in communicating it to the world, print it in a certain form; and it is when it comes to that form that you decree that he is no more the master of his own brain work. For this reason it seems that the author who publishes purely an intellectual work with the object of propagating his ideas, should be in a totally different situation from that of the ordinary inventor who turns his ideas into a commercial article, or other form, primarily for his commerce.

Hon. Mr. LYNCH-STAUNTON: But the honourable gentleman forgets that inventions are sometimes not commercial at all; that they are sometimes most wondrous creations of imagination, as in literary work.

Hon. Mr. BEIQUE: If the honourable member from Hamilton and others in this honourable House will allow me, I will suggest that there is another answer to his question. He has asked why the author should not be put on the same footing as the inventor.

Hon. Mr. LYNCH-STAUNTON: That is the question.

Hon. Mr. BEIQUE: The answer is because the same question does not arise. It is not a matter of disadvantage for a patentee to be obliged to manufacture in Canada. He has the right to have his patent in the United States and in Canada, and he is obliged to manufature in both countries where he has the privilege. He does not complain. But

here, on account of our neighbourhood with the United States, and the larger population in that country, the authors claim that they are put to a great disadvantage if they are forced to adopt that restriction. That is the difference between the two.

Hon. Mr. LYNCH-STAUNTON: I do not often hear the honourable gentleman make such an inconclusive answer, because if a man has an invention and patents it in Canada and the United States, if he manufactures it in the United States, and does not within a given time manufacture it in Canada, though he may certainly bring it into Canada, yet any person else may make it in Canada. Now, as I follow it, the author is in the same position. Under this law the author may publish his book in the United States, and if he does not publish his book in Canada some person else may publish it here, but he may bring it into Canada if he chooses, if he does not make a bargain with the other man. As I follow the law, if a publisher in Canada refuses to make a contract with the author, satisfactory to the author, and the author declines accept the publisher's offer, there is nothing to prevent the author from bringing the book into Canada as manufactured in another country.

Hon. Mr. BELCOURT: Subject to appeal to the Minister.

Hon. Mr. LYNCH-STAUNTON: Where there is not a bargain made between the publisher in Canada and the author, is there anything that prohibits the author from bringing his work in and selling it in competition with a work printed in Canada? That is exactly the position of a patent.

Hon. Mr. BELCOURT: In that case he has to get a publisher who is willing to accept his price, and if they cannot agree they have to go to the Minister. That is the burden. Of course, after going to the Minister, it is quite proper for both to refuse to go on, but the difficulty is that the author is under an obligation of either agreeing to pay the price of the publisher or accepting the price of the Minister.

Hon. Mr. LYNCH-STAUNTON Would not an author be in a much worse position if we enacted the same clauses in the Copyright Act as are in the Patent Act?

Hon. Mr BEAUBIEN: Will my honourable friend allow me?

Hon. Mr. LYNCH-STAUNTON: I want an answer to that question: will not the author be in a much worse position if we interjected into this Act the exact clauses which are in the Patent Act?

Hon. Mr. BEAUBIEN: Will my honourable friend allow me to attempt an answer to his very skillful question, and it is this—

Hon. Mr. LYNCH-STAUNTON: I do not know that it is skillful.

Hon. Mr. BEAUBIEN: Yes, it is skillful. I think I have the right to pay you that compliment, anyway.

Hon. Mr. LYNCH-STAUNTON: I do not mind the compliment.

Hon. Mr. BEAUBIEN: Well, there it is. If you hold that copyright is the same as patent right, in my humble judgment you are right.

Hon. Mr. LYNCH-STAUNTON: I do say so.

Hon. Mr. BEAUBIEN: But will you allow me to make this distinction: whereas copyright, which is not meant to deal with commerce, may touch commerce—as, for instance, you may pass from a book of philosophy to a directory—on the other hand, the patent law, is intended for commerce; although, mind you, there is also a border zone of that law that touches on the work of the brain.

Hon. Mr. LYNCH-STAUNTON: You may pass from a wireless machine to a pitchfork.

Hon. Mr. BEAUBIEN: I have not made the definition: the whole world has made it, because the patent law is different from copyright law over the whole world. There must be a reason for this, and I suggest that the reason I have given may be the right one.

Hon. Mr. LYNCH-STAUNTON: It may be.

Some Hon. SENATORS: Question.

The Senate divided on the proposed amendment of Hon. Sir James Lougheed, which was agreed to on the following division:

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At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

The Senate again went into Committee on Bill 24, an Act to amend the Copyright Act, 1921.

Hon. Mr. Blain in the Chair.

On section 2—application of provision regarding licenses and importations:

Hon. Sir JAMES LOUGHEED: May I ask what now is the position of section 2, Mr. Chairman:

The Hon. the CHAIRMAN: Part of the section has been struck out. It now reads:

2. Sections thirteen, fourteen, fifteen and twenty-seven of the Copyright Act, 1921, are hereby repealed.

Hon. Sir JAMES LOUGHEED: I move that clause 2 be struck out and the following substituted therefor, namely, the section which was previously stricken out; that is to say:

2. Sections thirteen, fourteen, fifteen and twenty-seven of the Copyright Act, 1921, shall not apply to any work the author of which is a British subject, other than a Canadian citizen, or the subject or citizen of a country which has adhered to the Convention and the additional Protocol thereto set out in the second schedule to the said Act.

Hon. Mr. DANDURAND: I wonder if the better form would not be to reconsider section 2 of the Bill, since we have passed upon it.

Hon. Sir JAMES LOUGHEED: The only point in my mind would be whether there could be a reconsideration at this stage. The Committee rose and reported to the House, and the Bill has under a motion been recommitted to the Committee.

Hon. Mr. DANDURAND: For reconsideration?

Hon. Sir JAMES LOUGHEED: For any change that may be suggested.

Hon. Mr. LYNCH-STAUNTON.

Hon. Mr. DANDURAND: I am not insisting.

Hon. Sir JAMES LOUGHEED: Section 2 as reported by the Committee to the House is now part and parcel of the Bill.

Hon. Mr. DANDURAND: We went into Committee and did some work on the Bill, making some amendments.

Hon. Sir JAMES LOUGHEED: We considered and reported upon the whole Bill.

Hon. Mr. DANDURAND: I thought that in going back to the Committee we simply wiped out what we had done after the Bill left the Committee.

Hon. Sir JAMES LOUGHEED: I would point out to my honourable friend that the report of the Committee was adopted by the House.

Hon. Mr. DANDURAND: I do not insist. I simply had my doubts about the matter.

Hon. Mr. WILLOUGHBY: Mr. Chairman, I beg to move an amendment to the amendment suggested by the honourable gentleman from Calgary (Hon Sir James Lougheed):

That section 2 of the Bill be struck out and the following substituted:

Sections thirteen, fourteen, fifteen and twenty-seven of the Copyright Act, 1921, shall apply only to a subject or citizen of a country which has not adhered to the Convention and the additional Protocols thereto set out in the second schedule to the said Act.

The effect is simply to strike out of the section the words "other than a Canadian citizen."

Hon. Mr. McLENNAN: I second that motion.

Hon. Mr. DANDURAND: Why does not my honourable friend move an amendment to the amendment? To strike out the words "other than a Canadian citizen?"

Hon. Mr. WILLOUGHBY: I am perfectly agreeable to that.

Hon. Mr. DANDURAND: Because the proposed amendment of the honourable gentleman would alter the whole clause.

Hon. Mr. WILLOUGHBY: No—begging the honourable gentleman's pardon; I have adopted the language of the section, but stricken out the words "other than a Canadian citizen."

Hon. Mr. DANDURAND: That is the only alteration the honourable gentleman proposes?

Hon. Mr. WILLOUGHBY: That is the only change.

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend, would it be possible for such a person to get copyright in Canada if we passed this Bill and Canada adheres to the Convention?

Hon. Mr. WILLOUGHBY: My best advice is that it would be.

Hon. Sir JAMES LOUGHEED: I doubt that, because, it seems to me that if Canada grants copyright to anyone, it is granted under the Berne Convention, as we become members of the Berne Convention. If that be the case, the proposed amendment would be senseless.

Hon. Mr. WILLOUGHBY: No, I think not. I think we can bring ourselves within the terms of the Berne Convention by dealing only with people who are in the Convention. It does not matter how we deal with outsiders.

Hon. Sir JAMES LOUGHEED: Then those within the Berne Convention will have the right, and they have the right under the Act as it came from the House of Commons, to secure copyright without the printing clauses being imposed upon them.

Hon. Mr. WILLOUGHBY: My proposed amendment imposes the printing clauses on anybody inside the Berne Convention.

Hon. Sir JAMES LOUGHEED: Then can such a person get copyright in Canada?

Hon. Mr. BEAUBIEN: He can.

Hon. Mr. WILLOUGHBY: Absolutely, under the terms of the Convention. The nationals of any country in the Convention, as I take it, can get copyright.

Hon. Sir JAMES LOUGHEED: He is a member of the Berne Convention, and by virtue of that he makes application for copyright in Canada.

Hon. Mr. WILLOUGHBY: That is all right.

Hon. Mr. DANIEL: What would be the effect of the amendment to the amendment?

Hon. Mr. BEAUBIEN: As I understand it, the effect of it would be to free the Canadian of any disability.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BEAUBIEN: Canadians would be included in the Berne Convention and would not be subject to the licensing clause. At the same time our position in relation to the United States would be changed, because the licensing clause would apply to them. That is the way I understand the amendment to the amendment, and if I am not right I wish to be corrected. In other words the disability—if we call the licensing clause a disability—is removed from Canadians, but still applies against United States citizens.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BEAUBIEN: In other words, we maintain reciprocity—

Hon. Mr. DANDURAND: Of illwill.

Hon. Mr. BEAUBIEN: If you like, or bad treatment if you like.

Hon. Mr. DANIEL: Reciprocal treatment.

Hon. Mr. BEAUBIEN: Reciprocal ill-treatment is maintained at the border, but our own countrymen are liberated.

Hon. Sir JAMES LOUGHEED: I venture to say that this will meet with the most vigorous opposition on the part of Canadian authors, because it will result in reprisals being adopted by the United States, and that is what they have sought to avoid ever since copyright was discussed.

Hon. Mr. DANDURAND: I desired to know to what extent this proposal would be workable from the departmental point of view, and I am just informed that it is workable, and the representative of the authors, who is here, says they will be satisfied if the sub-amendment is adopted by the Senate.

The proposed amendment of Hon. Mr. Willoughby was negatived: yeas, 15; nays, 26.

The proposed amendment of Hon. Sir James Lougheed was agreed to on the same division reversed.

Hon. Mr. DANDURAND: Now I move my amendment to clause 5.

The Hon. the CHAIRMAN: Hon. Mr. Dandurand moves that clause 5 of Bill 24 be amended by adding thereto the following words:

Unless before that date an Order in Council is passed fixing a later date.

Hon. Mr. DANDURAND: The Department is afraid that the time perhaps is a little too short, and asks power to extend it by Order in Council, because they will have to open negotiations with the United States.

Hon. Mr. WILLOUGHBY: May I suggest to the leader of the House that it might be done in another way which I think has precedent in the Old Country, although I do not speak with certainty as to that—that we should fix a more remote date, say the 1st of Janu-

ary next, with the proviso that it may be proclaimed at an earlier date.

Hon. Mr. DANDURAND: My honourable friend simply reverses the order. We say the 1st day of July, and, if it is deemed impossible to close negotiations with the United States, extend the time by Order in Council.

Hon. Mr. LYNCH-STAUNTON: It might be for ten years, unless there is a limit.

Hon. Mr. SCHAFFNER: You did not proclaim it at all in 1921.

Hon. Sir JAMES LOUGHEED: If you adopt the suggestion of the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby), you overcome the difficulty by fixing a maximum time and taking the right to proclaim it earlier if the negotiations are concluded.

Hon. Mr. DANDURAND: Well, we may say the 1st of January unless sooner proclaimed by Order in Council.

The proposed amendment of Hon. Mr. Dandurand, amended as suggested, was agreed to.

Section 5 was agreed to.

The Bill was reported as amended.

The amendments were concurred in, and the Bill was read the third time, and passed.

DIVORCE BILLS

THIRD READING

Bill B5, an Act for the relief of Winifred Scatchered.—Hon. Mr. Taylor.

SECOND READING

Bill C5, an Act for the relief of Grace Lees Smiley.—Hon. Mr. Blain.

PRIVATE BILL

THIRD READING

Bill O4, an Act respecting the Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.—Hon. Mr. Pardee.

PATENT BILL

CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 20, an Act to amend and consolidate the Acts relating to patents of invention.—Hon. Mr. Dandurand.

Hon. Mr. Bradbury in the Chair.

On section 7—who may obtain patents:

Hon. Mr. DANDURAND: We had left sections 7 and 8 to be reconsidered; that is, to be examined, in fact, because we were not all satisfied with the policy of extending to two years the time within which an inventor has the right to make application for a patent. There is a division of opinion on this question outside of this Chamber, among people who follow the work of the Patent Office. As it is debatable, I am ready to acept the view of the House if it seems to be somewhat clear on this point. My honourable friend wanted some delay to express finally his opinion. I am ready to receive it.

Hon. Sir JAMES LOUGHEED: I may say that I had the opportunity to-day of discussing with the Commissioner of Patents the sections that have been held over, and after that discussion I came to the conclusion that I would not offer any further criticism of the Patent Act. I have lost all confidence in my knowledge of patents, and therefore I am prepared, personally, to accept the sections. My honourable friend from Middleton was likewise impressed. I think he raised the same objection that I did.

Hon. W. B. ROSS: I am disposed to accept the Bill as it is now.

Sections 7, 8 and 19 were agreed to.

On section 50—patent not to affect a previous purchaser:

Hon. Mr. DANDURAND: There is a motion for a small change to make this section agree with sections 7 and 8. It is to strike out, in line 14, the words "with the consent or allowance of the inventor thereof."

Section 50 as amended, was agreed to.

On sections 57 and 58—register of attorneys: patent agent or attorney:

Hon. Mr. DANDURAND: This is the explanation which I have from the Department on these clauses:

> These clauses are simply for the protection of the public. Frequently complaints are received in the Patent Office that so-called patent attorneys have taken money without rendering any service, and redress is asked for, which the Office is powerless to give. The Office has referred such complaints to the postal authorities, as this business is generally carried on through the mails, but without much result. If these clauses were passed, they would enable the Commissioner, on such complaints being established, to discipline the unscrupulous practitioners by depriving them of the right to practice before the Patent Office. Similar provision is found in the Patent Laws of the more important countries.
>
> Frequently members of the Canadian Bar wish to prosecute applications for patents before the United States Patent Office. They cannot do so without being registered as patent attorneys in that Office. Difficulty is experienced in obtaining this registration, and it is granted only on the personal request of the

Canadian Commissioner to the U. S. Commissioner. If the system of registration were established such as these Clauses would provide, this difficulty would be removed, as registration in the U. S. Office would be granted on the production of a certificate of registration in Canada. The registration in the Canadian Office would be made in accordance with regulations to be made by the Governor in Council. Members of the Bar would be registered on request, and probably signing as attorney any document filed in the Patent Office would be deemed a request.

Sections 57 and 58, 61 and 62, were agreed to.

On section 69—notice of appeal:

Hon. Mr. DANDURAND: This section seemed to be somewhat obscure or involved, and it was suggested that it should be recast. I move that the present clause be struck out, and replaced by the following:

69. Whenever an appeal to the Exchequer Court from the decision of the Commissioner is permitted under this Act, notice of his decision shall be mailed by the Commissioner by registered letter addressed to the interested parties or their respective agents, and the appeal shall be taken within three months from the date of mailing of such notice unless herein otherwise expressly provided.

Hon. Sir JAMES LOUGHEED: I venture to suggest that this time should be extended to provide for any oversight in the receipt of the notice. It will be observed that the three months run from the posting of the letter in question. Now, possibly a very important letter might be lost, and the three months period is arbitrarily fixed. I think it would be improved by adding some such words as "except the time is otherwise extended by the Commissioner," and let him exercise his discretion. If there be evidence that the letter was not duly received, application might be made to the Commissioner to extend the time.

Hon. Mr. DANDURAND: I would suggest the words "except otherwise extended, in the discretion of the Minister." It would then read as follows:

And the appeal shall be taken within three months from the date of mailing of such notice except otherwise extended, in the discretion of the Minister, and unless herein otherwise expressly provided.

Section 69, as amended, was agreed to.

Hon. G. V. WHITE: In regard to section 22, I beg leave to move:

That section 22 be struck out and the following substituted therefor:

22. (1) In case of conflicting applications the Commissioner shall determine the right of the applicants to receive a patent or patents for the invention involved.

(2) Any decision of the Commissioner under this section shall be subject to appeal to the Exchequer Court.

I may say that this is the same amendment as was moved when the Bill was under discussion in another place. The present clause relating to conflicting applications is the clause which was contained in the old Bill, and when the present Bill first came down it had a clause in it as follows—it was 21 in the Bill as first presented in another place:

21. In case of conflicting applications for any patent the applicant shall be notified by the Commissioner that the question is one for the decision of the Exchequer Court, and no further proceedings shall be had or taken by the Commissioner concerning the application until the judgment is produced deciding which applicant is entitled to the patent.

It would seem to me that the present clause is somewhat cumbersome, and it is felt by the public generally, I think, or those interested in patents, that the Commissioner, who ic qualified to decide on these matters, should be the first party to decide as to who is entitled to the patent. Of course, an appeal to the Exchequer Court is provided for in the event of the applicant not abiding by the decision of the Commissioner. As the law stands at present, it means that each applicant shall appoint an arbitrator, and the Commissioner shall also appoint an arbitrator. That seems to be a more or less cumbersome method of dealing with conflicting applications, and I think that the amendment which I have submitted would simplify the matter very considerably.

I may say I have had a letter from the Engineering Institute of Canada, which is a very important body, and they feel that the Commissioner is fully qualified to deal with these matters. I understand that there are very few conflicting cases in comparison with the number of applications and patents granted; they do not amount to more than about one-half of one per cent. It seems to me, therefore, that the amendment I propose would be a much simpler method of dealing with conflicting cases.

Hon. W. B. ROSS: If you struck out section 22 you would not need those other words at all. If section 22 were struck out, would not the matter be determined by the Commissioner under the other sections?

Hon. Sir JAMES LOUGHEED: Under his general powers.

Hon. W. B. ROSS: Yes.

Hon. Mr. DANDURAND: The officers of the Department, who have the greatest experience in administration, oppose most strenuously the suggested amendment of my honourable friend from Pembroke (Hon. G. V. White). The Commissioner has prepared a

memorandum explaining the reasons for the opposition which they offer to this amendment. It is as follows:

This amendment while apparently simple in its effect would in reality give the Commissioner a power and duty much greater and heavier than any of those given or imposed on him by the Bill.

Conflicting applications mean those in which different applicants are at the same time applying for a patent for the same invention.

The Bill makes no change in the present law in this regard. Under its terms, in such a case the matter is referred by the Commissioner to a Board of Arbitrators composed of three members, each applicant appointing one and the Commissioner appointing the third. The arbitrators determine which of the applicants is the first inventor and consequently entitled to the patent which is granted according to their award.

Under the Exchequer Court Act that tribunal has jurisdiction in the premises, so that the parties have the option of proceeding either by arbitration or before the Court. The latter course is generally adopted now having been found more expeditious and less expensive.

Hon. Sir JAMES LOUGHEED: Without the intention of the arbitrators?

Hon. Mr. DANDURAND: Yes. But I think it will be found that the arbitrators are at times very necessary, and that the clause should remain, because contending claimants may be in British Columbia or in Nova Scotia and have their witnesses at hand, and may therefore agree upon two arbitrators in their own locality, who would immediately appoint the third arbitrator, and the difference could be settled then and there.

Hon. Sir JAMES LOUGHEED: How does the applicant get his case before the Exchequer Court unless it first comes before the Commissioner and is refused by him or referred by him to the Exchequer Court?

Hon. Mr. DANDURAND: If any one of the claimants lodges his petition in the Exchequer Court, the Exchequer Court has the preference.

Hon. Sir JAMES LOUGGHEED: Is that provided for in this Bill or in the Exchequer Court Act?

Hon. Mr. DANDURAND: It has been the practice of the Exchequer Court to receive those petitions. (Reading):

The issues raised in these proceedings are most complicated and difficult to determine both in law and in fact.

Take for instance such an invention as that involved in the Automatic Telephone System recently installed in the Government buildings. Such inventions are as a rule acquired by wealthy corporations before the patents for the same are granted. Where two of these powerful corporations find that they are in conflict, that is, both applying for a patent for the same invention, a most keenly contested action to obtain the patent results.

The inventions involved are generally made by scientists after years of labour and to determine which of the rival inventors first brought the invention to the stage in which it is presented to the Patent Office necessitates an almost interminable examination of scientific witnesses and lengthy arguments of eminent counsel.

If the amendment were adopted the Patent Office would have to be made a duplicate of the Exchequer Court. The Commissioner would require the qualifications of a judge of that Court, would have to be given the same standing, his duties not being less in importance and he would have to be provided with an equal salary, to which he would probably not object. Every officer that is necessary for the one tribunal would have to be provided for the other. The expense of this unnecessary duplication must be at once apparent.

The amendment would also add to the expense of the litigants as the evidence taken before the Commissioner would have to be taken over again in the Exchequer Court.

Another objection is that it would enable patent attorneys with no legal qualifications to appear to the detriment of their clients before a tribunal of very high jurisdiction.

It may be said that as the Bill gives the Commissioner many judicial powers and duties, why not add this one?

The answer is, the judicial powers and duties given and imposed on him by the Bill are comparatively simple and may be exercised and discharged without the legal machinery that is necessary to provide for a formally conducted court of justice.

Until sometime in the early '90's the Commissioner of Patents had judicial powers in proceedings for the impeachment of patents for non-manufacture or through importation of the imported inventions. Several cases in which very important inventions were involved were tried before him and the results were so unsatisfactory to all concerned that the jurisdiction was transferred to the Exchequer Court. On one occasion to carry out the law, the Minister of Justice had to leave his Office and sit with the Commissioner of Patents. Experience has shown that it is advisable where possible to separate administrative from judicial functions.

It is the intention to carry out in the Regulations some of the ideas contained in the proposed amendment particularly in the way of clearly defining and narrowing the issue, that is, settling upon the actual parts of the inventions involved that are common to both and consequently in conflict. It is hoped that by so doing the proceedings can be simplified and in many cases a settlement effected without the necessity of the parties resorting to the Exchequer Court or a Board of Arbitration.

The amendment if accepted would introduce the practice of the United States Office. A persistent effort in this direction has been made ever since this Bill was first introduced. A similar amendment was made in the Commons and after discussion was rejected.

Many Canadians who have had experience in the U. S. Office in this connection have related the same to the Canadian Patent Office. They have found the U. S. Practice more lengthy, expensive and objectionable in every respect and not to be compared for expedition and economy with our Exchequer Court.

In the opinion of the Patent Office these matters can best be dealt with by that tribunal but there is no objection to giving the parties, as the Bill does the option of proceeding by arbitration if they so desire.

Hon. G. V. WHITE: Honourable gentlemen, I understand that this is the practice

in force also in Great Britain. In the event of conflicting applications no outside arbitrators are brought in.

Hon. Mr. DANDURAND: The Department is under the impression that whenever the issue is of any magnitude or importance it is referred by the law officers of the Department to the Court.

Hon. Mr. WHITE: There is a law officer in the Patents Department of the British Government and there is recourse to the Court, as in the United States.

Hon. Mr. DANDURAND: But what real objection has my honourable friend to the Exchequer Court being utilized? It is in the same city as the Commissioner. There can be no economy in the change proposed.

Hon. Mr. WHITE: I have no objection to the Exchequer Court, but the danger seems to be in the more or less cumbersome method of appointing arbitrators. The applicant has the right to name his arbitrator. They are outside men. Are not the officers of the Department better able to adjust the matter, being more conversant with the invention or the application. I would like to know also how many cases of conflicting applications have been referred to the Exchequer Court. What is the percentage?

Hon. Mr. DANDURAND: Generally speaking, the majority of cases are being dealt with now by the Exchequer Court.

Hon. Mr. WHITE: Would it not be much simpler to place the matter first in the hands of the Commissioner, doing away with the arbitrators? Then, if the applicants did not agree on the Commissioner's decision, they would have recourse to the Court.

Hon. Mr. DANDURAND: But you would have then a double trial—one before the Commissioner and another before the Exchequer Court.

Hon. Mr. WHITE: But do you not have the same now, with your arbitrations?

Hon. Mr. DANDURAND: No; because there is an option given to the claimant. If they decide it is to their advantage to appoint an arbitrator, with the Commissioner appointing the third, they may do so. I have cited a case arising in which all the witnesses are at a great distance from the capital, and which it would certainly be more economical to settle in the locality. It is the inquiry and the evidence taken that are most costly.

Hon. W. B. ROSS: Perhaps the Commissioner could explain how this works out. Suppose A and B are both applicants for the same patent, and A wants arbitration while B wants to go to the Court. What happens then?

Hon. Sir JAMES LOUGHEED: While the honourable gentleman (Hon. Mr. Dandurand) is on his feet let me ask him: can the Commissioner make a reference under such a condition as is mentioned by my honourable friend from Middleton (Hon. Mr. W. B. Ross), to the Exchequer Court? There should be that power.

Hon. Mr. DANDURAND: I am informed that cases have arisen in which one claimant wanted to go before arbitrators and the other wanted to have the matter referred to the Exchequer Court. It was the Exchequer Court that took unto itself the authority to deal with it.

Hon. W. B. ROSS: Where is that?

Hon. Sir JAMES LOUGHEED: Would that be under the Exchequer Court Act?

Hon. Mr. ROSS: No, it would not.

Hon. Sir JAMES LOUGHEED: It should be.

Hon. Mr. ROSS: It is just the appeals that this Bill provides shall go there.

Hon. Mr. DANDURAND: I have not the Exchequer Court Act before me, but power is given to the Court to deal with patent matters in which a conflict arises.

Hon. Mr. ROSS: No, it does not cover that.

Hon. Mr. WHITE: If my honourable friend will permit me, I think there is an amendment to the Exchequer Court Act, Chapter 17, 3-4 George V, Statutes of Canada, 1913.

Hon. Mr. ROSS: What does it provide for?

Hon. Mr. WHITE: It is just a short Act, with one or two amending sections.

Hon. Mr. DANDURAND: No, Chapter 17 simply transfers the jurisdiction of the Governor in Council to the Exchequer Court.

Hon. Sir JAMES LOUGHEED: My impression is that the Exchequer Court lacks the general power to hear appeals of the Patent Office unless provision is made in the Patent Act. A perusal of this Bill will show that leave is given to appeal to the Exchequer Court by several sections—for instance, section 48:

This section shall be subject to appeal to the Exchequer Court.

And take section 41:

Any decision of the Commissioner under this section shall be subject to appeal to the Exchequer Court.

And under section 39 any decision shall be subject to appeal. So the appeal seems to be sufficiently confined to those particular sections.

Hon. Mr. ROSS: Section 83 of the Exchequer Court Act is extraordinary, because it tends to state a thing negatively that ought to be stated positively. No man has an appeal unless there is a statute expressly giving it to him. How do you oust the arbitrators and give the jurisdiction exclusively to the Exchequer Court? The Court cannot take it upon itself. The Court must get the power by statute.

Hon. Mr. DANDURAND: As a matter of fact, the Exchequer Court has asserted its right to deal with those conflicts when any such case comes before them.

Hon. Mr. ROSS: But it is a statutory Court, and I do not see that it is in any better position than the arbitrators are. You could provide that, in the event of either or any of the parties to the arbitration deciding to go to the Exchequer Court, the Exchequer Court should be seized of jurisdiction to hear the application.

Hon. Mr. DANDURAND: I would suggest that we proceed as far as the third reading, and that the proposed amendment of my honourable friend (Hon. Mr. White) be allowed to stand until we have the opinion of the Commissioner after consultation with the Minister of Justice.

Hon. Mr. ROSS: There may be something that covers the point I have raised, but I have not yet been able to find it.

Hon. Mr. BEAUBIEN: While you are dealing with that clause, do you not think it would be wise to provide that the Exchequer Court shall have the normal jurisdiction, but that if both parties agree they may have arbitration? That to my mind would make it quite clear.

Hon. Mr. DANDURAND: Section 23 of the Exchequer Court Act provides:

23. The Exchequer Court shall have jurisdiction as well between subject and subject as otherwise,—

(a) in all cases of conflicting applications for any patent of invention, or for the registration of any copyright, trade mark or industrial design;

(b) in all cases in which it is sought to impeach or annul any patent of invention, or to have any entry in any register of copyrights, trade marks or industrial designs made, expunged, varied or rectified; and,

(c) in all other cases in which a remedy is sought respecting the infringement of any patent of invention, copyright, trade mark or industrial design.

Sir JAMES LOUGHEED.

Hon. Mr. BEAUBIEN: There is a difference between the drafting of that clause and clause 21. In clause 21 it is quite clear that the privileged jurisdiction is that of the court, but it is not so in section 23.

Hon. Mr. DANDURAND: At all events, the Exchequer Court has exercised that jurisdiction.

However, I will have the matter examined again by the Department, and, if necessary, also by the Department of Justice, and at the third reading we may bring in another clause. I would ask my honourable friend if he insists upon his amendment.

Hon. Mr. WHITE: No.

The amendment was withdrawn.

The preamble and the title were agreed to.

The Bill was reported as amended.

COLD STORAGE BILL

CONSIDERED IN COMMITTEE—PROGRESS REPORTED

The Senate again went into Committee on Bill 9, an Act to amend the Cold Storage Act.—Hon. Mr. Dandurand.

Hon. Mr. Blain in the Chair.

Hon. Mr DANDURAND: I would ask Mr. Ruddick to come to the floor of the House.

The other evening objection was taken to this Bill because it authorizes the Minister of Agriculture to bonus co-operative societies or municipalities.

Hon. Sir JAMES LOUGHEED: Does this extend the present Act.

Hon. Mr. DANDURAND: It restricts the operation of the Act, which says:

The Governor in Council may enter into contracts with any persons for the construction, equipment and maintenance in good and efficient working order of public cold storage warehouses.

On the 26th of May, 1919, an Order in Council was passed restricting the bonuses to municipalities.

Hon. Sir JAMES LOUGHEED: Had they authority by statute to cut down the former classes?

Hon. Mr. DANDURAND: I am under the impression that it was under the War Measures Act, which was still in operation.

Hon. Sir JAMES LOUGHEED: However, the statute is now limited to the specific class mentioned in paragraph 2 of section 1.

Hon. Mr. DANDURAND: Yes.

Considerable criticism was directed to the bonusing of co-operative societies to the exclusion of incorporated or privately-owned cold storage plants, by the honourable gentleman from Regina (Hon. Mr. Laird), who moved in amendment to add the words: "or incorporated companies." I may say that I postponed the further consideration of the Bill because I had no authority from the Minister of Agriculture to accept the proposed amendment. After consulting with him, I may state that he cannot accept the proposed amendment, because his idea is to help institutions that are mainly organized without the primary object of gain, and because privately-owned cold storage plants have been considerably helped under the old law. He wants to direct his attention to co-operative societies which may help districts where there are no cold storage plants. As my honourable friend from Regina is not here, I will not press the Bill, but will ask that the Committee rise and report progress and ask leave to sit again.

Hon. Mr. BRADBURY: I was not here the other evening when this Bill was under discussion, and I may say frankly that I am very much surprised at the attitude taken by the Government in the matter. Just a year ago we passed a Bill in this House after weeks of Committee work, and one of the very objectionable features of the old legislation was the bonusing of cold storage systems. I do not know that you improve the situation by refusing to continue or further extend assistance to private companies. I do not know of any cold storage business in Canada that is not operated for gain. If a co-operative cold storage company is established in any one of our districts it is established by a group of gentlemen who get together because they believe they see a way of making money out of it; otherwise they would not go into it. Consequently this is class legislation of the very worst kind, and I must take serious objection to it. It took the Department years to realize that the people of Canada had absolutely no control or interest in the cold storage systems which had received assistance in excess of $700,000 of the public money. The Minister seems to want to get carte blanche, almost, to deal with co-operative societies.

Hon. Mr. DANDURAND: My honourable friend must not forget that this is restrictive legislation. Under the Act as it is, he can give assistance to anybody.

Hon. Mr. BRADBURY: No, that was withdrawn by Order in Council.

Hon. Mr. ROBERTSON: The Order in Council is of no avail now.

Hno. Mr. DANDURAND: If it was issued under the War Measures Act; it is no longer in existence.

Hon. Mr. BRADBURY: I think I could in a few moments lay my hand upon a letter from the Deputy Minister of Agriculture pointing out to the Minister that under the old Act they had no control of these cold storage systems, and recommending the discontinuance of any further subsidies.

Hon. Mr. DANDURAND: Does not my honourable friend find some virtue in the second clause of this Bill?

Hon. Mr. BRADBURY: I think it is as well, perhaps, not to go on with the Bill now, because I think the honourable Minister will find considerable opposition to it. As far as I am concerned, I confess frankly that I am going to oppose it as strongly as I can. The principle is vicious and absolutely wrong.

Hon. Mr. DANDURAND: Would the honourable gentleman say in what particular it is vicious?

Hon. Mr. BRADBURY: This granting of subsidies to co-operative or any other companies for creating cold storage systems is vicious; it is class legislation.

Hon. Mr. DANDURAND: Then my honourable friend is opposed to any more grants being given to cold storage institutions?

Hon. Mr. BRADBURY: Absolutely.

Hon. Mr. TURRIFF: When this Bill comes up again, perhaps the leader of the House will be able to give an answer to the inquiry of which I gave notice to-day, as to whether the Government intends bringing in an Act in reference to cold storage warehouses. That subject was dealt with in a Bill last Session, and the Minister said that it could not be taken up in the House of Commons Session, but that he intended to bring in Bill this Session which would probably cover most of the points mentioned. The Bill passed had to do with the inspection of food in cold storage warehouses; and it was found that very little inspection was made. The Department had power to provide regulations, but regulations had not been passed. If the Minister could let us know whether it is the intention of the Government to bring in such an Act, we would be in a better position to discuss this Bill.

The motion of Hon. Mr. Dandurand was agreed to, and progress was reported.

TRADE MARK AND DESIGN BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 21, an Act to amend the Trade Mark and Design Act.

Hon. Mr. Watson in Chair.

Sections 1, 2 and 3 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

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

THE SENATE

Friday, May 18, 1923.

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

Prayers and routine proceedings.

ADJOURNMENT OF THE SENATE

MOTION

Hon. Mr. DANDURAND moved:

That when the Senate adjourns to-day, it do stand adjourned until Monday next, at 8 o'clock in the evening.

The motion was agreed to.

DIVORCE BILLS

THIRD READING

Bill C5, an Act for the relief of Grace Lees Smiley.—Hon. Mr. Blain.

SECOND READINGS

Bill D4, an Act for the relief of James Dunnett.—Hon. Mr. Blain.

Bill E5, an Act for the relief of Laura MacBrien.—Hon. Mr. Ratz.

Bill F5, an Act for the relief of Chester Abbott Redmond.—Hon. Mr. Ratz.

RAILWAY RATES FOR THE MARITIME PROVINCES

MOTION—DEBATE CONTINUED

The Senate resumed from May 8 the adjourned debate on the motion of Hon. Mr. McDonald:

That in the opinion of this House the railway freight rates now effective on consignments from the Maritime Provinces are proportionately higher than those effective in regard to consignments from the western provinces and seriously handicap the industries of the Maritime Provinces and should be substantially reduced, and that the Government should take steps forthwith to cause such reduction.

Hon. P. C. MURPHY: Honourable gentlemen, Senator Fowler is not here. He notified me that he was not going to speak on this motion, and I desire the permission of the House to say a few words.

This question is worthy of much more attention than was given to it at the time of its introduction by the honourable member from Shediac (Hon. Mr. McDonald). It is a question that vitally affects the Maritime Provinces; in fact, it is impossible for them to go on in an economic way unless some relief is given in regard to freight rates. I was surprised the other day to hear the leader of the Government say that he was glad the honourable gentleman who introduced the motion had not moved it, as he did not see how it could be otherwise than consistent for gentlemen from the West to move for reduced freight rates, or for gentlemen from the central sections to move that we pay them for sending merchandise through the canals, and so on. From the standpoint of this House, honourable gentlemen, I think no more important subject could come before it, and with regard to the jurisdiction of the House and the Government to deal with subjects of this kind, I would say that in dealing with them they are not only fully within their rights, but within their duty.

We, as Senators, are the guardians of the rights of the minorities; we represent subdivisions where our interests are identical. There are 24 members from the Maritime Provinces, whose interests are supposed to be identical; there are 24 from Quebec, 24 from Ontario and 24 from the West; showing that the Fathers of Confederation had some motive for dividing the country in this way, so that the different interests might be represented, and that justice might be done to the various sections.

Now, the resolution of my honourable friend from Shediac was buttressed by a voice from Ontario, and it was gladsome tidings, because it is very seldom we get sympathy from the central provinces. The voice of the Ex-Minister of Railways (Hon. Mr. Reid) was like one crying in the wilderness, but at least it showed us that he had a streak of common sympathy. I wish the Ex-Minister had seen the light earlier than he did, because before he was buffetted and handicapped by the Intercolonial being put under the Railway Commission he could have done something, when the road was in the hands of the Government.

Another reason why this matter can properly be referred to the Government is that last year, in the Suspension Act the Crow's Nest Pass rates were lowered, by about 50 per cent when the Government took the matter out of the hands of the Railway Commission, suspended the parliamentary order, and put the old C.P.R. agreement into effect.

Hon. Mr. WATSON: The honourable gentleman ought to remember that the Railway Commission had nothing to do with that. The Act of Parliament fixed the rates of the Crow's Nest Pass.

Hon. Mr. MURPHY: I quite agree with that. Those rates were fixed by Act of Parliament as a war measure, but they were put in the hands of the Railway Commission which was to determine what the rates should be.

Hon. Mr. WATSON: No, they were only suspended for three years.

Hon. Mr. MURPHY: I quite understand that, and I think the Act of Parliament took the suspension off, and in consequence millions of dollars were lost while the Intercolonial Railway rates were maintained at a high level, which has virtually strangled the agricultural, fishing and industrial interests of the Maritime provinces.

Hon. Mr. WATSON: Don't interfere with our rates: go on with your own.

Hon. Mr. MURPHY: I do not want to interfere with your rates. The action of the Government may have been justice to you, for the West has been penalized with regard to rates, but it must be remembered that the West had no special guarantee, even impliedly, given to them on entering Confederation, while I contend that we had. With the permission of the House, I want to read a few extracts from the discussions which led up to Confederation. I may say for the information of the House, though it is probably known to many of you who have gone into this question, that the reports of the discussions leading up to Confederation are very sparse; every meeting was practically held behind closed doors. The only records we have are contained in this little book, which is probably the best extant, by Edward Whelan, who was one of the delegates from my own province. Sir Joseph Pope also has some records from the Secretary of the Conference, that were found among Sir John Macdonald's papers. There is another book by Cauchon, of Quebec, who was also a delegate, but which does not amount to very much.

The matter of the Intercolonial Railway had been discussed for years, as a measure to enable the older provinces to bring in Nova Scotia, New Brunswick, and Prince Edward Island. I may say that Prince Edward Island would not accept the terms offered in 1867, but was forced by financial circumstances to enter Confederation in 1873. In passing, I may say that sentimentally and patriotically it might be all right, but we far as the Maritime provinces were concerned, it was a big mistake.

Here is what Sir John Macdonald said:

> I don't hesitate to say that, with respect to the Intercolonial Railway, it is understood by the people of Canada that it can only be built as a means of political union for the Colonies. It cannot be denied that the Railway, as a commercial enterprise, would be of comparatively little commercial advantage to the people of Canada. Whilst we have the St. Lawrence in summer, and the American ports in time of peace, we have all that is requisite for our purposes. We recognize, however, the fact that peace may not always exist.

I may say, in passing, that the Intercolonial was built as a military road, and is therefore not up to the standard as to curves and grades; hence it is very difficult to haul goods over it. Sir John A. Macdonald continued:

> We wish to feel greater security—to know that we can have assistance readily in the hour of danger. In the case of a union, this Railway must be a national work.

We hear talk on the other side about the capital charges, and the question is asked, "Was the interest ever paid on the capital charges?" I say it was never intended that interest should be paid on those capital charges. The road was built as a national work, as one of the terms of Confederation, and no interest charges were expected, any more than we were supposed to be strangled with freight rates that would stop us from dealing with the Upper Provinces altogether. Sir John went on:

> What will be the consequence to this city, prosperous as it is, from that communication? Montreal is at this moment competing with New York for the trade of the great West. Build the road and Halifax will soon become one of the great emporiums of the world. All the great resources of the West will come over the immense railways of Canada to the bosom of your harbour.

Hon. Mr. Galt said:

> If we are united we must have an Intercolonial Railway. I am an advocate of this great work, and it becomes an absolute necessity if a union of these Provinces is to take place at all.

Hon. Samuel L. Tilley, from New Brunswick, one of the fathers of Confederation, was a strong advocate of the Intercolonial Railway:

> Next alluding to the Intercolonial Railway project, he said that their feeling on this subject was: "We

won't have this union unless you give us the railway." (Cheers.) It was utterly impossible we could have either a political or commercial union without it.

Now, here is what Hon. Wm. A. Henry, Attorney General of Nova Scotia, said on the subject:

The time has now arrived when we ought to have direct communication between Halifax and Quebec by railway, on a line not subject to foreign control, so that the inhabitants of our country may be able to visit the inhabitants of yours, without the necessity of going off British territory on their way.

Now, honourable gentlemen, you can see from these references to authenticated tradition, if I may so call it—and that is how we got the gospels of the New Testament—that in the discussions on Confederation it was laid down that in order to enable us to reach the markets of the central provinces we should have freight rates commensurate with our ability to send our goods in competition with those of the Upper Provinces. As honourable gentlemen know, the distances are very great. From Halifax to Montreal I think the distance is some 1,100 miles.

Hon. Mr. CASGRAIN: 834.

Hon. Mr. MURPHY: Well, 834, and St. John is of course very much nearer; but, unless those provinces had freight rates that would enable them to compete with the industrial concerns of other provinces, they would probably never have entered Confederation at all, because our natural channels were with the Eastern States. As Maritime provinces, or even as separate provinces with our colonial status, we could no doubt have, as we had then, lower duties to the American market, and thus have been enabled to deal with that market, which is much nearer to us by rail and much cheaper by water.

Those railway rates have been maintained for 40 years, which shows the good faith of the Fathers of Confederation and their successors. They were intended to enable our manufacturers to compete in the upper provinces and send their goods to the West; but to-day that is an absolute impossibility. Such manufacturing industries as the Robb Engineering Company, which sprang up under those conditions, are now shut down; others are staggering on their feet to-day; and we have a half-dozen or a dozen others that are in such a position that if the rates are maintained they cannot go on. I submit that we have the same right to amelioration of those conditions, where strangulation is about to take place, as the West had to their Crow's Nest rate, which gave them the advantage, though perhaps the reduction gave them no more than justice.

To show how we are suffering on our freight hauls as compared with some others, take the rate on grain from Montreal to Fort William, 1,057 miles, 37½ cents per hundred pounds; Charlottetown to Montreal, 767 miles, 36½ cents, or a distance of about 50 per cent more at practically the same rate; Charlottetown to Halifax, only 238 miles, 20 cents for a little over a fifth of the distance of haul from Montreal to Fort William; yet the price is about two-thirds. Charlottetown to St. John, 231 miles, 20 cents; and this is where our export business goes in, to be handed over to the C.P.R., and the result of the transfer is that at the West St. John harbour, where it is shipped, the rate is 23 cents. That is for hauling freight 231 miles, the rate is a little over half of that paid from Montreal to Fort William, 1,037 miles. On coal, from Sydney to Charlottetown, 394 miles, the rate is 15 cents a hundred pounds, or $3 a ton, though we have been informed that it can be hauled nearly 2,000 miles on the Canadian National Railway for $9. You will see honourable gentlemen, that the equity in this matter is very lopsided. You can go through all the rates on agriculture, fisheries, and other goods, and find there are practically similar conditions. We cannot send our fish to the upper provinces, except a very small part of them, and then we have the Fordney tariff to contend with. We have to send our fish from Nova Scotia and New Brunswick chiefly to the New England States. The amount that goes to the Upper Provinces is only a moiety of the fish caught around our coast. Our potatoes are in the same position as our grain. Our grain does not go to the upper provinces, because we cannot compete with the western grain, but we are handicapped in our shipments to Montreal or Newfoundland, because often our freight has to be sent by rail to Sydney in winter time, when we are frozen up.

I want to read a letter from the Secretary of the Charlottetown Board of Trade to show how we are penalized and discriminated against, so far as the rates to Newfoundland and the Sydneys are concerned. This is addressed to a member of the Senate:

Charlottetown, May 9th, 1923.

Dear Senator:

With further reference to our conversation of a few days ago regarding freight rates.

In the spring of 1922, the Canadian Government Merchant Marine had a tariff in effect between Charlottetown and St. Johns, Nfld., in which the rates quoted were: oats, 18 cents per bushel; hay, $13 per ton; cattle, $12 per head; and last fall these rates were reduced to 15 cents, $10 and $10 respectively; but I have just been notified that for this season they have reverted to the rates in effect in the spring of 1922.

And it was not sufficient to penalize us in the railway rates, but they had to start up with the Merchant Marine, that great enterprize that was going to lift everybody out of the slough of despond. The letter continues:

These rates are exorbitant, as the rates from Halifax to Great Britain ports are only 25 cents per 100 pounds, or 8½ cents per bushel on oats, and $8 per ton on hay, and their own steamers have been carrying hay from Halifax to St. Johns all winter for $10 per ton.

Another point I wish you would look into is the rate on grain for export, as the rate from Charlottetown to West St. John, a distance of only about 220 miles, is 28 cents per 100 pounds, while the rate from Winnipeg to Port Arthur, a distance of 420 miles, is but 14 cents per hundred pounds.

Can you wonder that we are strangled, gentlemen, in the fact of these figures? As I say, it may be necessary to have reduced freight rates owing to conditions in the West, to enable the people there to do business, for I presume the West had a grievance; at least the wail of the West has been very pronounced this year, even in the fact of those rates, that are 50 per cent less than ours. I do not think that wail has added very much to the status of the country, with everybody getting into a condition of despair, and preventing immigration, and making those who had a good heart sit up and look very seriously at the situation, and this at a time when we were endeavouring to get immigrants, and paying out hundreds of thousands of dollars for that purpose.

However, we in the East have no jealousy of the West. Some of our best men have helped to build up that western country. The good of the West is our good: their benefit is our benefit. But we do plead, and I hope it will not be in vain, that the Government, by whatever means they choose, will give us some amelioration of our present condition. We need this if we are to live as part of a united Canada, and be contented, and try to build up a great Dominion, which was the intention of those who framed the Act of Confederation.

I think it was George Brown who said that the building of canals and railways was necessary to the furtherance of prosperity in this country. Let us consider that for a moment. The canals were built at a cost of $194,000,000 up to date. The net revenue from them has been about $25,000,000, leaving a net capital expenditure on the canals of about $170,000,000. Well, the Intercolonial Railway was intended to be in the same position as the canals; but what a difference, as regards usage by the upper provinces, between the canals and the Intercolonial. After all this vast expenditure on the canals, they are free of toll, and all your goods can be carried through them to the central provinces free of charge. The wheat of the West comes down through the canals free. But what benefit are the canals to the Maritime Provinces? Consider for a moment that we have paid our share of all this vast expenditure, our share of the cost of building those branch railway lines in the West, and our share of the expense of railway construction that was not contemplated at Confederation; and what benefit have we derived from that expenditure? The canals, with a capital expenditure equal to that of the Intercolonial Railway, are free to the western provinces, while the rates on the Intercolonial are such as to strangle the provinces by the sea. If matters are not arranged in some way so that rates will be lowered and we shall be enabled to deal with our brethern in the central provinces and the West in our agricultural, fishery and industrial concerns, the consequences will be serious.

I want to be fair, and I know every gentleman in this House wants to be fair, to every province in this Dominion. We are above the wail of the common electorate; we can say just what we think, and consider matters in a judicial way; and my honourable friend, the leader of the Government, can make proper representations to his friends in the Cabinet, so that they will see that we get such an improved condition of affairs as will help us to throw off the thraldom in which we are held at present.

So much for the Maritime provinces in general. Now I want to say a word for the province from which I have the honour to come. The railway in that province, unlike the Intercolonial, was built and paid for by ourselves. It was constructed in the beginning at a capital expenditure of $4,000,000—and it was cheaply built, too. To give the honourable gentleman an idea of how business-like men were in railway construction in those days, may I tell him that the contract was made with Schreiber & Burpee to build the line and to employ their own engineer, for which they were to receive a certain rate per mile. The result was that they went around hills where cuttings should have been made. On the line between Summerside and Charlottetown, it is said that a man on the back platform of the rear coach could shake hands with the engineer in going around some of the curves.

However, this road was handed over to the Dominion at Confederation free of charge: not a cent was credited to the province of Prince Edward Island under the terms of

Confederation. There was one condition, however—that the road was to be properly maintained and operated by the Federal Government. That term was honoured more in the breach than in the observance, although when one considers the conditions existing at the time, it might have been worse. It has been worse in recent years; so much so that the engines have been allowed to run down to such an extent that during last winter, which was probably the most severe we have had in fifty years, there was not an engine on the road fit to tackle a snowdrift: every one that did broke down

Hon. Mr. CASGRAIN: Is it still a narrow-gauge road?

Hon. Mr. MURPHY: No. In pursuance of the terms of Confederation, it has been broad-gauged, the previous Government having started to fulfil the terms of Confederation, which for forty years had been entirely neglected. We were guaranteed continuous steam communication with the mainland, summer and winter; and for forty years we were denied that right, for which the Government have paid tribute, the last sum being $100,000. You can understand the situation of a people cut off for six or seven months in the year except for two little steamers, the Earl Grey, which went to Russia, and the Minto. These were their only means of communcation until the building of the Carberry, which is giving good satisfaction. The railway was narrow-gauge until two years ago, when a third rail was put in, which meant broad gauging from Borden to Charlottetown and to Summerside; and the road is to be broad-gauged this year to my own town of Tignish. We in Prince Edward Island are under the same handicaps as the people of the other Maritime provinces. After giving this railway free of charge—

Hon. Mr. WATSON: What is the mileage of railway on Prince Edward Island?

Hon. Mr. MURPHY: About 300 miles. I can give it to you, with the exception of the mileage from Murray Harbour to Summerside. From Tignish to Charlottetown is 104 miles; from Charlottetown to Souris, 60 miles; then there is a branch from Mount Stewart to Georgetown, a distance of 28 miles, another from Cardigan to Montague, 6 miles, and the branch from Murray Harbour is, I think, about 50 miles. So the mileage is pretty close to 275 miles. I have not got the exact figures. The Murray Harbour branch was built by the Federal Government, and the rest of the road was built by the local Government before Confederation.

Now, last fall, for instance, because of the exorbitant freight rates to Montreal, a lot of our potatoes had to go to Cuba because there was no other outlet for them, and the steamers that came to take them from Prince Edward Island had to call at Charlottetown. From Tignish to Charlottetown is 104 miles, and the rate on potatoes for that distance was about 10 cents a bushel. You can understand what a handicap that would be at a time when 25 or 30 cents was being paid for potatoes. And this was in spite of the fact that there had been commodity rates for forty years, as it was understood there should be, although it was not so written in the bond.

There is another disadvantage which we suffer on the Prince Edward Island railway, and I hope Sir Henry Thornton will see his way clear to remedying the condition. Other parts suffer from the same disadvantage. In the summer we have what are usually known as picnics. In the old days a picnic was organized in my own town, and possibly a special train would be put on for it. The rate used to be $1 a mile, so the rate for a picnic to Charlottetown would be $105, and it was very seldom that those excursions did not turn in to the railway $1,500 to $2,000 for the day, and that without interfering with the ordinary traffic at all.

Two years ago, when the railway was transferred to this beautiful Railway Commission, that practice was discontinued; but, worse than that, the special rates to our agricultural exhibition in the city of Charlottetown, for which special trains had to be run in order to give accommodation, were discontinued; and whereas in the old days the road would clear up to $3,000, to-day on the train running down to Summerside, a distance of 67 miles, there will not be more than a dozen passengers. This is not only damaging to the rialway itself, but to the exhibition as an educational institution. I hope Sir Henry Thornton in his wisdom will see the importance of restoring those rates—the importance not only to the railway, but to the province and to the social and educational benefits to be derived from the exhibition.

Another thing that I want to bring to the attention of the House is the very great hardship which has resulted from the emasculation, as I might call it, of the Intercolonial Railway, which first ran from Halifax to Levis, and was later extended further because of the acumen of the Minister of Railways under Sir Wilfrid Laurier, Mr. Blair, when the Drummond Counties Railway was bought. Imagine a trunk line of railroad ending in a field at Levis, within 150 miles of the metropolis of Canada. Results have shown

the wisdom of the action taken, even if it had cost an extra million of dollars. But now what do we find? We find the road cut off at Rivière du Loup. That was never the intention, and that, to a certain extent is a violation of the Confederation compact. But the worst feature is that the railway is deporting, if I may use the word, our people from the Maritime Provinces—from Moncton, N.B., to Montreal, because by reason of cutting off the road at Rivière du Loup the auditor's office and other offices have less work to do. I am informed that at one week's notice 100 men employed by the Canadian National Railways at Moncton were ordered to report at Montreal. With all due deference to Sir Henry Thornton, I think that was not a very fair way of treating men who had built their homes and established themselves in Moncton. It was almost parallel to some of the evictions that took place in Ireland in the old days. Although an Englishman now, Sir Henry Thornton is of American extraction, and it seemed very strange to me when I read the article in the paper that a thing like that had occurred in Canada.

I think I have detained you long enough, honourable gentlemen, and I will close these few wandering remarks by appealing to my honourable friend to bring this matter to the attention of his colleagues, hoping that through them they may come to the attention of the Manager of the Government Railways, so that there may be some amelioration of the present condition. Otherwise, I shall be compelled to speak in the same manner as my honourable friend from Assiniboia (Hon. Mr. Turriff) did the other day, and tell the leader of the Government that there is propaganda being carried on in the Maritime Provinces for secession from the Union. We of the Maritime Provinces are Britishers all through; but in the House at Halifax the other day one of the leaders got up and moved that a referendum be taken to find out whether the people of the province of Nova Scotia were in favour of secession from the Union. That is not new in Nova Scotia, however, because my good friend the Finance Minister some 20 odd years ago ran an election on that platform.

Hon. Mr. CASGRAIN: 30 years ago.

Hon. Mr. MURPHY: And unfortunately carried it. But the matter never went any further; I guess he was only playing to the gallery, and wanted not secession but accession to office. But this propaganda is going on at the present time, and you cannot blame the people for it, because conditions are such that they are driven almost to the margin of existence. When they get to that margin there is naturally going to be a revolution. When that time comes I hope my honourable friends will see the gravity of the situation, and will realize that three sovereign provinces are being strangled and cannot live under the conditions imposed upon them by the existing freight rates. The whole matter may be summed up in a few words: fix freight rates so that we can trade with you, and maintain the authenticated tradition of Confederation, by giving us what we expected we were going to get when we entered into it.

Hon. J. G. TURRIFF: Honourable gentlemen, I have a good deal of sympathy for the resolution introduced by the honourable gentleman from Shediac (Hon. Mr. McDonald), but I think he made a mistake in saying in the resolution that freight rates in the East are higher than those in the West. I will not deny that the rates on certain particular articles that may be selected are higher in the East than they are in the West; but, taking them all round, the rates in the West are considerably higher than those in effect in the East. At the same time, as I say, I sympathize with my honourable friend who introduced the resolution and with the honourable member who has just taken his seat (Hon. Mr. Murphy).

There is no doubt that both the East and the West—I mean the Far East and the Far West—suffer to a certain extent from excessive freight rates. This is due to our geographical position. We are a long way from the centre of Canada where the great portion of the population and the business of the country is situated. To my mind there is only one way by which we will get away from the disabilities imposed upon us by our geographical situation: that is to be allowed to trade with the natural markets that are near our door. To my mind there is nothing that will help the lower provinces as much as reciprocity with the United States. The United States, right at their door, have a large population who have the money to pay for everything they buy, and who want the products of the lower provinces. But, if I remember rightly, the last time the people had an opportunity of expressing their opinion on that subject, they did not look favourably upon reciprocity of trade with the United States: they even defeated the man who was largely responsible for reciprocity.

Hon. Mr. TURGEON: For all that we had a majority of the representatives of the lower provinces.

Hon. Mr. TURRIFF: My honourable friend states that there was a majority supporting reciprocity. I was under the impression that the majority was just a little the other way. I have not looked up the matter, and I take the word of my honourable friend, because I feel sure now that he is perfectly right. But it was largely the vote in the lower provinces that defeated reciprocity; at all events, it helped largely.

Hon. Mr. MURPHY: What about Ontario?

Hon. Mr. TURRIFF: Yes, in Ontario the Liberal farmers were caught by a— —

Hon. Mr. McLEAN: That is a good argument.

Hon. Mr. TURRIFF: Then, what is my honourable friend kicking about now? Why is he complaining about conditions brought about in the lower provinces by the defeat of reciprocity in 1911. If it was a good argument in 1911, my honourable friend should not complain in the slightest degree at the present moment.

Hon. Mr. MURPHY: The Fordney tariff would have been there to-day just the same.

Hon. Mr. TURRIFF: If my honourable friend could make prophecies ten years ahead he is a better man than anybody else in this country.

Hon. Mr. MURPHY: Judging the future by the past, we could.

Hon. Mr. TURRIFF: Until my honourable friends from the lower provinces, and we in the West—for we are all in the same boat—can get the American market for our natural products, the Maritime provinces will have trouble about freight rates, and so will the prairie provinces, and we will never get them fixed to our entire satisfaction.

Hon. Mr. McLEAN: If we had reciprocity to-day would you not have reciprocity in railway rates in the West the same as in other matters? You are to-day getting freight rates in the West at 25 per cent less than they are in the United States.

Hon. Mr. TURRIFF: My honourable friend seems to forget that if we had reciprocity we would not be shipping over the long rail-haul: we would have a much shorter rail-haul, and my honourable friend could be shipping with practically no rail-haul at all, for he would only have to pay rates by rail from where he does business to a Prince Edward Island port; then he has water communication the year round for practically everything he wants to sell.

Hon Mr. MURPHY: No, it is not over half the year.

Hon. Mr. TURRIFF: Well, if it is not for the year round it is very near it. At all events, the natural outlet for products of the lower provinces is the Eastern States. I have been down there two or three times, and I found the people so accustomed to trading with the United States in the past that they called the mail from Western Canada the foreign mail, and they looked on the mail from Boston as their natural mail, and they were pretty nearly right.

Hon. Mr. FOWLER: I don't know where you saw that.

Hon. Mr. TURRIFF: I heard it in talking to men of Nova Scotia.

Hon. Mr. FOWLER: They must have been relics of a bygone generation.

Hon. Mr. TURRIFF: They were men not as old as my honourable friend who has just interrupted, and that was only two years ago. I do not say that was general, but the men who said that were perfectly right, for Boston is the natural market for everything they could produce. But now they are shut out by the tariff; and if we in the West and manufacturers in the lower provinces want to bring an end to the trouble of rail freights we must change our tariff policy, broaden our trade, take the shackles off it, let us sell where we can sell to the best advantage, let us buy where we can buy to the best advantage, and then we will not hear much about the trouble of freight rates.

Hon. Mr. MURPHY: How are you going to do that when the other people will not deal? The honourable gentleman knows as well as I do that the American farmer's bluff is something like our own Progressive bluff. The Congress and Senate of the United States are blocking everything in favour of the farmers, who are as unreasonable as some of our Progressives in this Parliament. How are we going to get reciprocity when the other fellows won't deal with us?

Hon. Mr. TURRIFF: Could we not have got it in 1911?

Hon. Mr. MURPHY: Yes, but they could have put it out, also.

Hon. Mr. TURRIFF: It was one-sided in this way, that it gave us a market of over a hundred millions, and gave them a market

of only eight millions. There was nothing in that reciprocity proposition affecting the manufacturers of Canada, who made such a howl against reciprocity, and they deserve anything they get for that action, because the only two things in the whole Bill that affected manufacturers—

Hon. Mr. FOWLER: It was not the manufacturers—it was the farmers who made the howl. I know, because I represented an agricultural constituency.

Hon. Mr. TURRIFF: The only two items that affected the manufacturers were salt, which was put on the free list after having had a duty of $1.50 a ton, and agricultural implements, on which the duty was taken off to the extent of 2½ per cent on some, and 5 per cent on others. Those were the only two items within the four corners of the reciprocity agreement that affected the manufacturers, and they started to work, and put up the money.

Hon. Mr. FOWLER: It did not need any money.

Hon. Mr. TURRIFF: They put up the money to carry on the campaign that brought about the defeat of reciprocity. My honourable friend says we cannot get it. I am quite in agreement that we cannot get it on the same good terms we could have obtained in 1911, but I think my honourable friend will find that before long—it may be a matter of a few years—we will get a reciprocity agreement with the United States covering agricultural products, though we may have to give way to a certain extent. It may be necessary to put in that reciprocity agreement a lot of manufactured articles, and this would not please the manufacturers, but I would not be a bit sorry if that came about. I am anxious to see a good market for our natural products and lower costs for our manufactured goods, and I think a reciprocity agreement like that would be all right for both the lower provinces and the West, even though our manufacturers might not like it. But if they have to accept that, I say it will serve them right: they would be only getting a little dose of their own medicine.

Hon. Mr. MURPHY: I admit that, when the recipricoty agreement came out, when Mr. Fielding and Mr. Paterson returned from the United States, I was one who had visions of good things for Canada, and I told my friends that I was going to vote for country before party, because I believed that reciprocity was just what we wanted in the Maritime Provinces, especially for Prince Edward Island. But the more I studied that reciprocity treaty the more I believed it was wrong, and I had to convince myself it was wrong before I could stand on platform after platform and endeavour to convince other people, because I am a fairly honest man.

Hon. Mr. WATSON: That is where you spoiled your dream.

Hon. Mr. MURPHY: The trouble with that reciprocity treaty was that there was no defined time. The previous treaty, that was negotiated in 1854, was snapped off in 1866, after our trade had been running in channels to the south of us, and the abrogation of that treaty resulted in chaos to our trade. There was nothing to guarantee that the treaty of 1911 would not be abrogated in 6 months, as we now know it would have been since the farmer bloc has got sway in the Congress and Senate of the United States. I did not wish to bring politics into this discussion and refer to bygone days, and have a post mortem on the election in 1911; I would rather have a post mortem on my honourable friend politically than that.

Hon. Mr. TURRIFF: If the honourable members from the lower provinces are satisfied with their present condition, which to a large extent they brought on themselves, I do not know that I need worry. In regard to the Crow's Nest agreement, that was only suspended for three years, and the Government did not have to do anything: they just let it go. Let me tell my honourable friend that when that agreement was made, while it was to give a reduction of freight rates at that time, before the war, it afforded no particular reduction afterwards, because freight rates have come down in many cases lower than the Crow's Nest rates. I would like to add that it is in the West that the railways make the great bulk of their profits, as railway operation there is much cheaper in proportion to rates than in the East. Dividing the West from the East at Fort William, the net profits are much higher west of Fort William than in the East.

Hon. Mr. FOWLER: Is it fair to divide at Fort William? Would it not be fairer to divide midway between North Bay and Fort William, because, from the freight standpoint, there is an unproductive distance of hundreds of miles?

Hon. Sir JAMES LOUGHEED: Eight hundred, anyway.

Hon. Mr. FOWLER: Would it not be fairer to divide there, and put the burden of 400 miles at one end and the burden of 400 at the other?

Hon. Mr. TURRIFF: But my honourable friend forgets that in the West there is a longer haul through barren lands: from Winnipeg to Fort William is 435 miles, and from Calgary—

Hon. Mr. FOWLER: Does my honourable friend say that it is barren land from Fort William to Winnipeg?

Hon. Mr. TURRIFF: Largely; I have been over it dozens of times.

Hon. Mr. FOWLER: There is the member for Selkirk.

Hon. Mr. TURRIFF: Selkirk is not east of Winnipeg, but north. There is unsettled territory for 400 miles, and from Calgary to Vancouver there is a distance of 500 or 600 miles, where there is a very little settlement on the main line of either road from the foot of the Rocky Mountain to the coast; so I think the division is fairly even. The reason that railroads make more profit west than east is because they have the long haul on the grain, and also they have higher freights generally; so that I do not think my honourable friend was right in saying that freight rates were lower in the West than in the East.

Hon. Mr. McDONALD: Sir Henry Thornton says it costs $22,500 to haul one train from the West to the East.

Hon. Mr. FOWLER: That is what he charges for coal.

Hon. Mr. TURRIFF: I do not know. My own impression is that coal will never come down in any great quantities from Alberta to Ontario.

Hon. Mr. FOWLER: What do you say to that price?

Hon. Mr. TURRIFF: I cannot see why it should cost that much, but I am not a railway man.

Hon. Mr. FOWLER: I don't believe him either.

Hon. Mr. TURRIFF: I saw it stated the other day that on the Government railways of Canada one engine had hauled a train with 500,000 bushels of wheat. If one engine and one crew can haul that much they can haul coal of a weight equal to that of 500,000 bushels, and therefore they can haul the coal from Alberta.

Hon. Mr. MURPHY: They could not do that; that is an absurdity.

Hon. Mr. TURRIFF: That is the statement that was made in the dispatch in the paper. It may be wrong, but I know they can haul 60 cars with 100,000 pounds each, for they are making cars that carry from 80,000 to 100,000 pounds. They can haul coal cheaply because they propose to do it only in the summer months. My solution of the coal question is that if we use soft coal we can get it from Nova Scotia much cheaper than from Alberta, as it can come up in the summer by water to Montreal and Toronto, and if it has to come in the winter it is a shorter haul. I trust that something may be done to lower the freight rates in the East as well as in the West; at the same time I feel certain that the difficulty would be remedied if we could get satisfactory trade relations between this country and the country adjoining.

Hon. Mr. MURPHY: It is stated that coal can be loaded on cars at Lethbridge or Calgary at $2.50. At Sydney it costs us $6.50. I would like to ask if that western coal is lignite, or ordinary bituminous coal?

Hon. Mr. TURRIFF: In Saskatchewan we have nothing but lignite. In Alberta they have many qualities of coal. In the Crow's Nest Pass they have a bituminous coal that is a first-class steam coal and a first-class coking coal, but it is not hard coal. It is not a good domestic coal, for when you put it in a cooking stove it cokes, and checks the fire unless it is stirred up every fifteen minutes. At Bankhead the C. P. R. have a mine that is semi-anthracite, but it is not as good as real anthracite.

Hon. Mr. FOWLER: They are not producing there now.

Hon. Mr. TURRIFF: Not much, I understand, but I am not sure. I understand there is good coal towards Brazeau and as far north as Edmonton, and in the Peace River Pass where the Hoppe leases are. The coal in the territory covered by the Hoppe leases, I understand, is the best coal we have yet found in Alberta, and is equal to Pennsylvania anthracite. It seems to me that distance will always prevent Alberta coal from coming down east, and if we have to use soft coal it will be cheaper for Ontario and Quebec to get it from the lower provinces.

Hon. Mr. FOWLER: On behalf of the Senator from Sydney (Hon. Mr. McLennan), I wish to move the adjournment of this debate. He has some very important in-

formation to give the House, particularly in view of what has just been said by the last speaker.

Hon. W. H. BENNETT: Before the motion is put, I would like to make a few remarks on the subject. There will never be decent railway rates in this country until this Government grapples properly with the subject, and that is by co-operating with their vessels on the Great Lakes and on the ocean as well as with the railway. Where is this Government to-day with respect to the rates on wheat for the farmer of the West? Let me read this dispatch from Port Arthur; I take it from the Montreal Gazette of to-day:

Price War on Lakes—Grain Shippers and Carriers at Odds Over Freights

Port Arthur, May 17.—In marine circles here it is stated to-day that a price war exists between the grain shipping companies and the companies owning steamships, the latter demanding seven-and-a-half cents per bushel to carry the grain eastward. As a result, shipments of grain from local elevators have slackened off during the last few days, and there is danger of their becoming plugged unless the situation improves. Yesterday three cargoes only left the harbour and to-day but one. It is reported that big American steamers refuse to carry the grain for less, and that they are now being diverted to Duluth and Superior to carry ore eastward. The price demanded is extraordinarily high in face of the fact that at the beginning of the season shippers were paid five cents per bushel which was in itself higher than usual.

Now, the vessel combines on the lakes to-day are holding by the throat the farmer of the West for 7½ cents a bushel on his grain at the head of the lakes. I assume it is for Georgian Bay ports or Buffalo. Talk about the Government-owned railway. It was something for a railway to be owned by the railway interests of the country, because they were big enough to hold the people up; but to fancy that a few steamboat lines are holding up this Government simply passes all comprehension.

Hon. Mr. DANDURAND: You mean this country when you say this Government?

Hon. Mr. BENNETT: No, it is the Government they are holding up, not the country.

Hon. Mr. DANDURAND: How are they doing it?

Hon. Mr. BENNETT: This Government owns to-day and has on the Great Lakes the following freighters: The Adventurer, 3408 tons; the Trader, 3,341 tons; the Sower, 3,406 tons; the Sailor, 3,357 tons; the Pathfinder, 3,640 tons; the Engineer, 3,679 tons; the McKee, 3,575 tons; the Drummond, 3,500 tons; the Arthur Orr, which is a larger vessel, and which would have, I think, a tonnage over 4,000, and the Kearsarge. At the commencement of last season, as I proved the other day, the rate at the head of the lakes was only 3 cents a bushel. I gave as my authority the American report, and I quote from that the statement to show that on the first contracts of last year the rate was 3 cents. When the boats started out this year they were quite anxious to get 5 cents, which, as the report states, is considerably higher than the rate in former years.

These highwaymen,—because that is what they are,—holding up the farmer of the West—

Hon. Mr. WILLOUGHBY: Buccaneers.

Hon. Mr. BENNETT: The honourable gentleman suggests "buccaneers." Perhaps that is a better term than highwaymen. Whether or not the Government are accomplices in the deal I do not know; but one would imagine that, with a fleet like that, capable of carrying a million bushels—

Hon. Mr. MURPHY: What are they doing?

Hon. Mr. BENNETT: They are charging 7½ cents a bushel, along with the buccaneers, because the Government have handed them over to their friends to run. Is not that correct?

Hon. Mr. DANDURAND: I do not believe so.

Hon. Mr. BENNETT: I say they are advertised as being under one of these companies.

Hon. Mr. MURPHY: Subsidiaries of the Canada Steamships?

Hon. Mr. BENNETT: A company called the Great Lakes Company has some of them. They are all on the lakes to-day. What is the result? Take the case of the Canada Steamship Company. They have one vessel called the Morden.

Hon. Mr. DANDURAND: That is not the Government's.

Hon. Mr. BENNETT: No. The Canada Steamship Company have the Morden, which carries half a million bushels of grain. At 7½ cents, her freight will be worth $37,500 under this hold-up; and the Government are standing hand in hand with this Company in keeping up the rates and in having their vessels lying alongside the others, holding up the farmer for the same price.

Hon. Mr. DANDURAND: I would suggest to my honourable friend that he move the adjournment of the debate. I will lay on the Table of the House on Monday the official report of the Royal Commission that has been

inquiring into this matter; then the honourable gentleman may speak by the book. I suppose my honourable friend is alleging facts, but he does not seem to be sure. When the information is officially presented to us, he will be able to give us data which will be uncontrovertible.

Hon. Mr. BENNETT: There is nothing in that report about this deal, because it refers to the machinations of the buccaneers last year.

Hon. Mr. DANDURAND: My honourable friend's remarks do not bear on the operations of last year?

Hon. Mr. BENNETT: No, on what is going on to-day.

Hon. Mr. DANDURAND: But to-day navigation is just opening.

Hon. Mr. BENNETT: Oh, no, it is not. Let me say to the honourable gentleman that this report, which it is anticipated will expose the machinations of those buccaneers, has been in the possession of this Government for a week—since last Monday.

Hon. Mr. DANDURAND: I may inform my honourable friend that it was simply laid before us to-day at noon.

Hon. Mr. BENNETT: I can tell the honourable gentleman that one of the Commissioners left for his home last Monday; and he must have signed the Report before he left.

Hon. Mr. DANDURAND: I suppose it would have to be printed.

Hon. Mr. BENNETT: I should say that in these days of typewriting, it was probably typewritten, and had been before the Government for some days.

Hon. Mr. DANDURAND: I may inform my honourable friend officially that it was distributed to the members of the Cabinet to-day.

Hon. Mr. BENNETT: And some member of the Cabinet has had it in cold storage, probably, for several days.

Hon. Mr. DANDURAND: That would do on the hustings.

Hon. Mr. BENNETT: Well, I agree that to appeal to honourable gentlemen on the other side would be about as useless, almost, as to talk on the hustings.

Hon. Mr. DANDURAND: My honourable friend thinks himself in the House of Commons. He should rise to a higher sphere in discussing matters here and try to acquire the senatorial spirit.

Hon. Mr. ROBERTSON: Get on to the Twentieth Plane.

Hon. Mr. BENNETT: That remark, coming from my honourable friend, starts me reminscing. Honourable gentlemen can remember what happened a year or two ago when, with his uplifted right hand, my honourable friend was almost in danger of touching the Hon. Mr. Blondin, a member of the Government. Talk about impassioned appeals and pre-election ones. I am demanding rights for the farmers of the West. This spineless Government is not going to the country right away, and that is not why I am making speeches. I want the Government to rise to the occasion.

The Minister says he is going to get the facts. What are the facts that he is going to get? Are they that these vessels are not leased? If that is the case, the Government's position is worse than ever, because they own ten vessels on the Upper Lakes—and could add many others to the fleet—and they are actually standing idle to-day refusing to break up the combine.

Hon. Mr. DANDURAND: The honourable gentleman knows that this fleet is managed by the National Railway Board.

Hon. Mr. BENNETT: I will accept the statement of the honourable gentleman, then, that Sir Henry Thornton stands up and folds his arms and tells the Government: "You may ask me to do this or that; I am going to run these railways and these vessels as I like." If it is he who is putting this imposition on the public by entering into a great combine on the Upper Lakes for the benefit of the vessel owners, we had better know it. Let the honourable gentleman take the ground that Sir Henry Thornton is making the deal.

Hon. Mr. DANDURAND: The honourable gentleman speaks of a "deal." I think he should first obtain the facts by putting a question on the Order Paper. It seems to me that this is not the place to speak in such a flippant way of the administration of the country, but that the allegations should be based on facts.

Hon. Mr. BENNETT: I am basing them on the facts. I defy the honourable gentleman to deny that these vessels are owned by the Government of Canada.

Hon. Mr. DANDURAND: My honourable friend has read a list of names which seem somewhat familiar to me as belonging to the fleet which Mr. Ballantyne palmed off on the country.

Hon. Mr. BENNETT: My honourable friend is taking to the subterfuge of throwing the responsibility back on Mr. Ballantyne. These vessels were built in time of war.

Hon. Mr. DANDURAND: After the war, most of them.

Hon. Mr. BENNETT: Now the honourable gentleman is talking politics.

Hon. Mr. DANDURAND: I know that all those steamers bore a name prefixed by the word Canadian—Canadian Discover, Canadian Exporter, etc. I suppose that is the fleet my honourable friend speaks of.

Hon. Mr. BENNETT: Part of the fleet—and they are owned by the people of Canada.

Hon. Mr. BELCOURT: What is left of them.

Hon. Mr. BENNETT: There are a great many of them left.

Hon. Mr. DANDURAND: I suppose, if we were to take the opinion of this House, three-quarters of its members would be in favour of disposing of the balance.

Some Hon. SENATORS: No, no.

Hon. Mr. BENNETT: I would be opposed to disposing of this fleet. If these vessels were properly handled they would be all right; but I think you might as well let them go, if they are going to be operated by this Government.

Hon. Mr. MURPHY: Do I understand the honourable gentleman to say that they are leased to private individuals, who are running them on the Lakes?

Hon. Mr. BENNETT: I say I have every reason to believe so.

Hon. Mr. PARDEE: Why not wait for the report, if the honourable gentleman only has "reason to believe?" The fact will appear in the evidence.

Hon. Mr. BENNETT: There are millions of bushels of grain which ought to be moved lying at the head of the Lakes, and I assume there are vessels waiting at Montreal to handle it; but the Government, instead of hanrling the grain in their own vessels and cutting the rates, are participating in them. If they have not leased the vessels, then they are charging 7½ cents per bushel; and if they have leased them, they have prevented competition by so doing.

The town in which I live is the headquarters of the Great Lakes Company fleet, and in the last paper from there which I have seen is a list of the vessels and the captains and the engineers for the season—the usual list that one finds in the press of such towns. The nemes of two of these vessels appear in that list; and, I know, from the statement of a man who knows all about it, that every one of those vessels is on the Lakes to-day.

Hon. Mr. DANDURAND: My honourable friend's argument would be much stronger if it was based upon an official answer procured by the Government from the National Railways.

Hon. Mr. BENNETT: If the Government received an official reply from the National Railways that those vessels are not carrying grain to-day, then I say that some official is not telling the truth, because I have a letter saying that they are. The letter simply states that these vessels are all running on the Lakes, and that they have bookings ahead. Here it is:

> I have to say that the steamers Canadian Adventurer, Canadian Sower, Canadian Trader, Canadian Sailor, Pathfinder, and Canadian Engineer, are carrying grain between Fort William and Port Colbourne and Bay ports.

That statement is made by one of the leading officials of the Railway.

Hon. Mr. MURPHY: What rate are they getting.

Hon. Mr. BENNETT: The letter does not say.

Hon. Mr. DANDURAND: Nor under what conditions. Are they running under the Canadian National Railways?

Hon. Mr. BENNETT: The writer of the letter does not say whether or not they are leased, but he bears out my so-called flippant statement that they were on the lakes. My honourable friend said that was a flippant statement.

Hon. Mr. DANDURAND: No, no. My honourable friend is in error. My honourable friend speaks of the policy that the Government has entered into as a "deal." I would like to know what he means by a "deal."

Hon. Mr. BENNETT: Then, what part of my remarks are flippant?

Hon. Mr. DANDURAND: The honourable gentleman leads the Senate to believe that there has been some dark scheme carried on against the interests of Canada. He has no basis for his statement, except that he has been led to believe. He should first obtain the information.

Hon. Mr. BENNETT: I have the statement of a leading official that these vessels are on the Upper Lakes.

Hon. Mr. CLORAN: Who is the official?

Hon. Mr. BENNETT: The honourable gentleman asks for the name of the official. Probably he would be decapitated for giving out information. That is an old game; I have heard of that before.

Hon. Mr. DANDURAND: The honourable gentleman can get the official information by asking for it.

Hon. Mr. BENNETT: The Government are in this position to-day: they are either running these boats as part of the combine, or they are leasing them to those who are holding up the general public by these rates.

Hon. Mr. DANDURAND: When the honourable gentleman says "the Government," what does he mean? Does he mean the Government represented by the Railway Department, or the National Railway Board?

Hon. Mr. BENNETT: The National Railway Board. But I say that when anything goes amiss in the country it is surely within the province of the Government to appeal to Sir Henry Thornton and to ask him to rectify it. Is he to be placed on a pedestal so high that, do what he will, the Government stand terrified of their importation, and say, "Go on, do your worst."

Hon. Mr. DANDURAND: We hope they will do their best.

Hon. Mr. BENNETT: If it is not true that the Government have leased these vessels, then they are doing the other thing.

Hon. Mr. DANDURAND: That is, the Canadian National Railway Board.

Hon. Mr. BENNETT: All right: once again, the Canadian National Railway Board.

Hon. Mr. DANDURAND: And we have promised them—with the honourable gentleman's consent—a free hand.

Hon. Mr. BENNETT: Not to do whatever they please, whether it is right or wrong?

Hon. Mr. DANDURAND: Undoubtedly we can make representations.

Hon. Mr. BENNETT: There is another matter—this latest trick of the National Railways, of going in for this new British preference. I am not in favour of that—going over to England to get officials when there are thousands of able officials here.

Hon. Mr. MURPHY: Is that absolutely true?

Hon. Mr. BENNETT: Whether it is true or not, honourable gentlemen were appealed to in the other House, and the statement was made in all the papers that the National Railways were doing it. This country was convulsed one day by an American preference by the bringing in of officials from the United States.

Hon. Mr. ROBERTSON: By private corporations.

Hon. Mr. BENNETT: Yes, by private corporations. What are honourable gentlemen going to say now, when under this so-called British preference they are bringing in from the Old Country men who were officials on the railway by which Sir Henry Thornton was employed? How conversant they must be with the transportation situation in Canada —say, of grain from the West, having worked on a short line railway in England.

Now, what do those rates produce? I am going to show you how it works out. This steamer would have a freight return of $37,500 on one trip. I presume the ship did not cost more than $500,000, so that on the single trip she is making 7½ per cent on her value, less the cost of the men's wages.

Hon. Mr. MURPHY: How long would that trip take?

Hon. Mr. BENNETT: Around seven days. I hope the honourable gentleman will have his report down on Monday. I understand it is to be made public. I hope it will satisfy the West. Will the honourable gentleman not acquiesce in that, or is it to be a stuffed club, to go very easy on the marine men? As to the report, I think it will be a good report, but I fear the action of the Government will be a slap on the wrist to those vesselmen, nothing more and nothing less. The marine interests are soaking the public to the extent of 7½ cents a bushel on grain, and they are assisted by this Government one way or the other, by renting those vessels to co-operate in the pool, or by the Government holding up the prices themselves at that extortionate rate.

Hon. Mr. WILLOUGHBY: My honourable friend said the report of the Commission would be tabled on Monday. Is that the complete report? I heard there was to be an abridged report, or a précis of it.

Hon. Mr. DANDURAND: I had no time to go through it. It seemed to be voluminous, and I was told a copy would be sent to me,

and I thought I could lay it on the Table this afternoon, but I will surely do so on Monday. My honourable friend has moved the adjournment of the debate. I am glad to hear that my honourable friend is satisfied with one action of the Government, that is the appointment of the Royal Commission.

Hon. Mr. BENNETT: I hope the report will be of such a nature that the Government will be driven into action by the Progressives.

Hon. Mr. DANDURAND: Why does my honourable friend say driven into action? It is the Government that has sought the information for its own advantage.

Hon. Mr. MURPHY: I would call the attention of the honourable leader to the fact that the honourable gentleman from Midland who has just spoken (Hon. Mr. Bennett) has made some serious charges—that the Government is leasing those vessels on the Great Lakes to friends of their own to enable them to exploit the public and put into the wheat pool of the high price of hauling this wheat around the lakes from the West. Can he bring the information down as to whether that is or is not correct?

Hon. Mr. DANDURAND: Of course it is needless to say that I have not accepted at par the impressions of the honourable gentleman from Midland. He has heard, and he has been led to believe; but I will try to get the information for which my honourable friend has asked.

Hon. Mr. MURPHY: The honourable leader will understand that he can easily get the information as to whether those vessels which belong to the Government are under control of the National Railways—which, after all, are the people, or the people's representatives—or whether they are in the hands of a separate syndicate formed for the exploiting of those same people in the hauling of their wheat, and if they are getting 7½ cents, as he claims.

Hon. Mr. BENNETT: And I would ask the honourable gentleman to find out, when he is making the inquiry, if a contract has not been made for the carriage to Midland of the coal for the National railways, instead of getting it carried by government vessels going into that port themselves, and if, in order to carry that railway coal to Midland, they have not been employing American boats —because I can tell him they have been doing that. The Company, or some person who is carrying the coal for the National Railway, is carrying part of it in an American boat—one load at all events, because I saw the boat reported.

Hon. Mr. DANDURAND: I will draw the attention of the Minister of Railways and Canals to the discussion of this afternoon, so that we may get some light and some official statement on those matters.

Hon. Mr. MURPHY: That is what we want.

On motion of Hon. Mr. Fowler, the debate was adjourned until Tuesday next.

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

THE SENATE

Monday, May 21, 1923.

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

Prayers and routine proceedings.

PATENT BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 20, an Act to amend and consolidate the Acts relating to Patents of Invention.

He said: There is an amendment moved by the honourable gentleman from Middleton (Hon. W. B. Ross), which will settle the question of jurisdiction when there is more than one applicant for a patent. The Act as it stands provides for the appointment of arbitrators—one by each of the applicants and the third by the Department. At the same time, the Exchequer Court now has authority. The clause which it is proposed to add is:

(7) If, prior to such time as may be fixed by the Commissioner for the appointment of arbitrators or allowed by him to enable the conflicting applicants to unite in appointing arbitrators anyone of the conflicting applicants takes proceedings in the Exchequer Court for the determination of the conflict, no further proceedings shall be taken thereon under this section and said Court shall have exclusive jurisdiction in the premises; but no such proceedings shall be taken in the Exchequer Court after the expiration of such time.

Clause 22 provides that in the case of conflicting applications for a patent, the right to the patent shall be determined by arbitration.

Section 23 of the Exchequer Court Act, Chapter 140, R.S.C., gives that tribunal jurisdiction in the premises also.

To provide for such a case as was mentioned by the honourable Senator from Middleton

(Hon. W. B. Ross), namely, where one party wishes to proceed by arbitration and the other party wishes to go to the Exchequer Court, it has been deemed advisable to add subclause 1, which has been approved by the Department of Justice.

Under the provision to be added, if before the expiry of the time fixed by the Commissioner for the appointment of arbitrators, any one of the parties takes proceedings in the Exchequer Court, the proceedings under the Patent Act shall be discontinued and the matter will have to be dealt with by the Court.

Hon. Sir JAMES LOUGHEED: When does my honourable friend propose moving that?

Hon. Mr. DANDURAND: I would suggest that my honourable friend from Middleton move that in amendment to my motion for the third reading.

Hon. Sir JAMES LOUGHEED: What occurred to me was this. Assuming for the moment that proceedings have been instituted in the Exchequer Court before the arbitrators have been appointed, apparently the Exchequer Court can proceed to hear the case; but has the Exchequer Court authority under the Exchequer Court Act to refer the matter to arbitration, assuming that it is set in motion before proceedings in arbitration are commenced? The Exchequer Court might be influenced by the belief that the matter could be better determined by reference to arbitration than by a hearing before the Court. In that case the Court should not be precluded from compelling the parties to arbitrate. So long as jurisdiction is vested in the Court to make that reference, it would be satisfactory, to my mind.

Hon. W. B. ROSS: As I understand, there is provision now for arbitration, but one of the parties may want an arbitration while the other may want to go to the Exchequer Court; and, as the Act now stands, it does not say which proceeding is to take place. This amendment is made to cover a difficulty of that kind. If A asks for an arbitration and B asks for the Exchequer Court, the matter goes to the Exchequer Court, as I understand it.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. CASGRAIN: And then the Exchequer Court can appoint arbitrators to deal with the matter if they want to.

Hon. W. B. ROSS: They can deal with it themselves. I move the amendment.

Hon. Mr. DANDURAND.

Hon. Mr. FOWLER: The honourable member for Grenville (Hon. Mr. Reid) has a notice of motion on the Order Paper to strike out clause 47. Has that been disposed of?

Hon. Mr. DANDURAND: The Committee decided in favour of the Bill as it was drafted, after the matter of the amendment was thoroughly discussed.

The amendment of Hon. W. B. Ross was agreed to, and the Bill, as amended, was read the third time and passed.

DIVORCE BILLS

THIRD READINGS

Bill D5, an Act for the relief of James Dunnett.—Hon. Mr. Blain.

Bill E5, an Act for the relief of Laura MacBrien.—Hon. Mr. Ratz.

Bill F5, an Act for the relief of Chester Abbott Redmond.—Hon. Mr. Ratz.

IMMIGRATION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 136, an Act to amend The Immigration Act.

Hon. Mr. Blain in the Chair.

On section 1—enemy aliens:

Hon. Mr. DANDURAND: This section repeals paragraph (p) of section 3 of the Immigration Act. That section reads as follows:

> 3. No immigrant, passenger, or other person unless he is a Canadian citizen, or has Canadian domicile shall be permitted to enter or land in Canada, or in case of having landed in or entered Canada, shall be permitted to remain therein, who belongs to any of the following classes hereinafter called "prohibited classes."

Then comes paragraph (p), which contains the clause:

> Enemy aliens or persons who have been alien enemies and who were or may be interned on or after the eleventh day of November, 1918, in any part of His Majesty's dominions, or by any of His Majesty's allies.

This is repealed, because I am informed by the Department there are no such enemy aliens who were interned after Armistice Day.

Hon. Mr. FOWLER: Does that apply only to such as were interned after Armistice Day?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: And the Immigration Act is in force against all other alien enemies?

Hon. Mr. DANDURAND: Yes. We are deleting this part of the section; it has no more application.

Section 1 was agreed to.

On section 2—deported conspirators.

Hon. Mr. DANDURAND: This amends paragraph (s) of section 3, which reads:

Persons who at any time within a period of ten years from the first day of August, 1914, were or may be deported from any part of His Majesty's dominions, or from any allied country on account of treason or of conspiring against His Majesty, or of any similar offence in connection with the war against any of the allies of His Majesty.

That much remains. It is sought to have deleted these words, which conclude paragraph (s):

or because such persons were or may be regarded as hostile or dangerous to the allied cause during the war.

It was felt that this was too large a test, and somewhat obscure and dangerous in application.

Hon. Sir JAMES LOUGHEED: That has a year and a half to run yet.

Hon. Mr. DANDURAND: Yes.

Section 2 was agreed to.

On section 3—certain persons to be deemed to belong to the prohibited or undesirable classes:

Hon. Mr. FOWLER: We are not ready to repeal section 41 yet.

Hon. Mr. DANDURAND: I would like to explain that the effect of this amendment would be to except from the meshes of this section a British subject who has not been 5 years in the country.

Hon. Mr. MURPHY: Why a British subject any more than any other?

Hon. Mr. DANDURAND: A British subject who was not born in Canada, nor naturalized in Canada, would fall under the Act.

Hon. Mr. BRADBURY: A British subject cannot be naturalized.

Hon. Mr. DANDURAND: The reason for the repeal of section 41 of the Act of 1919, and for the substitution of section 41 of the Act of 1910, which was repealed in 1919, is a matter of policy, and the changes can be readily understood by reference to the two sections. The old section 41 has been enacted with the following exception: the words "person other than a Canadian citizen" have been struck out, and in lieu, thereof the word "alien" has been inserted; so that it will read as follows:

Whenever an alien advocates in Canada the overthrow by force or violence of the government of Great Britain or Canada, etc.

That will mean that a person coming from the British Isles or from outside of Canada, but who is a British subject, will not be reached by this clause, as proposed to be amended.

Hon. Mr. FOWLER: He ought to be.

Hon. Mr. MURPHY: He ought to get worse.

Right Hon. Sir GEORGE E. FOSTER: What is the reason for that exception? This is all very unsatisfactory, as we have agreed over and over again. My honourable friend reads from a paper or a book that he has, and nobody else has, and it is impossible to keep the context of that in our mind and follow it with the proposed amendment. Anyway, my honourable friend might give us the reasons why the Government proposes to except anybody who advocates by violent methods the overthrow of the government or the established order.

Hon. Mr. FOWLER: As a matter of fact, these agitators from the British Isles, are the most dangerous we have.

Right Hon. Sir GEORGE E. FOSTER: Suppose we get at the reason why.

Hon. Mr. FOWLER: We have had the same old reasons for two years, and they are not a bit better now than they have been before. We have resented them before, and I hope we will again.

Hon. Mr. ROSS: I take leave to move that section 3 of this Bill be struck out. That will leave the law as it was. I am of Scottish descent, and I have been told, and it is my experience, that a good Scotchman is the best man in the world and a bad Scotchman is the worst man in the world. Further than that, I am satisfied that some of the worst men in this country, men that we need least, are men from Scotland. I do not know any reason why they should not be subjected to the same law as aliens when they undertake to cause trouble in this country and to upset the Government and wreck property, and violate every law of God and man.

Hon. Mr. DANDURAND: I have been asked why this amendment was made. I have received no memorandum on the subject from the Department, because it was not the Department that sought the amendment:

it was made in the House. I may remind my honourable friends that in 1921 the Government of the day sought to have this clause so amended as to absolve all Britishers from its operation.

Hon. Sir JAMES LOUGHEED: Oh, we know the reasons. They need not be mentioned.

Hon. Mr. DANDURAND: The Senate differed.

Hon. Mr. BRADBURY: The Senate is going to differ again.

Hon. Mr. DANDURAND: I am not allowed to quote from Hansard, but my honourable friends will very much oblige if they will look at Hansard to see who suggested that Britishers should be exempted from that disability. When that Bill came up in 1921 it had behind it the Government's endorsation. The Minister of Immigration, having been sworn in only in December of that year, or in January of 1922, felt that perhaps the time had not arrived to make a change. I leave it to the Senate to say whether the time has arrived now.

Hon. Mr. SCHAFFNER: It does not matter to me who it was that moved in another place to make that exception. Anyone who had experience of the very serious strike we had in Winnipeg a few years ago knows very well that the foreigners were not the leaders. My experience of the foreigner in Western Canada is that he is inclined to be quiet and to obey the laws of the country, unless he is aroused by agitators. My honourable friend from Middleton (Hon. W. B. Ross) said that a bad Scotchman was the worst man in the world, and I agree with him. The leaders of the strike in Winnipeg were Scotchmen, or at least were from the British Isles. I do not think for one moment the Senate will permit the amendment to carry.

Hon. Mr. ROBERTSON: May I say just a word, inasmuch as I have not spoken on this subject in the House before? I probably share responsibility for the introduction of the amendment to section 41 the year following the difficulty in Winnipeg, expressing the opinion then that it would be wise to get back to the law as it was before that difficulty occurred, believing it would have a salutary effect. I beg to state to-day that I have changed my mind in some respects, having in view the experience of this country within the last year and the Communist propaganda which has been carried on throughout the length and breadth of the world, apparently propagated and disseminated from Russia, and I think Canada would be well advised to maintain section 41 as it is.

Section 3 was negatived.

Right Hon. Sir GEORGE E. FOSTER: The Government does not press its measure?

Hon. Mr. DANDURAND: I do not insist in the face of such an expression of sentiment.

On section 4—Deputy Minister may order investigation:

Hon. Mr. DANDURAND: This amendment has been made the ground of a decision to intercede by the courts in British Columbia.

Hon. Mr. FOWLER: Is that the order for deportation?

Hon. Mr. DANDURAND: The order for examination. I will read section 36.

Hon. Mr. FOWLER: It has not relation to section 41?

Hon. Mr. DANDURAND: No; it is an order to be issued on the complaint under section 41; it is to allow a deputy minister to sign the order instead of the Minister.

Hon. Mr. BRADBURY: Does that refer to the investigation made under section 41?

Hon. Mr. DANDURAND: It is the order for examination in pursuance of the complaint under section 41.

Hon. Mr. BRADBURY: Are you repealing that?

Hon. Mr. DANDURAND: No. It is simply departmental.

Hon. Mr. BRADBURY: Is there any provision in the Department for the enforcement of this Act? This deportation clause has been on the Statute Book for some time, and men who have been guilty of the most glaring offences under it have not been deported. That is an open secret. I would like to know what is the use of legislating if the Act is not enforced.

Hon. W. B. ROSS: The latter part of section 41 reads as follows:

> And it shall be the duty of any officer becoming cognizant thereof, and the duty of the clerk, secretary or other official of any municipality in Canada wherein such person may be, to forthwith send a written complaint to the Minister giving full particulars.

Hon. Mr. BRADBURY: That is very clear; but the inference to be drawn from my remarks is that the officials do not see these things or do not wish to see them.

Hon. Mr. FOWLER: Have there been many cases under this?

Hon. Mr. BRADBURY: I do not think there has been one.

Hon. Mr. DANDURAND: I am informed that attempts were made in some fifteen cases in Winnipeg and Vancouver, but habeas corpus proceedings stopped the action of the Government, and deportation was impossible in most cases, because there could be no deportation to Russia on account of conditions in that country.

Hon. Mr. BRADBURY: I would direct the attention of the Government to what has taken place in Sydney within the last few weeks. Why has not that man Bruce been deported?

Hon. Mr. DANDURAND: I am informed that no complaint has been received.

Hon. Mr. McCORMICK: The trouble is that he has not been apprehended. There is a warrant out for him.

Hon. Mr. BRADBURY: Probably the warrant has been issued, but has it been issued under the instructions of the Department? My honourable friend informs me that no complaint has been laid. The matter, as I understand it, is left in the hands of the officers of the Department; and they have to wait until somebody complains. They must read the papers, as other people do. Why do they not act?

Hon. Mr. McCORMICK: The action down there was taken by the Provincial Government.

Hon. Mr. DANDURAND: I am informed that there must be a complaint made.

Hon. Mr. FOWLER: It strikes me that the procedure should be quick and silent. As soon as a man lays himself open to the law, he should be grabbed and thrown incontinently out of the country, without any trial or anything else. I would not give any trial to such men, or any chance to defend or anything else.

Hon. Mr. WATSON: You might make a mistake.

Hon. Mr. FOWLER: A man who would come into a country and accept its hospitality and then be a rebel towards it—

Hon. Mr. DANDURAND: My honourable friend must recognize the fact that the offence is committed some five hundred or a thousand miles from the centre where the officials of the Department of Immigration are. The Department must have knowledge of the action of the man.

Hon. Mr. FOWLER: They would see it in the papers.

Hon. Mr. DANDURAND: And they can only be informed by a complaint of some official of the municipality in which the offence is committed. It seems to me quite a wise precaution.

Hon. Mr. MITCHELL: Do I understand that no action can be taken except here in Ottawa? Is there no one appointed to take action?

Hon. Mr. DANDURAND: I read from section 41:

> And it shall be the duty of any officer becoming cognizant thereof, and the duty of the clerk, secretary or other official of any municipality in Canada wherein such person may be, to forthwith send a written complaint thereof to the Minister of Immigration giving full particulars.

Hon. Mr. FOWLER: We read the other day in all the newspapers that down in Sydney a man—I think his name was Bruce—had made a public speech in which he said he wanted to see the British flag, the flag of his country, dragged in the mud, and the red flag of Communism flying in its place. Surely a department that had the first elements of life in it would be able to take hold of the matter, having read of it in the newspapers, and would not have to wait for someone at Sydney to lay an information. Are not these gentlemen in the Immigration Department able to read and write? Do they not read the newspapers? If we are credibly informed, most of the men in such offices spend a very considerable portion of their time in the perusal of the papers. Surely they could not miss those headlines, because they are very large and very glaring; and surely the Immigration Department at Ottawa has some knowledge of what took place when this man Bruce made this speech down in Sydney. I do not see how the officials of the Immigration Department can clear themselves with regard to this. What is the use of having this law on the Statute Book? I would have supposed that the man would be apprehended the next day on instructions from Ottawa and locked up, to teach these brutes that they cannot come into the country and insult its flag. The only treatment they can understand is force—that is the thing they are advocating—and their own remedy should be applied to them to shut their blatant mouths.

Hon. Mr BELCOURT: I do not know anything about the particulars of this case; but

it seems to me, according to the procedure which prevails all over the country, that when this man Bruce was apprehended—

Hon. Mr. DANDURAND: No, a warrant was issued.

Hon. Mr. BELCOURT: On the complaint of someone in Nova Scotia?

Hon. Mr. MURPHY: The Attorney General.

Hon. Mr. BELCOURT: It would be quite within his province to do that. If a warrant is out for the man's arrest there is no occasion for the Department of Justice to take further action: the law has been set in motion, and nothing more can be done. There would be no object in having any further complaint made, because our courts of justice in Nova Scotia are after the man. I do not think the Minister of Justice in this case is at all in fault.

Hon. Mr. BRADBURY: Does not my honourable friend see some difference between this law and the law of the province which the Attorney General puts in force? If the man were arrested by the Attorney General, they would likely give him a trial by jury.

Hon. Mr. BELCOURT: The administration of justice is in the hands of the Attorney General of the province, though we make the law.

Hon. Mr. FOWLER: It is not under this Act.

Hon. Mr. BELCOURT: It is under this Act as well as any other Act. This is a criminal offence like any other criminal offence, to be tried under the provincial procedure. We do not institute the procedure. This crime is committed in the province of Nova Scotia, and the Attorney General of that province issues the warrant for the arrest of this man

Hon. W. B. ROSS: It could not be under this Act.

Hon. Sir JAMES LOUGHEED: That has nothing to do with the Immigration Act.

Hon. Mr. BELCOURT: Why could he not do it? He has already done it.

Hon. Sir JAMES LOUGHEED: It is only the immgration authorities who can set the machinery in motion for his deportation.

Hon. Mr. BELCOURT: I do not think that is good doctrine. The administration of justice is in the hands of the Attorney General of the Province.

Hon. Sir JAMES LOUGHEED: That is, the criminal law; but there is special machinery provided in the Immigration Act for the deportation of such an individual as we have referred to, and that machinery must be set in motion by the Department of Immigration.

Hon. Mr. BELCOURT: Does that exclude provincial jurisdiction?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. LYNCH-STAUNTON: This has nothing to do with the administration of the criminal law.. This is an Act for the deportation of undesirable characters.

Hon. Mr. McCORMICK: Has the Attorney General notified the Department that there was such a man at large?

Hon. Mr. FOWLER: He does not need to. The Department cannot find anything to excuse itself, in my opinion. The whole thing was made public and notorious, and apparently no attention was paid to it.

Hon. Mr. DANDURAND: I am informed that the Department cannot take notice of a newspaper item.

Hon. Mr. LYNCH-STAUNTON: But their attention was drawn to it officially by a member of this House.

Hon. W. B. ROSS: Under sections 41 and 42 it is not possible for the Department to take notice of that unless a complaint in writing has come in: the words here are perfectly plain. Of course, you could amend them to say they might act on a telegraphic message, but as the law stands now the Department cannot be put in motion except on a written complaint. The action of the Attorney General must have been under some other authority altogether foreign to this Act.

Hon. Mr. BELCOURT: Where does he get the authority outside of this Act?

Hon. Mr. DANDURAND: Under the Criminal Code.

Hon. Mr. BELCOURT: Then I am right in what I said a moment ago.

Hon. W. B. ROSS: He has no authority under this Act.

Hon. Sir JAMES LOUGHEED: The man could not be sent out of the country.

Hon. Mr. BELCOURT: No, you cannot send him out of the country until you get hold of him, and when he is got hold of, he

would be sent out of the country by the Immigration Department.

Hon. W. B. ROSS: No, he would not, unless the Attorney General or some other person sends in a written complaint.

Hon. Mr. BRADBURY: I think this Act ought to be amended, if it is going to be effective, and the Department ought to be empowered to take action, and not wait until someone lodges a complaint. When the Government was informed of what took place in Nova Scotia the Department ought to be in a position to cause an investigation to be made, and to take action. There are many of those men running wild in this country who ought to be apprehended and deported, and they never will be unless the Department takes action.

Section 4 was agreed to.

On section 5—arrest or prosecution of rejected or deported persons:

Hon. Mr. DANDURAND: The Act as it is now on the Statute Book, subsection 4 of section 42, reads as follows:

> Any person rejected or deported only by reason of inability to comply with the money qualification prescribed by any Order in Council passed under the authority of section 37 of this Act may be subsequently permitted to enter or land in Canada by a Board of inquiry.

That is, assuming he has not been rejected for any other reason but that one. The section is amended by substituting therefor the following:

> by reason of inability to comply with the provisions of any Order in Council which has been rescinded.

He may be subsequently permitted to enter or land in Canada by a Board of Inquiry or officer in charge. The case in point is this: many U.S. citizens were rejected under this clause of B.C. 183:

> A United States citizen entering Canada from the United States, provided it is shown to the satisfaction of the Immigration Officer in charge that his labour or service is required in Canada.

Unless subsection 4 of section 42 is amended as proposed, the persons above rejected would not likely be permitted to land in Canada without the consent of the Minister.

Hon. Mr. BELCOURT: Is there not a provision under the Alien Act which covers this same ground?

Hon. Mr. DANDURAND: No.

Hon. Mr. ROBERTSON: I would like to ask if the rescinding of the Order in Council imposing additional requirements as to cash in hand upon Chinese immigrants would permit under this amendment, the entering into Canada of Chinese who were excluded because of it?

Hon. Mr. DANDURAND: This Act is not applicable to Chinese.

Hon. Mr. ROBERTSON: The general Immigration Act does not apply to Chinamen at all?

Hon. Mr. DANDURAND: There is a Chinese Immigration Act absolutely distinct from this.

Section 5 was agreed to.

On section 6—lists of seamen, etc., must be delivered:

Hon. Mr. DANDURAND: The effect of the amendment to subsection 1, of section 52, may be summarized as follows: Under the section as it stands, transportation companies must furnish a manifest of seamen who arrive on any vessel coming from any port or place outside of Canada and must also furnish a supplementary list of seamen who have signed at a Canadian port. The amendment leaves it to the discretion of the Minister as to whether or not either manifest shall be furnished.

Section 6 was agreed to.

On section 7—discharging crew without examination:

Hon. Mr. DANDURAND: This applies to crews of vessels and would apply in the case of a crew deserting, or any member of a crew running away from the vessel. This amendment simply means that the penalty is an administrative fine instead of the former penalty, which provided for prosecution in court. It will be noted that administrative fines are also provided by section 48, and subsection 1 of section 52, or for certain other violations of the law.

Hon. Mr. ROCHE: Would that apply in the case of a crew deserting or a member of the crew runnng away from the vessel?

Hon. Mr. DANDURAND: It is the master who pays for the member of the crew who goes out. The change is made because prosecutions cannot be had, it being too difficult to follow up those people who land, or who disappear; but under this administrative fine the master would be obliged himself to pay the fine.

Section 7 was agreed to.

On section 8—deposit as security for return of deserters:

Hon. Mr. DANDURAND: This is a new clause. Its object is to give the Immigration Inspector in charge at a port of entry authority to obtain a cash deposit to cover whatever expenses may be involved of seamen who may desert, especially from foreign vessels which have no agent or representative in Canada. It is impossible to use the words "foreign vessels" of "foreign bottoms" in the section, because of favoured-nation clauses in the Japanese and other treaties.

Hon. Mr. BELCOURT: Why should the master of the ship have to pay these expenses? It does not seem fair to me that because a man has deserted the master of the ship is visited with all the consequences, for he may be entirely innocent; in fact, he suffers from the desertion of the seaman, and yet he has to pay the expenses the Government has been put to in trying to deport the man.

Hon. Mr. DANDURAND: If a seaman has deserted, the master has retained the money owing to the seaman.

Hon. Mr. BELCOURT: That is not made a condition. The master has to pay in any case what the Government has had to pay, in a matter over which he has no responsibility.

Hon. Mr. ROCHE: Suppose a refractory seaman has threatened the officers, or has mutinied before the vessel came to port, would the master have to deposit money in addition?

Hon. Mr. DANDURAND: If he deserts, he leaves his money behind.

Hon. Mr. ROCHE: But he may have no money coming to him.

Hon. Sir JAMES LOUGHEED: But the master should be responsible for the members of the crew, otherwise there could be a conspiracy by which the master could connive at distributing a crew through the whole country.

Hon. Mr. BELCOURT: But you cannot assume there is collusion between the master and the seamen.

Hon. Sir JAMES LOUGHEED: We are not assuming it; we are guarding against it.

Hon. Mr. BELCOURT: The master may be wholly and entirely innocent.

Hon. Sir JAMES LOUGHEED: I know, and yet at the same time he may contrive a very elaborate plan by which he may bring in a very large crew, and thus evade all the immigration regulations.

Hon. Mr. BELCOURT: But we never legislate in anticipation.

Hon. Sir JAMES LOUGHEED: In a preventive way. Oh, yes, we do.

Hon. Mr. BELCOURT: I do not think we ought to legislate on the anticipation of an offence being committed. We always assume that the offence will not be committed.

Hon. Sir JAMES LOUGHEED: The great body of law is preventive.

Hon. Mr. BELCOURT: I do not think that answers my question.

Hon. Mr. McLEAN: Suppose they hired a crew before they came to Canada and the crew deserted when they got here, it would be very unfair if the master were to be held responsible.

Hon. Mr. DANDURAND: If a tramp steamer comes to Halifax or St. John, and members of the crew desert, the Government will be put to considerable expense, the tramp steamer will disappear, and may not return for years to a Canadian port.

Hon. W. B. ROSS: This will only cover a certain class of cases. Suppose a captain brings men here in his ship for a single run from Liverpool to Montreal, their contract is at an end, and if they leave the ship they are not deserters, though the whole crew would go.

Hon. Mr. DANDURAND: That would not apply to the seamen if they were paid off and discharged. This clause would not apply to the master naturally.

Hon. W. B. ROSS: No, it would only apply in the case of a seaman breaking his contract.

Section 8 was agreed to.

Hon. Mr. ROBERTSON: Before the Committee rises, I would like to call the attention of the Government to a matter perhaps not directly concerning this Bill, but very closely associated with the administering of justice to aliens coming into Canada. In the part of the country from which I come we have had some very sad experiences. Not long since an alien murdered a citizen of Canada in cold blood, and was sentenced to a long term in the penitentiary. Much against the wish and against the protest of many people, that man is now at liberty.

Several other cases might be mentioned. Only yesterday I happened to be on business in the city of North Bay, and witnessed a funeral procession of between two and three

thousand people. A man had been murdered in cold blood—a murder deliberately planned by a convict, a Pole, who had fifteen years to serve in the penitentiary, and who had been pardoned and let out. The man whose funeral I saw pass leaves a widow and five small children. I do think the Government should exercise more care and discretion in the pardoning of criminals.

The preamble and the title were agreed to.

The Bill was reported as amended.

CANADA TEMPERANCE BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 23, an Act to amend the Canada Temperance Act.

He said: Honourable gentlemen, this Bill, which has already received the attention of the Senate, deals with the prohibition of the importation of intoxicating liquors under certain conditions. It does not come to us in the same form that it had last Session. If the Chamber will allow me I will explain, in the very terms of the Attorney-General of the Province of British Columbia, the reasons for bringing the legislation before the Federal Parliament in its present form.

Right Hon. Sir GEORGE E. FOSTER: Would my honourable friend allow an interruption just here? I notice that an Order for a return of all the correspondence that passed between the Attorney General or the Government of British Columbia and the Department here with reference to the proposed Bill was passed in another place. The return, however, does not contain the first letter of the Attorney General to the Solicitor General, in which, it is to be inferred, he unfolded his proposition and asked for legislation such as was probably put in the first Bill. I would like to ask my honourable friend whether it is not possible to get that letter, which is really the main letter in the whole correspondence. Another letter, under date of the 24th of February, refers to this first letter of the 16th of February. Why is the letter of the 16th not on file? And could it not be brought down.

Hon. Mr. FOWLER: Perhaps that is a private letter and gives his real reasons.

Right Hon. Sir GEORGE E. FOSTER: No, it is a public letter.

Hon. Mr. DANDURAND: It just happens that I received a copy of a letter addressed to the late Solicitor General in January last, and which, as it bore on a matter that would not come before Parliament, I filed away. Yesterday, after reading some correspondence which was addressed to me, I found a reference to a copy of a letter that had been sent to me in January, and just a few moments before I entered this Chamber this evening I looked for that letter and found it. As I read the letter it struck me that perhaps it was a personal letter to the late Solicitor General—perhaps not—and I deleted from it all that could reflect upon the attitude of any member of either of the branches of Parliament—not in such a way as to hurt the feelings of anyone—and brought down the argument put up by the Attorney General of British Columbia in favour of this legislation. I decided to present the argument in terms which I could appropriate for myself, and which would be deemed satisfactory to this Chamber.

There is another part of the letter which I might perhaps read later, but which did not bear on the reasons for moving in this direction.

Right Hon. Sir GEORGE E. FOSTER: I do not want to discuss the letter here; this is not the place to discuss it. I simply asked for information of my honourable friend. It does appear to me, however, that this is the fundamental letter of this whole correspondence, and I do not see why it should be censored.

Hon. Mr. DANDURAND: If there is an official letter which has reached the Department, I do not know of any reason why it should not have been produced, and filed in the House of Commons.

Hon. Mr. FOWLER: Had you not better wait with the Bill?

Hon. Mr. DANDURAND: What I have before me is simply the argument in the actual terms of the Attorney-General.

Hon. Mr. BARNARD: Would the honourable gentleman give the date of this letter?

Hon. Mr. DANDURAND: I have not the exact date of the month, but I am sure it was in January.

Hon. Mr. FOWLER: Are you now quoting from a letter which you do not intend to produce or lay on the Table?

Hon. Mr. DANDURAND: I am extracting from a letter of the Attorney General the argument in favour of this legislation.

Hon. Mr. FOWLER: Written by the Attorney General to the Solicitor General?

Hon. Mr. DANDURAND: From a copy sent to me. I do not know whether it is an

official letter or a personal letter. I am under the impression that it is an official letter, although it discusses the situation generally. I could hand the letter over to any member of this Chamber, but I did not want to ruffle the feelings of honourable gentlemen with the remarks as to the stand that was taken by some members of it.

Hon. Mr. FOWLER: Let us have it by all means.

Hon. Sir JAMES LOUGHEED: That makes us more curious than ever.

Hon. Mr. DANDURAND: I will hand it to the honourable gentleman from British Columbia.

Hon. Mr. FOWLER: And we will make an effort to ruffle that gentleman's feelings too.

Hon. Mr. BARNARD: If the honourable gentleman will permit me, I would like to point out that an Order for a return of all this correspondence was passed, and that letter is referred to in the return, but it is not produced. Is it usual for the Government to disregard an Order of Parliament for a return because they think there is something in a letter that may hurt someone's feelings?

Hon. Mr. DANDURAND: Of course, I will have to refer to the Department. As I say, I found in my file a copy of a letter from which I thought I could lay fully and clearly before the House the view of the British Columbia Government.

Right Hon. Sir GEORGE E. FOSTER: I do not think my honourable friend has any option in the matter. Here is the return which was asked for, and which was brought down:

A copy of all correspondence exchanged between the Attorney General, Hon. Alexander Manson, of British Columbia, and the Solicitor General, in reference to the proposed amendment to the Canada Temperance Act, together with copies of legislation of the British Columbia legislature, with the accompanying brief of the Attorney General of British Columbia containing his references regarding the vote of the British Columbia legislature.

That Order was passed in another place, and in response to the Order the Secretary of State laid the correspondence on the Table of the House. It transpires that the first letter from the Attorney General of the Province of British Columbia commences in this way: "Dear Mr. McKenzie: Re Canada Temperance Act." It was no private matter: it was "Re Canada Temperance Act"—a public official of a Province writing to the Solicitor General of the Dominion on a public matter which had to be discussed in both Houses of Parliament, and upon which a decision had to be made, resting upon the reasonableness of the circumstances as to whether that legislation should be given or not. It goes on to say:

With further reference to the above matter, and my letter to you of the 16th, I should perhaps add, in case the question is raised, that in the event of the legislation being passed it is desired to say that the Government of this Province will not deal harshly with existing export liquor concerns. We shall give them time to dispose of their stocks, and shall endeavour to be as reasonable with them in all respects as the circumstances of the situation will permit.

Now, I take it that the letter of the 16th is the vital letter: the other is an afterthought, the purpose of which is to make the Dominion Government more favourable to the granting of the request by telling that Government, so soft-hearted as it is, that they can pass this legislation with a due sense of the fact that the Attorney General of the Province of British Columbia will not deal harshly with the export houses. It seems to me that that gives my honourable friend no ground for refusing to produce that letter. I do not think he can retain it.

Hon. Mr. DANDURAND: My honourable friend will realize the situation which confronts me. The Department which is responsible for the bringing down of this correspondence to the House of Commons has not judged it opportune or right to bring down this first letter of the 16th of January. I learn for the first time that there has been correspondence laid on the Table of the House of Commons. The reason for this is obvious. I have to deal considerably with the Hansard report of the Commons, but I confess that even though I gave my full twenty-four hours to reading it, I could not be familiar with all that takes place in that House; so I am not au fait. Now I am informed that the letter of the 16th is referred to in the letters published. My sincerity is obvious. I prefaced my remarks by saying that I was reading part of the statement of the Attorney General of British Columbia. Part of that statement appears to be taken from that letter of the 16th of January, and I have just taken the parts to explain fully the situation as I see it. If this right is challenged because I am not laying on the Table of the House the full letter, I will have to find out under what conditions it was received before I proceed to read the whole letter.

Hon. Mr. FOWLER: Why do you not wait until that time before you deal with this matter?

Right Hon. Sir GEORGE E. FOSTER: My honourable friend can go on and give what deduction he chooses. That may satisfy the Senate, or it may not. Afterwards we can take up the question of whether we want more. But we should have very full information.

Hon. Mr. FOWLER: Let us have it now.

Hon. Mr. DANDURAND: No, I will proceed as I intended to do. If I find that I can produce the letter, I will do so.

Hon. Mr. FOWLER: It will be too late.

Hon. Mr. DANDURAND: When I have finished, my honourable friend will have one-half or two-thirds of the letter.

Hon. Mr. FOWLER: The other third might nullify the two-thirds.

Hon. Mr. DANDURAND: I did not think there was occasion. I simply proceeded to declare that I would state the case of British Columbia in the terms of the British Columbia Attorney General himself.

Hon. Mr. FOWLER: But, you see, it makes us suspicious when a garbled report of part of a letter that has been called for, and not produced in the other House, as I understand, is attempted to be made use of. Let us have the whole letter so that we can judge. Do not be so tender of our feelings. This Senate has had so much abuse from one end of the country to the other that a little more from the Attorney General of British Columbia would not hurt us a bit, and perhaps we can reply in such a way as will even things up. We have that capacity in this House, and I think we would exercise it under provocative circumstances.

Hon. Mr. DANDURAND: No, I believe in reality there will be nothing in the letter. I will do my utmost—and it is good politics, it is good tactics—to bring the letter.

Hon. Sir JAMES LOUGHEED: But may I point out to my honourable friend that the opening statement of this return which has been brought down to the House, signed by the Secretary of State, reads as follows:

> Return to an Order of the House of Commons, dated March 12th, 1923, showing a copy of all correspondence between the Attorney General, the Hon. Alexander Manson, of British Columbia, and the Solicitor General in reference to the proposed amendment to the Canada Temperance Act.

Now, if my honourable friend suppresses the letter written by the Attorney General—

Hon. Mr. DANDURAND: Not I; I am bringing it here.

Hon. Sir JAMES LOUGHEED: But if my honourable friend retains the forcible possession of it, and refuses to disclose it to the Senate, he certainly does not bring it here. We know nothing about it, and I direct his attention to the statement of the Secretary of State, which statement, in face of the fact that the letter has not been brought down, is a misrepresentation—not a deliberate one, possibly—but a misrepresentation made to the House of Commons that all the correspondence was placed on the Table between those two gentlemen, the Attorney General of British Columbia and the Solicitor General of Canada.

Hon. Mr. DANDURAND: But that would be a grievance of the House of Commons.

Hon. Sir JAMES LOUGHEED: It is likewise a grievance of this Chamber.

Hon. Mr. DANDURAND: That is the question.

Hon. Sir JAMES LOUGHEED: Because this return has been practically brought down to this Chamber, and the same statement is repeated, that all the correspondence has been placed upon the Table. Then, if we are to discuss this matter in the absence of a letter which is fundamental to the discussion of the entire subject, my honourable friend starts out by handicapping us at once. The Attorney General of British Columbia has not been slow to express himself in very forcible language in reference to the action of this Chamber last Session—misrepresenting, I say without hesitation, what the action of this Chamber was; and it is very desirable that the fullest disclosure should take place, and that there should be a very full discussion of the attitude taken by the Attorney General of British Columbia against this Chamber in dealing with this subject. This Chamber owes it to itself that nothing should be concealed, that disclosure should take place, and that the Attorney General of British Columbia should be made to understand that this Chamber is prepared to maintain its conduct in this matter.

Hon. Mr. DANDURAND: I may tell my honourable friend that personally I have nothing to hide; but I am somewhat perturbed by the fact that, correspondence having been asked for that letter of which I received a copy is not found in the return. There may be some reason.

Hon. Sir JAMES LOUGHEED: It shows, then, that the return is incomplete.

Hon. Mr. DANDURAND: But the letter may have been deemed by the late Solicitor

General to have been a personal letter, and he may not have filed it in the record, but may have left for the Bench with that letter among his private correspondence.

Hon. Sir JAMES LOUGHEED: He would have known enough to mark it private.

Hon. Mr. DANDURAND: I am not discussing that. It is all very well to say that that letter was written there, but that letter may not be there. I have a copy.

Hon. Mr. FOWLER: Why don't you produce it?

Hon. Mr. DANDURAND: I was about to read perhaps two-thirds of it.

Hon. Sir JAMES LOUGHEED: It is the other third we want.

Right Hon. Sir GEORGE E. FOSTER: Read it all. Give it to us.

Hon. Mr. DANDURAND: The reason why I cannot read it all is very simple: it is because I took some excerpts from the first page in order to have a good plea for the legislation. I took what I considered appertained to the second stage of the Bill before Parliament.

Hon. Mr. FOWLER: Is it not a rule of the House that if a letter is read in part the whole letter must be laid on the Table?

Hon. Mr. BENNETT: Oh, yes.

Hon. Mr. FOWLER: Then, what are you quibbling about? Let us have the letter.

Hon. Mr. DANDURAND: But my honourable friends should not forget this, that outside of the question it is physically impossible: I have not the first part here: I think I have it in my room, but it is not in my hand.

Hon. Mr. FOWLER: We will wait until you send for it.

Hon. Mr. DANDURAND: I am told that that letter may not have been the official letter, since it was not laid on the Table of the Commons. I had forgotten all about that letter; but I found, just as my honourable friend opposite had found, in the following letter a reference to that one. I found this evening a reference to a letter which gave me the whole situation, so that I rushed to get it in order to have a full statement. I thought I had found the other statement, and I did find it: I have the full statement.

Hon. Mr. FOWLER: I think the honourable gentleman is a past master in the art of camouflage.

Hon. Mr. DANDURAND: No; my honourable friend will not say that when he reads from Hansard the very first words that I used. I said: "I think I am doing better justice to the Attorney General by taking from a letter of his a statement of his case." But I will simply move the second reading, and perhaps I will be able to bring the whole letter, which will cover more ground than I intended to cover at the second reading.

Hon. Sir JAMES LOUGHEED: Has my honourable friend red-pencilled the other third?

Hon. Mr. DANDURAND: No; I have got page 2, page 3—

Hon. Sir JAMES LOUGHEED: It looks all right; it does not look very offensive.

Hon. Mr. DANDURAND: One moment: I was about to read all that to my honourable friend. I have got page 4. Simply the first page—

Hon. Sir JAMES LOUGHEED: Have you got page 1?

Hon. Mr. DANDURAND: No, I made an abstract of page 1.

Hon. Sir JAMES LOUGHEED: Oh, that won't do. That is a revised version. We desire to see the original.

Hon. Mr. DANDURAND: My honourable friends ought to be thankful to me, because I found the letter that apparently the members for British Columbia and elsewhere were anxious to see, more especially from the fact that it had not been laid on the Table of the House of Commons.

Hon. Sir JAMES LOUGHEED: It seems to me it is a very suspicious document, otherwise my honourable friend would not have to defend it in this way.

Hon. Mr. DANDURAND: I have not defended anything. On the contrary, I was relying on it to convince the Chamber, and the last part I intended to read when the Bill came to Committee, because there is a very interesting part.

Hon. Sir JAMES LOUGHEED: Then let us have it.

Hon. Mr. DANDURAND: The only difficulty is that apparently it is not an official letter. I will move that this Order be discharged and placed on the Order Paper for to-morrow.

The motion for the discharge of the order was agreed to.

COMBINES INVESTIGATION BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 54, an Act to provide for the investigation of Combines, Monopolies and Mergers.

He said: Honourable gentlemen, we have before us an Act whose title gives clearly its purport. The definition clause indicates the object in view, which is restrictive.

In this Act, unless the text otherwise requires, the expression "combine" shall be deemed to have reference to such combines immediately hereinafter defined as have operated or are likely to operate to the detriment of or against the interest of the public, whether consumers, producers, or others.

This legislation is not new; it is but a substitute for enactments which have been more than once sanctioned by our Parliament. The history of our legislation may be summarized as follows. The statute of 1889, which covers Conspiracies and Combinations in restraint of Trade, made those acts public offences. It was this statute of 1889 which was re-enacted in our Criminal Code of 1892 as section 520. It now stands as section 498. We subsequently had the Combines Investigation Act of 1910, providing for the investigating of combines, trusts and mergers, This Act was repealed by The Combines and Fair Prices Act of 1919, which was passed together with the Board of Commerce Act. The Board to be constituted was to enforce these two Acts. Since the courts have declared ultra vires the powers of that Board, the Combines and Fair Prices Act has ceased to operate. As section 11 of that Act provided that no prosecution could be commenced under section 498 of the Criminal Code, except under the written authority of the Board of Commerce, the recalling of the two Acts of 1919—the Combines and Fair Prices Act and the Board of Commerce Act—will revive fully that section 498 of the Criminal Code, and render it operative. So that to-day practically all the legislation that we passed on this matter has either been wiped out or has been paralyzed by section 11 of the Combines and Fair Prices Act, which suspended the operation of the Criminal Code except when put in motion by the Board of Commerce.

Why did we pass this legislation during the last thirty years? And why the present Bill? I surmise that they are the result brought about by the present condition of our society: because there are times when the mass of the people believe that they are being imposed upon and oppressed by capital and by various devices, the object of which is to squeeze them and grind them down. Human nature is naturally inclined that way. Our social fabric is undermined by suspicion, caused primarily by ignorance. This suspicion increases as prices for necessaries of life go soaring. It is all the easier to entertain suspicion when the process of evolution has brought us to an era of large associations and of big business; when the world, commercially speaking, has contracted, and its needs are supplied by large producers. Those people see those powerful associations dominating the world, they feel that they are enslaved by these modern Molochs, and they brood over their situation. All of a sudden we realize that we are facing a discontented people.

What can we do to remove that sense of impotency, and those causes of injustice which are real or imaginary? The people do not reason from effect to cause. The laws of economics are unknown to them. Very often these same laws are not discerned even by the savant or the scientist. How can the man in the street find his way in this labyrinth? He does not realize that he himself may furnish the cause, at all events one of the causes, of the grievances under which he smarts. Who will deny that the high wages rate to our railway men and to our coal miners has been the direct cause of the high cost of transportation, and has thereby affected the cost of living of all the people?

But, with the manifest inequalities of society, it is natural that the masses will mainly see the organizations which control the capital, the industries and the distributing agencies. They believe that at times these associations abuse their power to extort unconscionable profits.

Is it not our duty to put at their disposal a mode of action which they may use or not, but which will be within their reach? There have been coalitions and monopolies, which were detrimental to the public good: must no society be armed against them?

It is alleged that this instrument may become one of persecution, and that, moreover, all the necessary powers are to be found in the Criminal law and in the Customs and Patents Acts. If those powers are already in our statutes, is not the principle which underlies this present legislation already accepted and sanctioned by Parliament? If, as I have shown, this legislation merely embodies the principal enactments of preceding legislation, have we not to this day sanctioned those principles? Are we not now facing but a question of form and procedure? Why is it opportune to offer another mode of procedure in order to accomplish the same end?

I repeat, that all our legislation has gone by the board: since 1889 all the legislation directed against illegal or unjust combinations has been set at naught; the paralyzing of the Board of Commerce Act and the Combines and Fair Prices Act has laid dormant all the vitality that was to be found in the Criminal Code. Surely, if Parliament since 1889 has thought it necessary to provide against large combinations that would work to the detriment of the public, and if it has been good legislation for the last thirty years, then Parliament, when shown that another order of things prevail, will realize the necessity of similar legislation to protect the public.

Hon. Mr. BRADBURY: Unfortunately, the legislation never was enforced.

Hon. Mr. DANDURAND: Efforts were made to enforce it before the high tribunals of the realm, but with the disastrous results that we know of.

Why is it opportune to offer another mode of procedure in order to reach the same end? We have to-day on our Statute Book no Act which operates to the satisfaction of the public and of Parliament; and the matters which it is sought to examine into are too complicated and sometimes too technical for anybody to assume the risk and the cost of laying a complaint before the criminal courts. First, we must remember that aggrieved parties to-day have not even the Criminal Code to rely upon, because it has been paralyzed by an Act which is no more operative; and, secondly, if we were to leave the people that sole recourse, it would be very little to offer them in the way of a remedy. Members of this Chamber will realize that it is not easy for an individual to make an affidavit and assume the responsibility of summoning these institutions to court at the risk, in case of failure, of being sued for damages. Methods of operation which should be investigated are not easy to uncover. Generally there is secrecy in regard to these combines, and only minute investigation will disclose the injustice and illegality of their operations.

It is a matter for public authority to take in hand. The safeguards of the courts are not taken away; on the contrary, in virtue of this procedure, they are revived. Any inquiry under this Bill will not be found to be hurtful, because there is a measure of discretion surrounding the first stage of procedure. It will be said, and it has been said by the honourable gentleman from Manitoba (Hon. Mr. Bradbury), that the legislation to this date has not seemed to be very effective; yet, I think he will admit that the enactment of legislation which will bring before the public and before the courts those who would do an injury to the public will, in itself, be a sufficient deterrent in many cases.

In very many instances an investigation will be an advantage even for the institution which is suspected of violating the law. I will mention two instances which to-day are under investigation by this Parliament, which will go to show that an investigation is very often to the advantage of the institutions suspected of making unconscionable profits.

From quite a large section of this country we have heard considerable recrimination against the banks and the workings of the Bank Act. The banks have been examined from all angles, and for the last two months they have stood the test. Who will deny that this investigation has strengthened the whole financial fabric which is maintained by the Bank Act? Prejudices, suspicions, accusations of all kinds have fallen to the ground because the Bank Act has been examined and those who are responsible for the management of our institutions have been heard. I am quite sure that the banks to-day are in a better position in the public estimation than they were three months ago, even in those districts where they were most strongly assailed. Who will say any injury was caused to the banks by a flood of light being shed on their operations?

I will take another instance. There was a hue and cry raised against the sugar refiners. They were struck by the Budget delivered a few days ago, and claimed that the tariff proposed would operate to their detriment. During the last week most of our principal sugar refiners have come before a Committee of the other House to be investigated. Will anyone claim that it was not to their advantage to do so, and that they did not benefit by the investigation?

I am somewhat surprised to hear that the bringing forward of this legislation has caused some feeling in certain quarters. Why should there be any feeling? We have had just such legislation in this country for a number of years. I have read this Bill from the first line to the last, and have found it very clear and easy to understand; and if it goes to Committee, as I feel sure it will, I doubt very much that we will be able to improve on it. When honourable gentlemen look into the question, they will find that the Bill embodies the best that was to be found in the preceding legislation, so that the legislature of to-day is benefiting by the experience of the past. I know the Bill has been discussed adversely in many quarters in this country.

I have under my hand an article which has been distributed to the members of this Chamber taken from a monthly paper published in Toronto, and which contains a statement which I think will be found to be incorrect:

> Although proponents of this artifice to abash "good times" boasted on the floor of the House that their objective was to "cut the throats" of all combines, monopolies, trusts and mergers, the real intent of the act undoubtedly is to declare a combine illegal when its control limits the dealing in or enhances the value of any article. Unfortunately, however, the bill states without qualifications that any arrangement to fix a common price or to lessen manufacture or production shall be illegal—a very different matter from curbing a vicious trust striving further to increase the cost of living.

I believe that statement will be found to be absolutely erroneous. The simple fixing of a common price is not on its face a proof of unfair dealing; and I think the definition of the word "combine" will bear me out in the construction I put upon this Bill. I will not go further. I believe this Bill will help to allay the feelings of unrest which are noticeable in the country to-day, and will help to restore confidence in our institutions and in the power of the law to cope with all unjust dealings.

Hon. Mr. BRADBURY: How are they going to prove unjust dealings?

Hon. Mr. DANDURAND: I would prefer not to discuss the clauses of the Bill just now; I think my honourable friend will find the whole machinery quite sufficient to attain the desired end.

Hon. Mr. TURRIFF: Can the honourable gentleman tell me whether it is proposed in the Bill to appoint a public prosecutor or to take charge of and prosecute any illegal combination brought to his attention?

Hon. Mr. DANDURAND: There is a Registrar to be appointed to receive complaints and to start an investigation; and he may, I believe, of his own initiative inquire into cases which he believes should be investigated.

Hon. Mr. TURRIFF: In my opinion all the legislation we have had along this line in years past has come to nothing as pointed out by the leader of the House, simply because there was nobody whose duty it was to take on himself the prosecution of any information that was laid; and unless a public prosecutor is appointed to take action under this Bill you might as well let the matter alone, because it will be nothing but camouflage.

Hon. Sir JAMES LOUGHEED: I am sure we have all been desirous of hearing the introductory remarks of my honourable friend in moving the second reading of this Bill. As the hour is somewhat advanced, I would suggest that we adjourn the further discussion of the Bill until to-morrow, so as to permit us to better digest the idealistic views of my honourable friend upon the efficacy of this legislation. Therefore I move the adjournment of the debate.

Hon. Mr. BELCOURT: My honourable friend in his statement mentioned the fact that at some time or other the powers of the Board of Commerce had been declared ultra vires. I do not know whether my honourable friend has a memorandum before him indicating that; but I would like to know when that was done, and what were the powers the Board of Commerce was seeking to exercise which were declared ultra vires.

Hon. Mr. DANDURAND: I have not the information before me. It was a special reference by the Government to the Supreme Court to test the constitutionality of the Board of Commerce.

Hon. Mr. BELCOURT: May I suggest that my honourable friend should have that information before him when we consider the Bill again.

The motion of Hon. Sir James Lougheed was agreed to, and the debate was adjourned.

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

THE SENATE

Tuesday, May 22, 1923.

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

Prayers and routine proceedings.

THE HUDSON BAY ROUTE

DISCUSSION AND INQUIRY

Hon. RUFUS H. POPE rose in accordance with the following notice:

> That he will direct the attention of the Government to the importance of the Hudson Bay District, and will inquire of the Government what is being done to make the route available for traffic.

He said: Honourable gentlemen, I desire to place before this honourable body certain information that has come to me with reference to our northern possessions. Before doing so, however, I would crave the indulgence of the House while I review shortly the limited development that we have made in the way of transportation and other matters affecting

Canada's vast areas. We have confined our activities to a strip of a few miles along the boundary line of the United States of America, with the fatal result that our people are always looking southward instead of northward for their future. The consequence is that we have to-day more Canadians of a certain kind in the United States than we have in Canada, and our people are going there more rapidly to-day than during any other period of Canadian history. If we are to become a nation, it cannot be by devoting our entire attention to a narrow strip of land crossing this continent. We are a northern people, and if we are to have a future it is important that we should begin to consider the value of the wonderful asset that nature has given to us in northern Canada. We have railroads crossing this continent for a distance of nearly 4,000 miles. In the centre we have a great agricultural community which to-day, to say the least, is dissatisfied: the members of a third party who sit in another place are the living evidence of that dissatisfaction. If half of what they say is true, the situation is serious, and we have to take into consideration their cry for assistance. I am not prepared to endorse everything they say, but at the same time I fully realize that if wheat and coal and other natural products have to be transported long distances under high freight rates, the development of that section of our country, which is very important to all of us, will be very slow and of a very doubtful character. Discontent of the people is a serious matter, and spreads a sentiment that we do not want in this country. Whether it be by the Maritime Provinces, calling for aid along certain lines, whether it be by means of motions in favour of secession, or whether it be the cry of men from the prairies for aid and assistance, there is nothing in these movements that spells success and prosperity for Canada.

If wheat and live stock are to find their best market in Europe, and apparently that is their final market, then I say we have to consider some outlet other than the eastern ports of Canada, involving a long haul by rail from the Great West down to the East. We have to shorten that haul and cut the freight rate at least in two, and we have to avoid a great deal of the cost of rehandling these products of the West. Some people say that we should do as we did in the old days, making our own cloth at home and educating our people in the little log school-houses. But that is not advancement. While that period did produce wise men and great women. we cannot afford to have our children go back to such conditions. We have to face the issue as it is; and if we are intelligently to work out the destinies of Canada we must give the boys on the farm a fair opportunity for enjoyment of the pleasures of life, or what we call advanced civilization; otherwise we cannot keep them there. If the farming community is not the cradle of loyal Canadian citizens, it becomes the home of undesirable people. It is either one thing or the other.

Viewing the question from this standpoint, I have been tempted to seek much information. No doubt some honourable gentlemen possess more information with reference to the northern country and the Hudson Bay route, and the value of the natural assets of iron and coal, or oil and precious minerals, and the wonderful fisheries, in that northern country than I do. If these wonderful assets are properly utilized, the cost to the rest of Canada to develop that northern country will not amount to anything in dollars and cents. Of course, if we follow the old line, and allow these natural assets to drift away from us for no consideration, the time will come when the people of Canada will have to pay dearly for their neglect.

Let us consider first the navigation. We are all well aware that previous to the war the German people were looking around the world with their scientists, no mean men, thoroughly and well they investigated our north country, about which they learned more than the people of Canada; they were investigating the country which they proposed to own some day, but which, thank God, they did not succeed in securing. In doing that they searched for the wonderful natural resources of Canada, and they found them. In planning for navigation they equipped unsinkable ships, big whalers that were able to navigate those straits every day for four months in the year. Of course, it was hard on the sailors on account of extraordinary weather, but they could navigate that northern route as early as the St. Lawrence route, and in 1913 they went in there on the 1st of May and came out and went in again as they pleased. The steamers remained in there all winter, and went into an open port called Eskimo, about 100 miles north of Churchill, without difficulty. Of course, the water does not freeze, as everybody must know; its temperature does not get low enough to freeze. They had floating ice at certain times of the year, but they claimed that there was no difficulty in always finding the channel which they could pass through to Port Churchill. This report to my mind opened a new book. While we have been familiar with the Hudson Bay for 300 years, more or less, we know that sailing vessels

have gone in there every year, and the report states that during those three centuries only one boat was lost; therefore there is evidently some safety in navigating those waters. Those unsinkable ships of the Germans were built of reinforced concrete, and had several compartments, so that if anything happened to one compartment the cargo was not affected except in that one place. To repair those ships they had only to beach them; they did not need a dockyard or shipyard; and the engineers and the men who belonged to the crew could make the repairs; so that the ships could navigate those waters during that entire year of 1912-13. What is the result?

Those German people tell us in their report that we have up there the most wonderful deposits of hematite iron. Everybody knows that from our geological reports. There are also wonderful water-powers to be developed. Pig-iron is selling to-day in Montreal around $39. That iron could be delivered to our manufacturers for nearly one-half that price, and this would place our industrial people, so far as iron is concerned, in the very forefront of all the world. That iron deposit would develop foreign trade, which would find the world's markets in Europe and in any countries you choose to name. It would have a shorter distance and easier transportation than any other foreign iron.

The same remark applies to the wonderful fisheries of that northern country, which are of magnificent quality and unlimited in quantity, that should find their market in New York or anywhere across the seas. Those resources alone, if properly handled through an organization in the profit of which the Government shared, would go a long way towards the development of the country. But of course, if we do as we have done, parcel them out under license and receive no consideration for them, they become empty assets that we have given away as though the people never owned them. There are also extensive oil fields, and the cheapening of oil, of gasoline, and of similar products that are required in this eastern country, would be of enormous advantage. But you cannot do that with long railroad routes: you must shorten the distance, and you can best shorten it from Hudson Bay.

With regard to Port Nelson, I do not know any honourable gentleman who has studied that question who has felt confident about going there. You have 12 or 15 miles of shallow water before you get into deep water; you will have to build a concrete wall for that whole distance to protect the port from the ice coming down from the north; you will have to dredge that 12 miles, and continue to dredge it if you are going to navigate to and from that port. This will cost millions. Churchill is very much better.

I understand that, when we determined on Nelson, it was said that the area in front of Churchill was impossible; but I understand that since that time Mr. Tyrrell, one of our explorers from the Geological Survey, has found a natural way like a hog's back, almost a natural dump, for a railroad to Fort Churchill.

Hon. Mr. FOWLER: He found it before Nelson was selected.

Hon. Mr. POPE: So much worse for the people who selected Nelson. Eskimo is farthere north than either of those places, yet the Germans, from their experience in winter, found that the best place was Eskimo.

Hon. Mr. LYNCH-STAUNTON: How would you get to Eskimo?

Hon. Mr. POPE: By rail. This report has been handed to me therefore I thought it my duty to mention these facts since it was stated by the Government a little while ago that they proposed to continue the Hudson Bay railroad; but I do not know whether or not they are going to do anything with that railway. We have a Government to-day of peculiar promise. I have learned since that statement was made that they have taken up 100 miles of the steel and removed it. It may have been a wise thing to do; it may have been their fashion of redeeming promises. That is for them, not for me. I do not miss the hundred miles, because I think it was going in the wrong direction, but it is up to the Government to tell us what they are going to substitute for that 100 miles of steel if they have taken it up.

Hon. Mr. SCHAFFNER: I do not think it is right to say that the Government has taken up 100 miles of rail.

Hon. Mr. POPE: I have been so informed.

Hon. Mr. SCHAFFNER: I do not think that is correct. I believe they were about to take it up, but Sir Henry Thornton stopped it, and I do not think any rails have been taken up.

Hon. Mr. CASGRAIN: If they were going in the wrong direction, you ought to be pleased.

Hon. Mr. POPE: I am not going in the wrong direction at all, and I will tell you

why—because if I made 90 guesses that the Liberal party would violate their promises, 89 of them would be sure to be right, so the chances are all entirely in my favour.

Hon. Mr. LYNCH-STAUNTON: Are you satisfied now?

Hon. Mr. CASGRAIN: Perfectly.

Hon. Mr. WATSON: Nothing more to say.

Hon. Mr. POPE: You would save in the transporting of grain from the prairies from 20 to 25 cents a bushel, and on 200,000,000 bushels that would amount to $50,000,000, which would be left with the farmers of the West instead of being taken away. You would shorten the distance to British Columbia by a thousand miles or more of rail. You cheapen the products and goods coming and going in and out of that country. You would give the people of Canada a better idea and more intelligent appreciation of the breadth of Canada, as well of its length, and I think it is very important that Canadians should begin to know and appreciate their own heritage. We cannot expect a few millionaires, sitting down in the valley of the St. Lawrence, who have got to be 60 or 70 years old, to take very much interest in this project. Their day has gone by. The best they can do is to hire some agent to speak for them. They will not be here, because nobody will elect them or appoint them to any place. It is only their agents who can be heard, and as a rule those agencies are the cheapest we have. I have digressed that far because I think I am right. The old men who have become rich in those valleys are of no use to the future development of Canada. They have got out of life what they are after; they are self-satisfied; they are jealous even of their own surroundings. Take a little village like Montreal: they are so jealous lest some ship might pass by that port; if it did, Montreal would collapse. Think of a ship going by Montreal; how fatal it would be; and to have traffic going through the north at half the price, for the benefit of the people Canada instead of paying tribute to Montreal on its way to Europe—the loss it would mean to Montreal. And when I speak of Montreal, I speak of one of the wealthy financial centers of Canada.

Now, there was a time when the West was just as open as the north is to-day. There was a set of young men who formed what is known as the Canadian Pacific Railway Company, and in spite of the Grits they built the road from ocean to ocean; they bought the land for Canada; they developed it; they put their money in; they had a hard trial, but they made money out of it in the end, and Canada prospered and developed, and remained Canada. But the West that was built was considered as cold and as chilly and as barren of possibilities as anything that is told to us to-day of the north of Canada.

Hon. Mr. WATSON: You might tell us on what dates the C.P.R. purchased the land you speak of.

Hon. Mr. POPE: I did not say they did; I said Canada purchased the land.

Hon. Mr. WATSON: And gave it to the C.P.R.

Hon. Mr. POPE: Yes, they gave them 30,000,000 acres, and $30,000,000, and so on. Whether they gave them too much or too little, they gave them so much that they made the greatest transporting organization in the world, and to-day it is the finest advertisement that Canada has. They did it in spite of you Grits—every one of you, whether you live East of West, black or white.

Hon. Mr. WATSON: The Grits got the Crow's Nest Pass deal.

Hon. Mr. POPE: I say these things because they are historical. I do not say them because I am a Tory. I say them because I belong to and sympathize with the party that had the pluck and the courage and the men to do it. And now I am appealing to the Government, through their representatives in this House, to discover another set of men—to discover them, if you will, in your own party; I don't care. Let them have some courage for the north; let them put some effort forward to develop that country, and make a name, politically, for the organization to which they belong. I am sure they will have my support in a proper scheme of development, and we can carry it out cheaply to-day, because we have learned that it is unnecessary to give away so much of our assets as it was in those days.

We can develop this route we can put lines of steamers on there; we can build the railroad down to the coal fields and oil fields and grain fields, connecting with our own road of course. All of that can be done without one dollar in cash being put up by the Dominion of Canada. It can be done on a basis of fifty-fifty profit division, with the assets that lie in that country. This is not alone Berlin's statement that I have just been making, but it was made to me by men of sound business and financial ability, and I believe in it—that those assets are of sufficient value that, if properly disposed of, if handed over to proper organiza-

tions on the basis that when developed the profits will go fifty-fifty to Canada and the organizations that construct and build, we will not in the end pay one dollar of money, and the prosperity of Canada will be secured for the entire future. We will open up that country; we will put people in it; and Canada will prosper. Why, as long as forty years ago I saw as fine a sample of wheat as was ever grown anywhere, which was raised in the Arctic circle, and was on exhibition in the office of the Minister of Agriculture in Ottawa; yet we are to-day as far from developing that country and appreciating its value as we were forty years ago, with the exception of establishing a few plucky fellows who have gone up there to settle.

I remember asking a question of a man who had great confidence in the C.P.R. in its early days, and had a great deal to do with its construction. I asked him what he thought about the Hudson Bay route. He said it was absolutely practicable, but he added, "You must remember we have to keep still about that now, or the bondholders in England will get frightened, and we will not be able to dispose of the bonds and stock of the C.P.R. in order to complete its construction; but the future of the Hudson Bay is as assured as that of the road we are going to build now is bound to be a great railroad in the future." I would like to ask the honourable leader of this House for the fullest information with regard to the construction of the Hudson Bay road.

Hon. Mr. CASGRAIN: Would the honourable gentleman be good enough to tell us what is that wonderful report that makes the north look like fairy-land? Where can we get it? The honourable gentleman has found certain information, something marvellous, about a regular Eldorado up there, according to that report, and we would like to see it. The honourable gentleman was fortunate enough to get it, and it would be a gracious thing on his part if he would let the other members read that report. He might convince us after a while that there is no ice at all up there, and that navigation is possible all the year around. While the honourable gentleman is giving us that information, he might give us the name of the concrete ship he puts on the bank for repairs, and the tide does not come up. I suppose that just as Joshua stopped the sun, the German stopped the tide from coming up, and simply said, "Hold on, I am repairing my ship." Let us have the names of the concrete ships that were there, and also where we can get the report.

Another thing the honourable gentleman spoke about was the wonderful fisheries. When the Senate Committee inquired into the Hudson Bay route, it was proven that there were no fish in the bay itself. I myself went to the Fisheries Department and inquired. However, would the honourable gentleman give us the name of that report, or tell us where it is to be found. Is it in the Library?

Hon. Mr. POPE: No. You can get it in Berlin. I told you that.

Hon. Mr. DANDURAND: I may inform my honourable friend that the Government has not up to this time examined into the feasibility of the Hudson Bay route; but I will draw the attention of my colleagues to his remarks. My honourable friend has spoken of the railway route. In view of the present state of our finances this is a very considerable undertaking. I think it is the intention to try to maintain that part of the railway which is already constructed, and to operate part of it in order that the millions that have been invested in it will not be lost. Further than that I cannot go. I shall be glad to bring to my honourable friend any further information which I may be able to gather.

Hon. G. W. FOWLER: I should like, with the leave of the House, to say to the Minister that as Chairman of the Committee on the Hudson Bay route, I am quite familiar with the conditions existing up there so far as we got them from the evidence put before the Committee. We held a very exhaustive inquiry into this matter, and there is no question in my mind, and the report made to the House so states, that the port of Nelson should not have been selected, but rather Churchill, or Eskimo, which is still further north. A diversion of the line for about 60 miles would have been necessary in order to reach Churchill. The engineers claimed that there was no practicable route across a certain extent of muskeg which lay between the Pas line and Churchill; but both the Tyrrells, who gave evidence, said that there was a natural deposit, evidently from glacial times, which made a first-class railway route all the way to Churchill, and that this difficulty with regard to the muskeg could have been overcome if that route had been followed. You would then have a deep water terminus, which, at a very small expense could be very greatly enlarged, and which would give a perfectly safe harbour, no mater what the direction of the wind might be. Nelson is 20 miles from deep water, on a tortuous channel down which in the spring comes ice from the river, which is brought back again with the tide. For this

reason it is impossible to maintain buoys to mark the channel; and without buoys to mark the channel it is impossible to navigate. This condition reduces the time during which vessels can enter Nelson by a month or six weeks at least.

I regretted very much to see that the Minister of Railways had announced that he thought Nelson was the right place for the port, and that it was the place the Government were going to adopt. I think he is making a mistake which will injure the Hudson Bay route for a long time to come. The expense of building the necessary terminals at Nelson would be very great. A considerable amount of money has already been spent there, of which two-thirds, I have no doubt, will be lost because of the lapse of time and lack of maintenance during that time. I am as strongly in favour of the Hudson Bay route as my honourable friend from Compton (Hon. Mr. Pope). I believe that it will some day be an important route. I cannot understand the feeling that exists on the part of some people that live at ports now in use—a feeling of jealousy towards another port or route being established.

Hon. Mr. DANDURAND: Is there such a feeling? I have never noticed it.

Hon. Mr. FOWLER: My honourable friend would not notice it; he lives in the clouds.

Hon. Mr. DANDURAND: I live in Montreal.

Hon. Mr. FOWLER: You live in the clouds mentally. You do not have these feelings. You are so high-minded that you cannot think that there would be such a feeling in the breasts of others. But this feeling does exist, and we have seen instances of it. When there was some talk about the deepening of the St. Lawrence, a certain honourable gentleman who is a very popular member of this House spent some three hours of his own time and of the public's in trying to show that the proposal was an absolute absurdity; and why? He thought it would injure Montreal.

Hon. Mr. CASGRAIN: You should not impute motives.

Hon. Mr. FOWLER: I am not naming anybody, so I am perfectly safe on that point.

This is a very great country, and there is room in it for expansion in every direction; and that is what we want. We want to get people in, and when they are here to satisfy them, so that we can keep them here. What is the good of bringing immigrants into his country and spending ten years or so in educating them, and having them leave to go to another country because they are dissatisfied? The western people think they have a grievance, and they think the Hudson Bay route would help them out; and in many respects it would. Now that the embargo has been removed from Canadian cattle, that route should be of assistance because of the short rail haul and the longer water haul.

Hon. Mr. WATSON: It is a shorter water haul too.

Hon. Mr. FOWLER: But the water haul would be longer than the rail haul, and the cattle improve during the time they are on the water, while they shrink when they are being carried by rail. So that would be the route for the cattle trade.

There can be no doubt in the mind of any man who has read upon the subject, or who has given it any attention whatever, unless he is blinded by the old myths that it is nothing but a frozen region and fit for nothing but the polar bear, that there is great potential mineral wealth in that country. That country has been found to be tremendously wealthy, and it cannot be exploited unless there is some means of communication with it. For all these reasons, I have been, ever since the matter was first broached, a strong believer in the Hudson Bay route. When I was in the House of Commons although I was in opposition, I voted for it when it was introduced by the Laurier Government because I believed in the future of that whole northern country. I think it has great potentialities. It is easy to sneer and say: "Oh, it is all frozen." It does not require very much brain power to speak in that way; but to a thinking man, a man who has a desire to study this question, the facts show that there is a great future ahead of that country. As the honourable member from Compton (Hon. Mr. Pope) said, if this country is going to be only a narrow strip across the continent north of the United States boundary, it can have no great future. We boast that we have the largest portion of the North American continent, and therefore we feel that we shall eventually become the greatest country on that continent. Of course, the country to the south of us has a great start of us; we admit that; and it will take a long time to overcome it. I shall not see the change; you will not see the change; but we do not live for ourselves alone. We must live for the future. If the men who were responsible for the building of the Canadian Pacific railway and the acquisition of the Northwest Territories had thought only of themselves and their own times, that railway would never have been built, and that great territory would never

have been acquired for Canada. But those men had vision: they saw the possibilities of this country in the future. They built perhaps better than they knew, but not better than they dreamed. The men who have done great things in the world have been men of vision—men who dreamed greatly. That is what has made the British Empire what it is: men have gone out to the uttermost parts of the earth and have conquered them and made them part of the British Empire.

I hope the Government will prosecute the Hudson Bay scheme, and, before they spend millions of dollars upon the port of Nelson, they will be well advised to look into the ports of Churchill and Eskimo.

THE FRENCH CONVENTION BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 23, an Act respecting a certain Convention of Commerce between His Majesty and the President of the French Republic.

He said: Honourable gentlemen, we have before us a new commercial convention with France. France is the only country which, up to the signing of the recent treaty with Italy, had an association with us in treaty making. As every member of this Chamber knows, the first treaty with France was signed in 1893 by Sir Charles Tupper representing Canada. It was superseded by the treaty of 1907-8, which remained in force up to 1921; in 1921 another provisional treaty was signed by my right honourable friend the late Minister of Trade and Commerce (Right Hon. Sir George E. Foster); and we have now this treaty which replaces the one of 1921.

The treaty of 1893 was somewhat restricted in its scope; the one of 1907 being much wider. The trade expansion under the treaty of 1907 was gradual and fairly pronounced. On the 10th of September, 1918, the French Government gave a general notice denouncing and terminating nearly all their treaties with the world. Apparently, under the new conditions which had arisen from the war, they wanted greater freedom of action to meet those new conditions. Nevertheless the French Government agreed to continue the treaty of 1907-8, with a shorter time for denunciation, namely, three months, and this agreement was confirmed by our Parliament in 1919. In 1920 Canada took the initiative in denouncing the treaty at short notice. I do not know all the reasons that militated in favour of the denunciation of that treaty by the Canadian Government, but I surmise that Canada also, in the rearrangement of its tariff, wanted to be free from the obligations imposed upon her by the treaty of 1907. This denunciation caused considerable alarm and confusion among those people who were purchasing from and selling in France; for a certain period our traders were all up in the air. Orders had been received and given, and they did not know whether or not they would be detrimentally affected by this denunciation.

In order to meet that situation, the Canadian Government decided to move towards a new provisional agreement to conserve the trade advantages that accrued to Canada under the convention of 1907. The result of the action of the Canadian Government was the signing by my right honourable friend of the provisional agreement of which I have spoken. Under this provisional arrangement the French introduced a new system of barter, which they thought was more flexible than the rigid lines of the minimum and general tariffs. They granted percentages between the minimum and general tariffs. This treaty, as I have said, was essentially provisional, and was made to preserve the existing commercial relations. It will be seen by the preamble of the Act that this was to be superseded by an agreement which should be negotiated without delay.

The first phrase of the agreement of 1921 was:

> Pending the conclusion of a new commercial convention, with a view to which negotiations will begin immediately, the French and Canadian Governments have agreed to the following provisions.

They continued, practically, with some changes, the Treaty of 1907. They reduced the rates on some of the articles we enjoyed under the minimum tariff, they added some to the minimum tariff, and they placed a certain number of articles on a percentage basis between the general tariff and the minimum.

These provisions of the Treaty had hardly been signed, and had not yet been sanctioned by our Parliament, when France made a move which surprised Canada to some extent, and created anxiety in the minds of the people who were interested in French trade, by raising its general tariff under power that Parliament had given the Government. They issued a decree called the Decree of March, 1921, by which they increased the general tariff to a considerable degree—from 200 to 300 per cent, and over.

The French Consul at that time, or just after our provisional treaty had been approved by this Parliament, asked that negotiations should be opened for a new convention, basing his suggestion upon the preamble of the Act, or that statement under which both

parties were to begin negotiations immediately. The answer of my right honourable friend (Right Hon. Sir George E. Foster), who was at the head of the Trade and Commerce Department, was, I would take it, a dilatory answer; he did not consent to open negotiations at the time, because circumstances did not lend themselves to that action being taken, and he did not answer in an affirmative way.

Such was the situation when the present Government took office. It found itself confronted with three questions to settle. There were two French complaints, so to speak, which we had to answer, and there was one Canadian complaint. The Department of Trade and Commerce had interpleaded that provisional arrangement as covering simply the importations from France, and not those from the French colonies. That was one of the complaints of the French Government. They also complained that we were not complying with our obligation, which I have already mentioned, in opening without delay the negotiations for a permanent treaty. The Canadian Government, on its side, was protesting against the Decree of March, 1921, which raised the French general tariff to an extreme degree, not only, I will say, against Canadian goods and against those of many other countries, but which was freeing the United States from this exorbitant increase of rates on the general tariff. This decree put Canada into a very inferior position in competition with American goods, and our manufacturers were vehemently protesting.

When the French Consul objected that we were excluding the French colonies from the benefit of our tariff, we set up, against that, the grievance of the decree raising the general tariff against Canadian goods. The answer was somewhat surprising: it was the following: The French are not protesting because of material losses, inasmuch as the Canadians are exporting to the French colonies ten times more than they are receiving from them. That is, it is simply a principle, a sentiment; we do not want to appear to treat our French colonies with indifference, and we were negotiating for them as well as for France. As to the grievance which we were setting up against theirs, the answer was: "You complain that the general tariff has been raised against Canadian goods; we can settle that very easily if you will simply agree to open negotiations and get into conference with us, as you have bound yourself by treaty to do." We had simply to honour our signature, and to proceed to the making of a new arrangement.

I go into these details because some who view with more favour the old convention continued by the provisional one have asked the question: "Why did you reopen negotiations since present conditions prevailing under the Treaty of 1921 were quite satisfactory?" I do not admit that the convention which I am now presenting to this Chamber is less favourable, nor that the present conditions are not satisfactory. We were obligated to enter into new negotiations by the treaty of 1921, as I said, and I draw the attention of this Chamber to the fact that we were not exactly in the same position as the Government that presided over the destinies of this country in 1920, because that Government was not obliged to denounce the Treaty of 1907. It did so; it was the action of Canada; but it did so freely, and it took the initiative. That is because in 1921 and 1922 we could not do otherwise than abide by the signature of my right honourable friend who had obligated himself and this country to enter immediately into new negotiations.

It may be urged by those who dislike some features of this treaty that if we were obliged to negotiate we were not obliged to agree to the treaty. My answer is that while we were not obliged to agree to any treaty that we would deem injurious to the interests of Canada, yet if we did not sign a treaty we had to face the situation squarely. We fell under the general tariff of France, which, as I think no one will gainsay, was and is practically prohibitive. Instead of falling under the general tariff—which I affirm would have been our fate if we had refused to enter into negotiations, because the French were not disposed to continue this provisional agreement, but were bound to replace it by a permanent one—we got first, the minimum French tariff on an important list, which my honourable friend will find in Schedule A; second, we got notable reductions from the general tariff in Schedule B; and third, we got—what is no mean advantage—equality of treatment with the United States.

Now, I have to affirm that the general tariff of France would have practically meant the loss of that market. The question then arises: is the French market worth cultivating? What do statistics show? Our exports to France in 1908, at the beginning of the application of the treaty of 1907-8, were $1,806,732; in 1914 they were $3,810,562; from 1914—I leave aside the exceptional abnormal exportations of Canada to France, and come to 1922—we exported in 1922 $8,248,438 of goods. Last year, 1923, we exported $14,175,-

091; that is the last report we have, October, 1922, but it is made in 1923.

France is to-day our third biggest customer. Great Britain is our largest market; the United States comes second. The United States would probably be our natural market if we were not hindered by the high tariff wall which prevents us from selling to that country; I assume that and do not suppose I incur contradiction. But last year, in spite of that high wall, while we were selling Great Britain $372,067,445 worth of goods we were increasing our sales to the United States to $369,080,218. What would the statistics say if we had free access for our natural products to the United States? Since we decided in 1911 that we did not want ingress to the advantages of the American market, we must look for markets far away across the Atlantic.

Our manufacturers have been anxious to enter the French market. As I have said, the general tariff would have been quite prohibitive. We obtained a large list under the minimum tariff, covering most of our important products, and we obtained the guarantee that as respects this list no country would get better treatment. As regards Schedule B, we are assured that we shall receive the best treatment that will ever be enjoyed by the United States, which is our most active rival in the French market for the goods that we are sending there. As to Schedules A and B, our position under this new arrangement will never be inferior to that of the United States. And not only does our present inferiority disappear, but in Schedules A and B our situation in very many particulars is superior to that of the United States.

When the decree of March, 1921, was applied against Canadian goods by the French Government, although that decree affected solely the articles that we were selling under the general tariff, very many protests were made by our Canadian manufacturers, and the late Minister of Trade and Commerce, being in receipt of those protests, started an inquiry tending to remove the inequality of treatment under which our traders were smarting. The Canadian Manufacturers Association filed this official statement with the Government on the 12th of February, 1922:

> The French Government, although not obliged by treaty to do so has exempted United States goods from increases applicable under the French general Tariff, while it continues to apply those increases against Canadian goods.
>
> The result is that on Canadian goods (other than the few lines which, by treaty, are subject to the French minimum tariff rates) France levies double to three times as much duty as she levies on similar goods imported from the United States.
>
> We placed these facts before the previous government, but so far France has made no change in these arrangements of her tariff.
>
> The following Canadian products, among others, now suffer under this tariff discrimination if shipped to France: wrought iron, iron bars, steel bars, tubes welded or not, furniture, pianos and organs, phonographs, varnishes, machine tools, locks, many forms of hardware, metallurgical alloys and substances, spirits, valves, brass goods, implement parts, shafts, screws, bolts, link belting, spark plugs, etc. . .
>
> We respectfully urge upon your Government the necessity of pressing for the immediate removal of said tariff discrimination.

Every item mentioned in this list is now placed upon even terms with the same article coming from the United States. Here is a comparative statement showing the difference between the duty levied on parts of agricultural machinery imported from Canada and the same duty on the machinery partly imported from the United States. This is a statement of the tariff now in force, which will be replaced by the new arrangement if it is adopted in this Canadian Parliament. I read that statement to indicate what the increase in the general tariff of France had produced as an inequality between the Canadian trader and the American:

	U.S.A. Francs	Canada Francs
Binder canvasses	211.20	654.70
Canvas straps	312.00	832.00
Magnetos	300.00	840.00
Ordinary cast iron spares	25.00	80.00
Straight solid steel shafts		
10 kilos or less	90.00	240.00
10 kilos to 100	72.00	192.00
Tubular bored straight shafts, also bent and crankshafts, any description		
10 kilos or less	135.00	360.00
10 kilos to 100	90.00	240.00
Parts composed of two or more metals		
1 kilo and under	40.00	100.00
1 kilo to 10	35.00	87.50
10 kilos to 50	30.00	75.00
50 kilos to 300	20.00	50.00
Screws, bolts and rivets not lathe turned, cotter pins:		
less than 3 mm	126.00	336.00
3 to 8 mm	108.00	264.00
8 to 12 mm	81.00	204.00
12 to 18 mm	63.00	168.00
Articles in iron or steel		
Link chain belting	44.20	137 02
Seats, Mower tool boxes	46.80	105.08
Coil springs	52.00	161.20
Spark plugs, each	0.36	0.96
Spirit levels	180.00	480.00

This is the present condition as affecting one particular industry in this country, namely, that engaged in the making of agricultural implements. This discrimination now disappears. And let us not lose sight of the fact that this is only a matter which affects the general tariff. This incident, to my mind, is a clear indication of the value of the French market

and of the advantage of fair treatment by treaty. How much more important still is it for us to obtain material reductions? In schedule A there are over 100 articles mentioned in which the rates are much below the American rates; and many are below the old treaty rates. In schedule B there are increases and decreases when compared with the old treaty, but in many instances the new rates are below the United States rates. It is quite true that we do not as yet sell a number of these articles, but in very many instances the manufacturers have asked for the inclusion of such articles because of their intention to develop a trade in the French market. Naturally, we must provide for extension.

Now, what does Canada give in return for the advantages that accrue to her under this arrangement? The advantages which we give the French in the Canadian market are to be found in schedules D, E, and F. Schedule D gives a list of French products which will be received here under fixed rates of duty. We had such a list of fixed rates in the treaty of 1907, although I admit that the present arrangement contains an enlarged list. If honourable gentlemen will make a calculation they will find the rates to be a little below those of our intermediate tariff. On some items, when our preferential and intermediate tariff rates are the same, the reduction applies to both; but in nearly all the British are not competing to any extent with the French. The principal item on the fixed rates list is wines of lower strength, on which we have the same rates which prevailed under the treaty of 1907. On stronger wines, our rates having been increased, no reductions from our intermediate tariff rates are given—the rates are the same as those to be found in the agreement of 1921.

It is argued that not only are we reducing our tariff upon French luxuries ,but that we are at the same time reducing our duties on similar articles coming from Japan, Switzerland, and other countries enjoying the most favoured treatment. I answer that argument by saying that the Canadian buyers will not be hurt by these reductions, and that in some instances these luxuries are the raw materials of Canadian manufacturers.

Hon. Mr. FOWLER: What have you done in the matter of French motor cars?

Hon. Mr. DANDURAND: If my honourable friend will allow me, I will answer him when we go into Committee on the details of the tariff.

Hon. Mr. FOWLER: Have you reduced the rates on the general tariff?

Hon. Mr. DANDURAND: I would have to go into the tariff itself to find out how they are dealt with.

It has been alleged that the people who are likely to be most benefited by the rates which we grant to France and the other countries that will come under the arrangement, will be the more prosperous people—the privileged classes. In answer to that representation, I may say that it is very difficult to make an arrangement to enter the French market without being obliged to allow reductions on the goods that France produces, and that most of the goods produced by France which will reach this country are in that category. But it is not only the rich people in Canada who will benefit by these reductions. I am satisfied that a great number of what might be called the middle classes in Canada will also enjoy to a considerable degree the benefits of the reduced customs duties on those articles; and if the most prosperous people happen to have an advantage in the purchase of those goods, I think that our various systems of taxation, including our income tax, are arranged in such a way as to reach them.

Hon. Mr. FOWLER: I think they have.

Hon. Mr. DANDURAND: It has been said that we shall lose revenue. That would be fatal. The French also will be losing revenue through the reductions which they have made on our goods. But we are in hopes of increasing our trade. Lower duties do not necessarily mean loss of income; very often the contrary is the case. I think my right honourable friend will bear me out in that statement.

It has been said, and we may hear it again, that this convention will help the trade of the nations having the benefit of the most favoured nation treatment. I answer that by pointing out that when dealing with these nations on even terms both countries benefit by the arrangement. It will tend to increase our trade both ways. We cannot deny the fact that he who wishes to sell must be disposed to buy. The balance of trade with the countries which have the advantage of the most favoured nation clause in those treaties which my honourable friend from Montarville (Hon. Mr. Beaubien) mentioned a few days ago, is largely in favour of Canada.

Hon. Mr. BEAUBIEN: With all of them?

Hon. Mr. DANDURAND: Here is the statement which I have in my hand of the value of imports into Canada during the fiscal year ending March 31st, 1923:

Argentine Republic: value of imports into Canada, $3,075,934; value of exports of Canadian goods to Argentine Republic, $4,445,041.

Colombia: value of imports into Canada, $360,509; value of exports of Canadian goods to Colombia, $127,820.

We can hardly help ourselves so far as Colombia is concerned, inasmuch as coffee is our principal import from that country.

Denmark: value of imports into Canada, $119,315; value of exports of Canadian goods to Denmark, $2,243,861.

Italy: value of imports into Canada, $1,598,477; value of exports of Canadian goods to Italy, $12,073,332.

All these countries will benefit by the advantages we give France.

Japan: value of imports into Canada, $7,211,015; value of exports of Canadian goods to Japan, $14,510,133.

Norway: value of imports into Canada, $560,042; value of exports of Canadian goods to Norway, $2,216,756.

Sweden: value of imports into Canada, $485,522; value of exports from Canada, $2,574,262.

Venezuela: value of imports into Canada, $294,305; value of exports from Canada, $512,499.

The only country that appears to have a balance of trade in its favour, with the exception of Colombia, is Switzerland, which sold to us $7,735,538, and to which we sold in return only $519,196. When this state of affairs was mentioned to a Swiss representative he said that it was their misfortune to be a land-locked state, that they had to receive their goods from afar through other countries, and that they were quite sure they were receiving Canadian goods to a larger extent than was indicated by their customs returns. They claimed that quite a large amount of our goods go to them through Great Britain and other countries bordering on the Atlantic.

Hon. Mr. CASGRAIN: What is the $7,000,000 made up of?

Hon. Mr. DANDURAND: I have not a statement of what Switzerland sells us.

Hon. Mr. CASGRAIN: It must be of German goods in transit.

Hon. Mr. DANDURAND: Switzerland is active in quite a number of lines, and is pressing France in articles of luxury. When I was in France at one time, I had occasion to discuss tariff conditions, and I was in contact with Senator Viger, who had just been negotiating a treaty between France and her neighbour, Switzerland.

Hon. Mr. BEAUBIEN: For what year are the figures which my honourable friend has just given?

Hon. Mr. DANDURAND: The year ending the 31st of March last.

Hon. Mr. BEAUBIEN: I did not hear the honourable gentleman read the report of Spain's trade with us.

Hon. Mr. DANDURAND: I may say, in reference to Spain, that an effort is being made to come to some new arrangement. I do not know to what extent the negotiations have proceeded, but I know that Great Britain has lately negotiated a treaty with Spain, and the question of Canada coming under it has been mooted.

Hon. Mr. BEAUBIEN: May I ask a further question? I understand that two discussions are now merged into one, or are about to be—the resolutions for an inquiry which I had the honour to move before this House concerning the most favoured nation clause, and the consideration of the French treaty. Do I understand that the remarks of my honourable friend are addressed to the most favoured nation clause? And do they imply the answer of the Government?

Hon. Mr. DANDURAND: I may say that I am not giving the official answer of the Government; I am giving what I believe to be the attitude of the Department most interested in the study of these problems—that Canada should not lose any sleep over the present situation, inasmuch as the advantages that accrue to Canada under these conditions seem to be manifest, and we cannot expect anything better than the best that these countries will give to any country in the world, and that under these arrangements we are extending our trade to an appreciable degree. I am simply giving an impression without being in a position to state that the matter has been deliberated upon and settled ne varietur.

Hon. Mr. SCHAFFNER: Did the honourable gentleman give the total amount of our exports to France?

Hon. Mr. DANDURAND: Our exports to France for the last year were $14,118,577, and our imports $12,250,376.

Hon. Mr. FOWLER: I cannot find anything on that motor car business.

Hon. Mr. DANDURAND: I will try to obtain the information for my honourable friend. I readily admit that it is quite a difficult problem to be able to prophecy as to the

possibilities of trade in years to come under this instrument. There are so many economic conditions that vary and intervene and alter the trend of trade that it is really only by experience that we can test the value of a treaty arrangement. Let us hope that under this agreement Canada will benefit greatly; and let us not forget that, although we enter into treaties with sentiments and desires of certain permanence, we can by experience shape our course differently at a certain moment. We can always go out of a treaty, as we did in the case of the Treaty of 1907, by its denunciation in 1920. I hope that there will be no occasion for Canada retracing its steps, but that both France and Canada will find mutual advantage in developing their trade under this agreement.

I beg to move the second reading of this Bill.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I am rather perplexed and sorry that I am not able to go on at the present moment in taking up a line, brief in the main, on what I think is a fair criticism of the measure which has been brought down. I had an idea that this afternoon was to be devoted to the two other Bills which we started in on yesterday, and I left all my notes at my house. Now, I do not want to delay the work of the Senate for a single moment; but I shall be prepared to go on to-morrow afternoon, and I think there is other business that we may go into for to-day. I am as anxious as possible to get through with this measure, and I thank my honourable friend and the Senate for the adjournments which have been made owing to my absence last week. If any other gentleman wishes to pursue the discussion now, that would be quite in order, and I could adjourn the debate, or, if my honourable friend feels that the pressure of business is so great in respect of this measure that he would rather go on with it, I will not raise an objection, although I would much rather have a little time to discuss the matter with him.

Hon. Mr. DANDURAND: I was in hope that as we returned this week we could advance to at least one degree each of these important Bills that are before us; and I wonder if there are not some members of the Senate who would be disposed to express their views on the Treaty, and allow my right honourable friend till either this evening or to-morrow to get his notes and proceed. Or, perhaps, if the second reading is not to be challenged, we could perhaps take the second reading, and put down this Bill for the Committee stage to-morrow, and my honourable friend could then make his general remarks on the Bill when we go into Committee; so that I would feel that we had somewhat advanced our work. But I do not insist.

Right Hon. Sir GEORGE E. FOSTER: Then, if my honourable friend consents, I move the adjournment of the debate, and will take it up to-morrow.

The motion agreed to, and the debate was adjourned.

THE ITALIAN CONVENTION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 153, an Act respecting a certain Trade Convention between His Majesty and the King of Italy.

He said: Representatives of the Canadian Government who were in France negotiating the treaty which I have just laid before you for a second reading, met representatives of His Majesty the King of Italy in London and had a brief conference over the opportunity of agreeing to conditions of trade between Canada and Italy which would be mutually satisfactory. After an exchange of views the Canadian representatives felt that they could do nothing better than offer the Italian Government the most favoured nation treatment in the Canadian market in exchange for similar treatment for our own goods in the Italian market.

I have just indicated the formidable advantage which we have already in exchange of commodities with the Italian people. The most favoured nation treatment gives this advantage, that, whatever we may do, whatever Italy may do, whatever advantages it may offer in treaties negotiated and signed to-morrow, or at some time in the distant future, Canada will have, ipso facto, similar advantages in Italy. This view being that of the present Government, the representatives of Canada were authorized to sign this arrangement which is before us. I have yet to hear any criticism, and I will with considerable interest await the criticism of my honourable friend from Montarville (Hon. Mr. Beaubien) on this arrangement, which grants both countries the most favoured nation treatment, and sanctions the principle as far as this country is concerned.

I move the second reading of the Bill.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Barnard in the Chair.

On section 1—short title:

Hon. Mr. BEAUBIEN: I have very few remarks to make, but I would like my honourable friend to inform me why we need to have a special treaty with Italy when we are under the regime of the most favoured nation clause. What is the meaning of the most favoured nation clause? It means that any advantage granted to any other nation is extended automatically to Italy. After three months of hard work the Minister of Finance and the Minister of Marine and Fisheries finally put their signature to a new treaty with France whereby duties were reduced for French goods, and automatically they were reduced for Italy; there can be no doubt as to that. Now, whenever Italy enters into a compact with any other nation, the result of which would be a reduction of rates on foreign goods entering Italian territory, the same reduction will be automatically extended to Canada. I would like to know what is the value of the treaty now before us, which repeats exactly the condition which existed prior to that treaty?

I will go further, since my honourable friend has been good enough to ask for the expression of my sentiments, and ask: what is the sense—if I may put it in that crude way—of having the most able men of Canada —and I class Mr Fielding in that category—go to France and discuss item by item the advantages that Canada will get, and what advantages Canada will in exchange concede to France, taking into account in that discussion the special conditions and productions of both countries, the natural outlet for the foreign trade of each, knowing that it is to our advantage to export our wheat and flour, and equally advantageous for France to export her silk tissues, her ribbons, her embroidery, her wines, her olive oil or olive soap, etc? What is the use of having this pact prepared with care, fitted to measure, so to speak, for each country? Picture to yourself Mr. Fielding building up with France a foreign trade that suits Canada as closely as a glove fits a hand; appealing for concessions because they are necessary; giving in exchange concessions because they are of value to France and will give us in exchange advantages worth while. What is the use of doing that, with great care—in one word, having obtained the arrangement best suited for one country, and then, without a second thought, applying to Italy this carefully-made arrangement suited exclusively for France? In other words, we make a suit of clothes for our relations with France, constructing it with care for three months, and then we take that suit of clothes and put it on our trade with Italy, which in many respects is completely different from our trade with France. But is not that the consequence of the most favoured nation clause? I repeat, what has the Government done? What is the use of this treaty that is already completed for us? It was done over 30 years ago for us by Great Britain and it exists today: my honourable friend cannot deny that. Why, then, should we have this treaty to repeat exactly what exists?

Hon. Mr. DANDURAND: What does my honourable friend mean by using the words, repeating exactly what exists to-day? Does he want to convey the idea that up to the moment we signed the treaty we had the enjoyment of the same treatment with Italy?

Hon. Mr. BEAUBIEN: I mean to say that by this new treaty you profess to extend to Italy the advantages that you have given to France. I say that that had already been done, because at the very hour that you signed your treaty with France there existed a treaty that did it automatically. I say that, because Italy is one of the nations enjoying the most favoured nation clause.

Hon. Mr. DANDURAND: But we were not enjoying it with the Italians.

Hon. Mr. BEAUBIEN: I beg my honourable friend's infinite pardon: the most favoured nation clause is a reciprocal clause.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEAUBIEN: And therefore what Italy granted to any country in the world as a reduction had to come to us automatically.

Hon. Mr. DANDURAND: In virtue of what instrument?

Hon. Mr. BEAUBIEN: In virtue of the treaty made by Great Britain for us before we were a Confederation.

Hon. Mr DANDURAND: But I do not see, in the list of countries enjoying the most favoured nation treatment in Canada, the mention of Italy.

Hon. Mr. BEAUBIEN: Oh yes, Italy belongs.

Hon. Mr. DANDURAND: The name of Italy is not mentioned in the memorandum

of the 4th of May, 1921, which is attached to the agreement made with France in 1921, and headed, "The following is a revised list of countries accorded the most favoured nation treatment by Canada." That is signed by the Commissioner and the Deputy Commissioner of Customs.

Hon. Mr. BEAUBIEN: I must admit that is a very sound authority. I would ask for leave to consult the authoriites that I have on the subject; but I am absolutely convinced that Italy has the advantage of the most favoured nation clause.

Right Hon. Sir GEORGE E. FOSTER: I think my honourable friend is labouring under a misapprehension in that respect. There was an arrangement made between Italy and Canada in 1910 by Order in Council, which was permitted under the powers that we had, embracing a certain number of articles, but not calling on either side for most favoured nation treatment. I do not think my honourable friend will find that Italy to-day is in the list of most favoured nations. She enjoys, as Canada enjoys in Italy on a certain list of articles, certain benefits in this market, but not the most favoured nation treatment.

Hon. Mr. BEAUBIEN: Subject to correction and verification, I would nevertheless submit that a treaty made with a great deal of care with a nation, and taking into account all the conditions peculiar to that nation, cannot be applied holus bolus to another nation; that is, if we wish to obtain from the treaty the greatest possible advantages. You cannot deal with a country like Italy as you would deal with France. There are certain articles, the export of which you could stimulate towards the Italian market, the export of which you could not reasonably expect to stimulate towards the French market. If it is worth while taking three months of arduous labour to obtain the best possible reciprocal treatment between two countries, why extend the same terms to another nation—to Italy—and expect the same advantages as if the treaty were made specially with Italy?

Hon. Mr. ROCHE: Would the honourable gentleman tell us whether the articles included in the French treaty would be imported into Italy under the Italian treaty, and whether the articles imported into Canada from France would be the same as the articles imported from Italy into Canada?

Hon. Mr. BEAUBIEN: That is the basis of my whole argument. I contend not. I contend there is a difference in the productions of both countries. I will give an example which I think cannot be challenged. You can get from Italy very good strong wines, but very few good light wines. In France the reverse is the case: you can get excellent light wines, including burgundy and champagne, but very few, if any, heavy wines like port and sherry. The same is true of many other things. Then, why not use such advantages as the Italian market can give us? Why not go to the Italian as we go to the Frenchman, and say to him: "My friend, you need an outlet for certain of your goods. Very good: I am free from the shackles of the most favoured nation clause, and am going to give you advantages that nobody else will share. I am completely free, and what I give you is a real advantage in toto, and not a fraction of an advantage. I will give your heavy wines the privilege of my market. What are you going to give me in exchange?"

Look at the position in which we are to-day. Look at Mr. Fielding when he dealt with France, shackled as he was by the most favoured nation clause. He went over to France and said to the Frenchmen: "I am going to make a real sacrifice for you: I am going to cut the tariff very low on certain items." He enumerated the items which France exports in great quantities. The French people must have smiled, and said: "My friend, the advantage is only mine to the extent of five per cent. You give that advantage to Japan, with whom I cannot compete because of the ridiculously small amount that Japan pays for skilled labour.' They would say to Mr. Fielding: "But your advantage is only a very small fraction of the advantage which you pretend to give to us, because you give to Switzerland, which now manufactures ribbons, for instance, with German labour, very often living across the frontier, and with German money and German machinery, the advantage of the same reduction. You do not give it to me." It is quite evident from our statistics that when Mr. Fielding went to France and professed to make reductions for the French manufacturers, he did very little for the industry of France. What he did was to work for these other nations which were making similar goods with very much cheaper labour. I do not know that this is wise. If Mr. Fielding had been free from Switzerland and Japan, he would have gone with a clientèle worth $30,000,000 or $40,000,000, instead of one worth $10,000,000 or $12,000,000. Would not Mr. Fielding then have been able to obtain real and substantial concessions for certain of our goods which are essentially Canadian? And how could he be expected to obtain them if he could not really dispose of the Canadian market? Now he

does not dispose of it at all. The most favoured nation clause disposes of it. I do not want to labour the point any longer; but, notwithstanding what my honourable friend said a moment ago in reference to the most favoured nation clause, I for one am sorry to say that I am not convinced as to the wisdom of this treaty.

Hon. Mr. DANDURAND: I think the argument of my honourable friend would be fairly debatable, and would have some merit if he presented simply this small part of the picture: Canada facing France and Italy. I admit that it would seem strange if, after having wrestled with the French experts for conditions which would especially fit Canada and France, we were to go over the Alps and offer Italy the same treatment. But this is but a very small portion of the whole situation, and I draw the attention of my honourable friend to this wider feature. When our representatives went to Italy, they knew, first, that that market was a very important one for Canadian goods. We had been selling to Italy $12,000,000 worth to $1,500,000 worth that we were importing from her. It was important to preserve those conditions and to extend them.

Hon. Sir JAMES LOUGHEED: Were they threatened?

Hon. Mr. DANDURAND: They are always threatened; that is the point I want to make. Without securing such an advantage, Italy could turn to-morrow towards one of our competitors, the United States, if no such advantage had been secured, and could give to that competitor advantages which would simply wipe us out in that market. We can compete to a certain degree, but beyond that we cannot go; and our representatives were negotiating with a nation of from 38,000,000 to 40,000,000 people, a nation which has a very important market, and which was ready to give us, so long as we would be linked together by this treaty, the greatest advantages that would be given to any other nation. Have we not secured in that market a position which will allow us to go ahead in peace to develop our commerce there? That country cannot do anything which will not benefit us. It is true that we are giving Italy similar advantages; but what do we aim at in commercial treaties? The increase, the enlargement, the extension of our own trade.

Hon. Sir JAMES LOUGHEED: Can my honourable friend say at this point to what countries other than Italy this favoured nation clause will extend?

Hon. Mr. DANDURAND: The Argentine Republic, Colombia, Denmark, France, Japan, Norway, Russia, Spain, Sweden, Switzerland, and Venezuela.

Right Hon. Sir GEORGE E. FOSTER: You can hardly count in Russia now.

Hon. Mr. DANDURAND: No, but Russia is on the list.

Hon. Sir JAMES LOUGHEED: How many of those countries have we treaties with, entirely apart from the Italian treaty?

Hon. Mr. DANDURAND: We have only one treaty, and it is with France. The other arrangements were made by Great Britain.

Hon. Sir JAMES LOUGHEED: But we have treaties with some of those countries, have we not?

Hon. Mr. DANDURAND: No, we have not. Great Britain made those arrangements.

Right Hon. Sir GEORGE E. FOSTER: We adhere to them.

Hon. Mr. BEAUBIEN: May I ask whether the concession granted to Canada by Italy has also been granted to the United States by Italy?

Hon. Mr. DANDURAND: I do not know the conditions prevailing between the United States and Italy. When the general French tariff was raised, there was immediately commotion among our own people, who claimed that they were being discriminated against, and were being chased out of the French market because under those conditions they could not compete with the United States. So, with regard to Italy, an important country of 38,000,000 people, we can sleep in peace, feeling that no arrangement can be made with them which would be detrimental to our trade. It seems to me that we have secured a concession without any considerable efforts. It is true that Italy can bring her goods here under the same conditions. If reductions are to be made, they are to be in favour of the consumer; and I, who favour a moderate tariff, am not chagrined at that feature. I feel that we have secured an advantage in the expansion of our trade which is not to be despised.

Hon. Mr. BEAUBIEN: Speaking of the concessions granted by the treaty under consideration by Italy to Canada, I would like to know whether similar concessions have not been granted to the United States.

Hon. Mr. DANDURAND: That I cannot answer. I will get the information and answer my honourable friend later on. I suppose the

United States had in Italy the advantage of the most favoured nation clause. If that was so, this instrument would put us on a plane with the United States. If the United States has not yet secured that treatment, whenever it does, it will not occupy a similar position to Canada; and yet the United States has a market of 110,000,000 people to offer the Italians; and we, with a population of 8,000,000 people, have the advantage of knowing that we shall not be discriminated against by Italy. Surely my honourable friend will admit that the United States can offer very many tempting conditions to Italy which we could not offer; yet we have them in virtue of this arrangement.

Hon. Mr. LYNCH-STAUNTON: Does the United States offer any concessions to Italy?

Right Hon. Sir GEORGE E. FOSTER: No; it makes no most favoured nation clause.

Hon. Mr. DANDURAND: I do not think the United States has any such arrangement with Italy, but I will obtain the information.

Right Hon. Sir GEORGE E. FOSTER: Of course it may get whatever it can from other countries.

Sections 1 and 2 were agreed to.

On section 3—extension of advantages to Italy and Italian possessions:

Right Hon. Sir GEORGE E. FOSTER: I would like to ask a question. I am not making any criticism of the arrangement made with Italy; it is certainly a most expeditious way of making treaties, without taking time or trouble, or making examination—just simply saying to a country, "Give us all, and we will give you all." Arrangements between man and man are never made that way. You can hardly apply the same rule, however, to relations between nations and families of nations. There is a great deal to be said on both sides, as to whether it is the wiser policy in the end to have no most favoured nation treaty arrangement at all—as the United States has as a policy, and which it has consistently carried out—or to provide against possible discriminations in the wider processes of trade being made against you by countries which may work with your rivals in that trade, and give them a favoured position, and consequently militate against your own trade. I have thought a great deal about that subject, and read a great deal about it, and up to the present time my mind is about on a balance with reference to it. It does seem that it is not the best thing to go to one country of 38,000,000 population and industrially swap considerations, make your close examinations as to what will benefit us and what will benefit them, saying, "What can we give you to get certain things from you in return?" and then go to another nation and say probably referring to a former treaty: "Now such is our condition with you, but we will make a bargain with you to give you everything that we give friends, and you give whatever you give to the most favoured nation anywhere else"—whether our commodities for exchange are absolutely diverse or whether they are exactly the same. But, at the same time, so long as that is the policy I am not at all critical of the arrangement that was made with Italy.

But I want to ask my honourable friend this question. It has been said in another place that, under the Italian treaty, Italy, in order to get the advantage of the most favoured nation clause, must get her goods into Canada by exactly similar water passage to that which France is obliged to use in getting her goods into Canada. Now, I am quite certain that that is absolutely wrong. There is nothing within the pages of this treaty to justify a conclusion of that kind; yet that intimation has been made in another place in answer to a question on that point, and the affirmative statement was made—that if Italy gets the advantage of the most favoured nation treatment she has to submit to all the methods of getting her goods into our country that France submits to. Evidently that is not so, because it is not in the treaty. Evidently it is not so, because Japan, which has most favoured nation treatment, is subjected to direct shipment only by virtue of a distinct clause in the treaty, and Switzerland can get her goods in by any route she likes. I think it is quite unfortunate that such a wonderfully loose statement was given to this country, and that we were led to suppose that Italy, getting the most favoured nation treatment, is bound to send her goods into Canada by the direct water passage.

Hon. Mr. DANDURAND: Can the right honourable gentleman give me the page from Hansard containing that statement?

Right Hon. Sir GEORGE E. FOSTER: I haven't it here. I will send the statement to my honourable friend. But there is the treaty, and it is before the members of the Senate. If that is the case, point out in the treaty where it is so stated. I am quite sure that it is altogether wrong.

Hon. Mr. ROCHE: I would say that the most bulky article imported into Canada is salt, and of course that has to come by water, and it is a direct importation.

Hon. Mr. DANDURAND: Of course, I cannot answer my honourable friend, except by looking at the treaty, but I may say that I can hardly imagine that Italy would send her goods otherwise than by direct route to a Canadian port. I know that in the spring, when the winter loses its grip on the St. Lawrence, it has been my experience to find that in nine cases out of ten a boat from the Mediterranean headed the procession to our port. So that, since they are making that effort to come inland to that extent just at the opening of navigation, I know that they do frequent our port, and, as it is the cheapest route, I cannot conceive that the Italians would go and unload in an American port to save their goods in transit when in their own bottoms they can send them to ours. I do not see anything in the treaty referring to that. Is it because it was obvious to our representatives that Italy could not or would not, commercially speaking, think of utilizing anything but a water route direct to our ports, that it is not included? But I will look up the statement to which my honourable friend refers, and see what is the justification, outside of the document which is before us for review.

Sections 3 and 4 were agreed to.

On section 5—suspension of inconsistent laws:

Right Hon. Sir GEORGE E. FOSTER: What is the time that this convention stays in existence.

Hon. Mr. DANDURAND: Article V sets out the period of 4 years, with one year's notice for its termination to be given by either of the contracting parties.

Right Hon. Sir GEORGE E. FOSTER: Why was the term made longer than for France? Four years is an unusual term. What reason led to that?

Hon. Mr. DANDURAND: I do not know who proposed it, but I would think it would be a fair delay to test the value of such an arrangement.

Right Hon. Sir GEORGE E. FOSTER: The French Treaty runs for six months only.

Hon. Mr. DANDURAND: I see the difference. I have not been given any special reason for the difference.

Hon. Mr. BEAUBIEN: Is there not a great advantage for Italy as compared with France? This treaty confers on Italy all the advantages that we concede to any foreign country. We get in exchange only similar treatment. That is not the case with France.

Hon. Mr. DANDURAND: If my honourable friend will undertake to negotiate with France a similar treaty, I think I would not hesitate long before I would tell him that Canada, as far as I am concerned, would gladly agree to make it on the same basis.

Hon. Sir JAMES LOUGHEED: Can my honourable friend state how this treaty arose? Was it anticipated when the representatives of Canada went over to France to negotiate the French treaty?

Hon. Mr. DANDURAND: Well, my memory is not good enough. I have a fairly good recollection that our representatives were to try to make an arrangement with more than one country.

Hon. Sir JAMES LOUGHEED: Was it negotiated between trains?

Hon. Mr. DANDURAND: I am sure Belgium was mentioned, and I am sure that if Italy and Spain were not mentioned, our representatives were to take advantage of their presence to see if they could not enlarge our trade.

Section 5 was agreed to.

Article I to V, inclusive, of the schedule were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

COMBINES INVESTIGATION BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 54, an Act to provide for the investigation of Combines, Monopolies, Trusts and Mergers.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen. it was not my purpose to make any remarks upon this subject except to say that it has come before us like a very old friend whom we have met many a time and oft. For some 35 years, I think, we have been not only placing legislation upon the Statute Book in reference to combines in restraint of trade, but have been forgetting that we had such legislation. I cannot overlook the fact that the broad principle contained in the Bill respecting restraint of

combines and trusts can scarcely be attacked. It is very desirable that there should be a suppression of any combination which would unreasonably enhance or increase the price of those products which enter into the general living of the community. I cannot overlook the other fact that this is a Bill which was introduced by the Government after very considerable dramatic pretence. It was foreshadowed in the Speech from the Throne at a time when the public mind was considerably agitated by the so-called increased cost of living. It was referred to in the Address in rather pretentious language which, if it is implemented by action, of course would be very acceptable to the public:

> A Bill will be submitted to you to safeguard the interests of consumers and producers from undue enhancement of prices or unfair restriction of trade by combines, monopolies, trusts, or mergers.

It is nicely balanced, honourable gentlemen will observe. It is to protect both the consumer and the producer. I doubt if language could be more happy than this in which the Government of the day indulged, in placing the phrase in the mouth of His Excellency the Governor General at the opening of Parliament; and how Parliament, or how this Chamber, can oppose a measure so extremely well balanced, in which the scales are held so that neither the consumer nor the producer will suffer, is certainly beyond my knowledge.

Hon. Mr. DANDURAND: Except the evil doer.

Hon. Sir JAMES LOUGHEED: I therefore hesitate to attack a measure that is so scientifically drawn as to mete out justice with such precision as this which is indicated in the Address.

I cannot overlook the fact that this measure, when introduced into the Commons, and when disposed of by that body, was almost unanimously accepted and endorsed by that branch of Parliament. We cannot overlook the fact that Government, as it is to-day, is largely made up of appealing to the credulity of the public, and the more successfully you can appeal to the credulity of the public with measures which you place upon the Statute Book the more popular the Government may be. A Government need not exercise very great apprehension as to the administration of the law so long as that law is attractive on its face; and the Government, in submitting to Parliament this measure with those qualities, apparently received the almost unanimous support of the other branch of Parliament. Modern government is very largely made up of the art or science of humbugging the public, to use very plain language, and I know of no measure that can be handled so successfully in humbugging the public as a measure of this character. I cannot forget the fact that it is a well-known principle in matters of this kind, as Barnum said in his day, that the public really wish to be humbugged. The Government of the day is certainly catering to that public weakness, if it can be called a weakness.

I think this Chamber will approach with very great hesitation the rejection of a measure which is calculated by representation, whether true or not, to appeal to the public mind as this does. Immediately the Government of to-day appeal to the public mind by intimating that they propose placing machinery on the Statute Book which will reduce the cost of living, argument can scarcely be brought to bear to convince the public to the contrary; therefore we have to accept to a large extent the statement of the Government that this can be done.

Going back for a great number of years, I think to 1889, when the first legislation was introduced, my honourable friend reviewed the different measures placed upon the Statute Book which were calculated to bring about this very desirable end. Different methods were adopted in the different statutes placed upon the Statute Book for that purpose. First of all, the legislation was enacted entirely irrespective of the criminal law; then it was introduced into the criminal law; then, while not taken out of the criminal law, it was placed alongside the criminal law, as auxiliary machinery, so to speak, and was thus in addition to the criminal law. But up to the present time I have not heard of any successful administration of this particular class of legislation.

Of course, the principle is as old as human nature itself. Combines and trusts are by no means a modern invention. Humanity, as far back as history records it, discovered the advantage of unity. Unity is strength. Individuals invariably have resorted to an aggregation of other individuals for the purpose of giving them strength, or for effecting a common purpose. Nations have formed alliances for the purpose of carrying out particular designs which they had in view, and of rendering themselves more powerful. Aggregations of industry or commerce have set in motion the same principle. The consequence is that to-day we have running all through commerce the same principle which humanity discovered in the very early stages of the human race. This being the case, I look for combinations to the end of all time,

both in respect of trade and in respect of everything else towards which common purpose may be effective. I doubt very much the sincerity of the Government in giving effect to this Bill.

Hon. Mr. DANDURAND: Why does not the honourable gentleman say "Governments", since he has given the history of the last three or four.

Hon. Sir JAMES LOUGHEED: We are only dealing with one at the present time. The previous Governments have all suffered by reason of any infirmities which they possessed. We are dealing with this particular Government, the Government responsible for the introduction of this Bill. It is not much more than a consolidation of the measures which we have upon the Statute Book to-day; and I do not anticipate that the Government will be any more successful in the administration of this law than has been the case in the past.

I listened with a good deal of pleasure to the remarks of my honourable friend in moving the second reading of the Bill. I have to congratulate him upon the optimism which he expressed with respect of the good purposes which will be served by the Bill, and the high idealism which he expressed as to the views and intentions entertained by the Government in giving it effect. As I say, I am very skeptical as to the outcome of it. Under the circumstances I can simply express a want of belief, not only in the sincerity of the Government in giving effect to it, but likewise a disbelief in their ability, notwithstanding any effort they may make to enforce it, to make it a success. Notwithstanding the opinions which many of my honourable friends, around me may entertain on this subject, I therefore, while doubting the intention of the Government to give effect to it, hesitate to suggest any amendment to the Bill.

Hon. F. L. SCHAFFNER: Honourable gentlemen, before this Bill is read a second time, I wish to make a few remarks upon it. I am in favour of the principle of the Bill, notwithstanding the remarks of the honourable gentleman who has just spoken as to Governments during the last 35 years trying to place an the Statute Books an anti-combines Bill that would be of some benefit. This Bill is: "An Act to provide for the investigation of Combines, Monopolies, Trusts and Mergers." I agree with the honourable gentleman who has just taken his seat, and with a good deal that the honourable gentleman who leads the Government in this House said yesterday. My honourable friend says there always have been combines and mergers and always will be. Very likely he is correct; but I maintain, honourable gentlemen, that there are combines which are legal and there are combines which are illegal. I do not know that the same could be said of monopolies or trusts. I would say that when business men who are operating any particular industry or along any particular line think they can save overhead expenses and produce more cheaply by merging or combining, it would be a legal combine; but that is not the kind of combine to which I wish to refer for a few moments.

I have been connected with Parliament for nearly twenty years, and I have found a condition which is common to the members of both Houses. We represent here a country the interests of which are very diversified. We come here from the Atlantic, from the Pacific, and from the centre of Canada, and the interests of those parts are so diversified that it is very difficult to produce any measure that will meet with the approval of the whole Dominion. I have found that when any particular question has come up we are all inclined to be provincial. Perhaps we cannot help it. Reference has been made to-day to the jealousy of Montreal. It is all right for those living in Montreal to be jealous of the port of Montreal. Right here may I say that if this country ever amounts to anything, we will have enough trade for Montreal and Quebec and all the other ports, and there need not be any particular selfish jealousies in regard to them.

But coming back to what I have said about provincialism, and trying to advance the best interests of the section where we live, I may say there has been a combine carried on, particularly during 1922, which has very much affected the part of the country from which I come. I felt that I could not let this opportunity pass without voicing my opinions about it. I have already said that I believe it is quite possible to have a useful combine or merger; on the other hand, it is not very much to our credit that we have had legislation on the Statute Book for thirty-five years and nevertheless could not prevent what I call illegal combines. Last year the farmers of the three western provinces had a good crop, about 400,000,000 bushels of wheat. That being so, one would wonder why conditions in the West are as they are to-day. I do not believe that I am extraordinarily pessimistic; I prefer to be optimistic, and I dislike saying anything that may be detrimental to my own country. Yet we must look the facts in the face. What are the facts in regard to the western provinces during last

year? We had 400,000,000 bushels of wheat, and what was the result? About 80 per cent of that product is to be exported. After the farmers had paid their expenses of production and the freight rates, they had very little left for buying anything beyond the bare necessities of life. The reason for that, I believe, was very largely combination—the lake freight combination, the Atlantic ocean combination, the grain dealers' combination in the West, and one or two others.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. SCHAFFNER: Honourable gentlemen, at 6 o'clock I had mentioned a few combines which I believe exist in the three Western Provinces, that affect to a very great extent the profits that farmers might otherwise have made. I do not say that those are the only combines that might be found out there, but they appealed to me as those that most closely touched our people there. I mentioned the Great Lakes combine, the North Atlantic combine, and the grain dealers' combine.

The grain dealers' combine is perhaps not as pronounced or as easily explained as some others; yet I believe that in the western provinces it has a material effect in reducing the prices of grain. I say combine, because I believe that a combine extends as far as Chicago, and that between the Chicago and Winnipeg grain exchanges there is a very clear understanding, though it may be to a certain extent secret. I have no objection to a grain exchange as such; I believe a grain exchange can do legitimate work; but the opportunities of making a very great deal of easy money tempt those in the grain trade beyond what some have been able to bear. I am not so sure that something might not be said for the manner of marketing grain through their methods, but the dealers have become so rich, and have such tremendous control, that I think they have overdone the market entirely. A grain exchange might be allowed a cent a bushel, and I would not care if it were one and a half or two cents, for their part of the business in marketing grain; but they are not content with that; and I am confident there is a combination among the grain dealers in changing the price of wheat from time to time. It seems very improbable that wheat prices should vary almost every day.

Hon. Mr. DANDURAND: Does the honourable gentleman speak of the price to the producer?

Hon. Mr. SCHAFFNER: The price to the producer.

Hon. Mr. DANDURAND: Which is absolutely different from the world price fixed at Liverpool?

Hon. Mr. SCHAFFNER: Yes: my honourable friend can take it that way if he wishes to; but the point I wish to make is that it seems very unreasonable, yet it is going on all through the grain season. Wheat to-day will be say a dollar a bushel, and it might stay at that for a day or two, and then go up to $1.01, $1.02 or $1.03 not very much variation, and the next thing we know is that wheat goes down. So it goes up and goes down, and my opinion is that there is a combination who just put the price up or down: they buy the wheat from the producer, and when they have bought it they sell.

Hon. Mr. BENNETT: I would like to ask the honourable gentleman a question. Mr. Wood of Alberta last year before the Special Committee made the statement that there are about 45 companies dealing on the Wheat Exchange in Winnipeg, these companies being associated for the purpose of buying grain from farmers for elevator companies and flour mills; that they have their headquarters in Winnipeg, and that they fix the rates from day to day. Does my honourable friend believe that statement is true?

Hon. Mr. SCHAFFNER: Yes, the companies are in Winnipeg, and there are also a great many Chicago companies in Winnipeg. Some dealers are Winnipeg men, but I am told that quite a large majority of those who deal on the Grain Exchange in Winnipeg are Americans.

Hon. Mr. MURPHY: Is not the price fixed by the Chicago Grain Exchange?

Hon. Mr. SCHAFFNER: It may be, but they claim it is fixed by the markets of the world or Liverpool. I am inclined to think that the Liverpool market does not vary so much from day to day as the Stock Exchange, whether in Chicago or Winnipeg, would try to make people believe.

We had considerable talk last year in regard to the establishment of a Grain Board. The farmers through the western provinces have been wanting a different method of marketing their grain. It was thought in this House, and I think it was stated, that one great object of having a Grain Board was to raise the price

of wheat or bread to the consumer. As far as I know, and I was interested to quite an extent, I do not think that was the object at all; I think it was simply to enable the producers to get for their wheat the world's market price, whatever it was—of course less all necessary expenses. It may be said that the legislatures of Saskatchewan and Alberta established wheat boards. When the matter came up in Manitoba, while the legislature was in session, it was defeated by about three votes. I know practically every man who voted against it, and they were not real farmers who defeated it, but grain buyers in Winnipeg: it was the lawyers and other men in the city, and grain dealers, who were members of the legislature; and I know for a fact that some of those grain dealers were farmers living 200 miles from Winnipeg. From my own knowledge I could name a man who made a good deal more money out of dealing in wheat, according to the system which I am trying to point out, than he did out of farming. So I do not think it is very hard to understand why these men voted against the Wheat Board.

Another combine which I think worked very detrimentally to the farmers of the western provinces last year was the Lake Freights Association.

Hon. Mr. ROCHE: Before you pass away from the question of the grain, can you tell me how much the farmers got for—say No. 1 Northern wheat—farmers who lived 10 miles or so from an elevator or a railway station?

Hon. Mr. SCHAFFNER: I am very glad the honourable gentleman has put that question, because I was forgetting something. I will answer the question to the best of my ability. The excuse that some of these grain dealers, who are also farmers, gave for defeating the motion was that it was all right for Alberta and Saskatchewan, but that the Manitoba wheat was 10 days earlier, and therefore got to the market earlier, say on the 1st of September. They said: "We will get a better price." Now comes the question of my honourable friend. Of course, the object of the Wheat Board is not to put all the wheat on the market during the fall, but to sell it during the year whenever there is a market. No. 1 wheat sold last year in Boissevain, 182 miles west of Winnipeg, at distances running from two miles to eight or nine miles from an elevator, at 80 cents a bushel.

Hon. Mr. GILLIS: What month was that?

Hon. Mr. SCHAFFNER: During, say, September. Wheat was sold from farms adjoining my own for 80 cents. Wheat to-day is worth $1.15 to $1.18.

Hon. Mr. GILLIS: That would be the street price, would it, by the load?

Hon. Mr. SCHAFFNER: By the carload.

Hon. Mr. GILLIS: I think the honourable gentleman is wrong in that respect. I think the price was nearer 90 cents than 80 cents at that time.

Hon. Mr. SCHAFFNER: The price got by men loading eight or ten loads of wheat was 80 cents a bushel. I have no reason to doubt the word of those men, because I have been dealing with them for years. But granting that the price was 90 cents, to-day they could get $1.15 or $1.18.

Hon. Mr. McCALL: At Port Arthur, or at the station?

Hon. Mr. SCHAFFNER: All grain is sold at the Port Arthur price. They sell at Boissevain. It would have been better for those men last year if there had been a board under which they could sell a certain quantity of their wheat and get an advance on it, the rest to be sold later at an equalized price.

Hon. Mr. FOWLER: Could they not do that without a board?

Hon. Mr. SCHAFFNER: They could do it by means of a voluntary board; but a voluntary board is a very hard thing to conduct, for several reasons. A farmer is not always a very safe man to get along with in that respect. For instance, a few years ago the Government of Manitoba bought a lot of elevators throughout the country; they bought too many, and paid too much for them. A farmer would haul his grain to a town where there would be one of these elevators belonging to the Government, and where the Ogilvie Company or the Lake of the Woods Company—I just mention those two because they come to my mind—would have an elevator; and those people would give half a cent a bushel more than the Government elevators, and the result was that the farmers would go to them. The same thing would happen with a voluntary board. As far as I am concerned, I do not care whether it is a voluntary board or a compulsory board; my idea is that we should have some better way of selling our wheat, in order that we may distribute the sale of it over the year, so that the man who is unfortunate enough to be four or five miles from an elevator will have an equal opportunity with the man near an elevator. I think it is the fault of the farmers that a voluntary board will not work. If you are

going to market wheat in that way you must have at least half of the wheat produced, and I am very much afraid that if there were a voluntary board someone might offer the farmer half a cent more for his wheat simply in order to kill the board, and then these people would go on manipulating the wheat, as, in my opinion, they have been doing all along.

Hon. Mr. MURPHY: Where would it stop? If the Federal Government went into this thing, as they did under the War Measures Act, would it not be as reasonable for them to come down to my province and take the potatoes?

Hon. Mr. SCHAFFNER: In the first place, the Government does not advance money. The money is got from the bank.

Hon. Mr. MURPHY: The Government is behind it.

Hon. Mr. SCHAFFNER: I do not say that there is any objection. I opened my remarks by saying that we are provincial. I am advancing the claim of the farmers of the three western provinces, and claiming that there should be some other way of selling the wheat than through those who do not grow it, and who get too large a share of what the farmer or producer should have.

Last year in another place freight rates were reduced. In one way they were reduced, and in another they were not. There were two regulations governing freight rates in the West; one was the Crowsnest Pass agreement, which is familiar to every member of this House, and the other was an Act passed by the Roblin Government. The Crowsnest Pass agreement went along all right until the war came; then it was suspended for three years. The three-year period terminated on the 1st of July last year. What would have occurred had there been no legislation? The freight rates would have gone back to the level existing under the Crowsnest Pass agreement. That did not seem to be what the Government wanted, and in that connection may I say that while I am not in favour of group government, I am inclined to think that had it not been for the third party in another place last year, the rates on wheat and flour would never have returned to the rates existing under the Crowsnest Pass agreement, because I believe neither of the old parties would have granted what has proved to be a great boon to the farmers of Western Canada. I quote the words of Mr. Bracken, the Prime Minister of the Manitoba Government. He says that the farmers of the three provinces saved $20,000,000 by that reduction last year.

Hon. Mr. CASGRAIN: And increased the deficit by that much.

Hon. Mr. SCHAFFNER: I am speaking for the farmers of the three western provinces; and here is where my honourable friend comes in. The $20,000,000 saved for the farmers of the three western provinces by the return to the Crowsnest rates was practically all taken from them by the combine on the Great Lakes.

Hon. Mr. CASGRAIN: Somebody got it.

Hon. Mr. SCHAFFNER: How do we know there was a combine? We know there was a combine because it has been proven under oath before a commission appointed by the present Government that there was a combine among Canadian vessel owners on the Great Lakes, for the purpose, we believe, of increasing the rates on grain. This has been substantiated in the report of the commission.

Hon. Mr. CASGRAIN: Will the honourable gentleman mention the total amount paid for freight?

Hon. Mr. SCHAFFNER: No, I cannot do so just now.

Hon. Mr. CASGRAIN: Would it be $10,000,000?

Hon. Mr. SCHAFFNER: We claim that was taken from us by the combine on the Great Lakes; and the commission appointed by this Government has stated that a virtual monopoly among Canadian operators was maintained during the entire season of 1922.

There are three men who seem to be largely responsible for these rates, and who seem to have done very well by them. In four years they seem to have been able to get $564,329.

Hon. Mr. CASGRAIN: What about the $20,000,000 in one year?

Hon. Mr. SCHAFFNER: I am speaking of what these men, the two Wolvins and Norcross, personally got out of it. The honourable gentleman is so sensitive when we talk about lake freight rates that he cannot keep still. These men received the following salaries in those years: Roy Wolvin, $77,000; John Norcross, $38,000; and the other Wolvin, $64,000.

Hon. Mr. FOWLER: In salaries?

Hon. Mr. SCHAFFNER: Yes, in salaries.

Hon. Mr. FOWLER: What were they—directors?

Hon. Mr. SCHAFFNER: I think they were more than that: I think they managed the concern.

Hon. Mr. MURPHY: How about the other directors?

Hon. Mr. SCHAFFNER: I am just giving the three. The dividends of those three men during that time amounted to $90,000. The Standard Shipping Company is one in which I think the Wolvins are interested. It is a company that does no shipping itself; it acts as a shipping broker, and rents space to farmers who have wheat to ship, and controls 56 per cent of the shipping space available on the lakes.

The combine does not end there, but continues to the Atlantic. On account of the Fordney Bill one of our principal lines of trade in the three western provinces has been very much affected; I refer to the cattle trade. We were just beginning to raise a class of cattle that sold readily in Chicago when the Fordney tariff was introduced. This question was brought up the other day in connection with reciprocity. It has been stated, and I think it was argued in 1911, that no matter what bargain we made with the United States, they could do away with the contract at any time it was in their interest to do so, and could set up a tariff to suit themselves. A very strange thing seems to have happened in the United States. What is called the Farmer Bloc seems to have influence enough to control Congress.

Hon. Mr. MURPHY: The Senate.

Hon. Mr. SCHAFFNER: The Congress and the Senate, because it was the Farmer Bloc which caused the Fordney tariff to be enacted. Then we were unable to sell the class of cattle which we were sending. We were sending hogs and cattle to the United States, but I understand the greatest profit was in stockers. I know for a fact that good steers that I saw during the summer were selling for 2 cents a pound, and good cows for about $10 apiece.

Hon. Mr. FOWLER: Two cents a pound on the hoof?

Hon. Mr. SCHAFFNER: Yes. That is a very low price. I am prepared to substantiate the figure. Then it became necessary for us to look for some other market for our cattle.

For a long time it was believed that the old National Policy tariff was necessary, and for many years I believed that myself; but I am convinced by long experience that while we need the tariff for a revenue, especially since the war, it is not as important to us as a market. I believe a market is what we need. Saskatchewan can raise cattle better than Manitoba, and I believe statistics show that no country in the world can produce a greater number of cattle, and better cattle, than can the province of Alberta; hence the importance of a market for this product. The tariff to-day on a binder is only 12½ per cent.

Hon. Mr. MURPHY: They took off 2½ per cent last year.

Hon. Mr. SCHAFFNER: No, it has never been less than 12½ per cent. It was 35 per cent. The Tories reduced it to 20 per cent; the Liberals reduced it to 17½ per cent; the Tories reduced it to 12½ per cent, and it has stayed there since—not to introduce politics.

Hon. Mr. BENNETT: And the Liberals promised to take it off altogether.

Hon. Mr. WATSON: And so did the Tories.

Hon. Mr. MURPHY: And they took 2½ per cent off.

Hon. Mr. SCHAFFNER: I am dealing with conditions. The Tories reduced it down to 12½ per cent, and there it has stayed.

Hon. Mr. GILLIES: And the Liberals reduced it to 10 per cent.

Hon. Mr. SCHAFFNER: No, I must maintain that it has remained at 12½. I never like to be too dogmatic, but I think it remained at 12½; and I say that 12½ is not out of the way on a binder, which will last under ordinary conditions for ten or twelve years.

Hon. Mr. MURPHY: Yes, for 15 years if you keep it under cover.

Hon. Mr. SCHAFFNER: Yes, I believe the honourable gentleman is right that it will last 15 years; but lumber and other building material are scarce in the West; so very many binders are left out in the field with the canvas off. They will last only 8 or 9 years, and if so I do not think 12½ per cent is any more of a duty than the farmer should pay. I have always felt that way.

Hon. Mr. MURPHY: It is only his share.

Hon. Mr. SCHAFFNER: Yes; so I say with the tariff on many things. On a threshing machine, unless the duty is reduced, it is a different matter. As to the combines, last fall the Atlantic steamship service reduced the ocean rate on cattle to $15 per head, which should be a paying proposition. Then the embargo was taken off. We have heard a great deal about who should have credit for removing that embargo, but I would name two individuals who I believe deserve most of the

credit: Hon. Robert Rogers and Harry Mullins. Colonel Mullins went to the Old Country at his own expense and spent several months going up and down through England and Scotland lecturing to the people, and advocating the removal of the embargo. However, when we went to sell our cattle the shipping men jumped their rate from $15 to $22.50, an advance of $7.50. At that rate the farmers will not have much left after paying the freight, though I am very much pleased at the price they are getting for cattle at present. At Montreal there was some ill-luck, the ice in the river having delayed shipment about 3 weeks, and the delay, I am told, cost them almost $100 per head. That does not seem reasonable, but I am told that. They had to keep the cattle there for three weeks. I do not know any worse condition that we would strike up in the Hudson Bay, and once we get those concrete compartments that my good friend told us about to-day there will be no trouble, and we will be able to go there at all times of the year.

Hon. W. B. ROSS: I would mention to the honourable gentleman that the reapers are rated at 10 per cent duty.

Hon. Mr. SCHAFFNER: Then I stand corrected. Not only was the freight rate increased $7.50 by the shipment, but when buyers came from Great Britain with money in their pockets to buy cattle, after the embargo was removed, and asked steamship companies for rates during spring months for shipping cattle in bulk, they were told there was no space, as a man in New York had contracted for practically all early boats. Now, a man in New York does not raise cattle; he does not even buy cattle; yet, he was able to control the space, so that it could not be bought for those farmers.

Hon. Mr. FOWLER: That is a combine.

Hon. Mr. SCHAFFNER: Sure it is a combine. Before I go on about the cattle there is something I should have mentioned about the wheat. Those brokers insisted that if I were going to ship my wheat I must insure it with them, and at double the price that I could insure it at any other place. These are facts.

A good deal has been said about the Canadian ships that we built. I believe we spent about $75,000,000 on them. The question has been asked why those Canadian ships could not be used to break or to help to break these combines, but we were told that the ships were not suitable to carry wheat, and, as far as the Atlantic was concerned, they were not suitable to carry cattle. What were they fit for, if they could not carry wheat or cattle? In my opinion, they should have been built to carry such products. I have a right to express my opinion, and it is wonderful how independent one gets in the Senate, and I think those vessels should not have been built. They were built when it was too late, and conditions did not make it necessary that they should be built.

Hon. Mr. WATSON: They carried bacon during the war.

Hon. Mr. SCHAFFNER: All right.

Hon. Mr. DANDURAND: And they were built when the price was very high.

Hon. Mr. SCHAFFNER: Yes, they were, but I may tell my honourable friends this, that we are not the only country that made that mistake.

Hon. Mr. ROBERTSON: It was not a mistake.

Hon. Mr. SCHAFFNER: The American Government went into shipbuilding on a much larger scale, and it has a direct continuing loss of about $50,000,000 a year, but that estimate takes no account of the depreciation of the ships while the deficit of the Canadian ships that was given to this House took account of the depreciation. The United States invested more than three billion dollars in ships, which at 5 per cent would represent an additional $400,000 a day, or nearly $150,000,000 a year. Many of us blame the Government to quite an extent. Foresight is not always as good as hindsight, even though the government were practical and sincere in connection with the matter; but other countries did the same. My honourable friend from Montreal said that the Canadian boats were going to be used on the Great Lakes, but I do not like the way their managers attend meetings: they seem to attend the same meetings as the men who fix the rates. Perhaps there is some excuse for that; perhaps those few ships could not break the combine; but I would like to see them able to carry on the traffic.

Now, I think I have said enough to show that there were a combine on the lakes, in the ships and in the insurance, and that there is a combine on the Atlantic Ocean to prevent us from shipping our cattle at present.

How are we going to meet those conditions? How are we going to work in the interest of all Canada in this respect? The only way we can do it is by the western people being united and claiming their

rights, and I think that when they do they will find the benefit. Montreal is a great metropolitan city that we are proud of, but I am afraid Montreal will be up in arms when it learns in a day or two that 800 head of cattle are being shipped over the Canadian National Railway to Quebec without touching Montreal at all on the way to the Old Country. In my opinion, the way for Montreal to continue to be a good port, and to receive more and more produce from the West in order to build up the harbour for the farmers, with their wheat and cattle, is to see to it that those combines cease their operations. I saw an item the other day—I do not vouch for it, but I imagine it is about correct—stating that the estimated value of the agricultural investment in this country is $6,800,000,000, or an amount equal to all the other investments in Canada, exclusive of the railways. That being so, surely the farmers have a right to be represented and listened to.

My honourable friend from Calgary (Hon. Sir James Lougheed) said that there had been anti-combine laws on the Statute Book for 35 years, and that they had accomplished very little. I assume the reason for that is that the law has not been properly administered. But I know of one or two instances in which the anti-combine law did do good in the West. As many of you probably know, northern Alberta and northern Saskatchewan have plenty of timber, whereas southern Alberta, southern Saskatchewan and Manitoba, have practically none at all. An eastern man or a man from British Columbia can hardly understand what that means. Some years back—I cannot give you the year—after the anti-combine law was brought into effect, it had the result of reducing the price of lumber, the duty being taken entirely off rough lumber, and reduced on other kinds. That is one instance in which the anti-combine law did much good.

It is not my intention to make any further remarks. I am going to support this Bill, not because I think it is all that it should be, but because I believe in the old saying that half a loaf is better than no loaf at all. This Bill passed the other House by a very large majority, perhaps the largest that has been recorded since this Government came into power, and I am going to support it because I believe something should be done, and not only in the interest of the West but of the East as well, because the progress of the West has a great influence on eastern Canada, as I think will be admitted when I draw attention to the fact that during the years when immigration was going into the West. and when they had money to spend, there was prosperity in eastern Canada. The West has practically no manufacturing, nearly everything they buy coming from eastern Canada, particularly Ontario and Quebec; and you and I know that Montreal and Toronto and Hamilton made very rapid strides when the West was going well. Let me give you a homely incident that bears on this. Some years ago in Brockville I went into a big carriage factory. I believe it was the largest carriage factory in Canada. The manager was a Mr. Storey. This factory was filled with carriages—that was before the days when automobiles were used to any extent. I said to this gentleman: "I suppose your business is in the lower provinces and in the province of Ontario?" He said: "If we depended on Ontario and the lower provinces for our business, we would not be able to run it very long. Our trade is in the prairie provinces." I believe the same thing is true of practically all manufacturing, whether it be of binders or mowers, or boots and shoes. So, while we perhaps cannot help being provincial, each of us looking out for his own province, let us work together for the common good.

Hon. Mr. CASGRAIN: I do not intend to make a speech. I know the honourable gentleman from Boissevain wants to be absolutely fair, but he has repeated a statement about the farmers saving $20,000,000 under the Crowsnest agreement which, I think, is not quite correct; and he has also said that these $20,000,000 were lost to the farmers in the lake freight rates. The honourable gentleman would be very much surprised to learn that the total expenditure for freight on the lakes was not $20,000,000. I have seen the statement in print myself, and I know that those in the business said they only wished they could have got a part of that. The same is true in regard to the railways, because the total amount paid for freight was not that much.

Hon. Mr. SCHAFFNER: I said distinctly that I was quoting the Prime Minister of Manitoba, who, I know, is a careful man, and who, I presume, knew what he was saving. It is an easy matter to make the calculation. You know what you save on a bushel of grain.

Hon. Mr. TURRIFF: I think my honourable friend here (Hon. Mr. Casgrain) is wrong, as sometimes happens when he is talking about lake freight rates. My honourable friend says the amount saved would be nearer one-quarter of $20,000,000. I would like to point out that the crop last year amounted to about 400,-

000,000 bushels of wheat, and the crop of oats was greater than that. About 80,000,000 bushels were required for seed and feed in the West, leaving about 320,000,000 bushels—say 300,000,000 bushels. The lake freight rates ran from about four cents up to as high as twelve cents.

Hon. Mr. CASGRAIN: Very little of it as high as that. It averaged about four cents.

Hon. Mr. TURRIFF: Very little of it four cents. If it averaged seven cents all round, there would be $21,000,000 on 300,000,000 bushels, not taking into account the oats or barley. So when my honourable friend says the freight paid on the lakes is nearer one-quarter of $20,000,000, he is altogether wrong, because, in addition to the wheat, there would be from 100,000,000 to 200,000,000 bushels of oats coming down the lakes.

Hon. Mr. LAIRD: There would not be 300,000,000 bushels of wheat altogether brought down; there has been to the present time about 150,000,000 bushels of wheat exported. I rather think that the estimate of $20,000,000 saving to the farmers was based on the total amount of exportable wheat and oats that would be shipped down in the season.

Hon. Mr. ROBERTSON: But it is still coming.

Hon. C. P. BEAUBIEN: Honourable gentlemen, the leader of the House has supported this Bill with such earnestness and zeal that I am tempted to point out to him one or two defects in it with the hope of making the measure truly effective. I must say that the reply made by the leader on this side of the House (Hon. Sir James Lougheed) has placed this proposed legislation in a rather different light. It is perhaps necessary that a political party at times should offer to the public a measure of this kind, to satisfy the passing sentiment; but for my part I feel convinced that it will never be put into force. Everybody knows that it was brought down in another place without very much forethought or preparation. As a matter of fact, the Bill as first presented allowed the registrar or the commissioner power, upon a report, to cite a man before the tribunal for sentence, without allowing him even the ordinary British fair play of a defence. I mention that simply to establish the fact that this measure was conceived, and brought into the world and up to its present stage, amidst the busy deliberations of the other House. It is not surprising, therefore, if the measure is far from perfect.

No doubt the wise men who sit on the other side of the House and guide the destinies of their party, are aware that should the attempt ever be made to put this measure into execution, the courts would function as in the past, and declare this law unconstitutional, for the same reasons invoked and upheld before, and no harm would be done. However, in case my honourable friends on the other side of the House should really and earnestly attempt to put this law into operation, I draw their attention to just one clause, which to my mind is double-barrelled in its effect, and which at the same time deprives the measure of its efficacy and robs it of any possible fairness. Section 34 of the Bill reads as follows:

> Nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees.

Nothing is said of the employer. The employees, the labourers, are however placed in a privileged position. Whether or not they are guilty of combinations, the effect of which is to raise the price of commodities, nobody dare put a hand on them. If they have overstepped the bounds of reason and legality, nobody can interfere.

Of what is the price of commodities composed? Is it not the fact that the greater part of the price of any commodity is composed of the cost of labour? In a great many cases the cost of labour is 80 or 85 per cent of the total cost; in the majority of cases I should say it is certainly over half the total cost. Taking it all in all, I do not think I would be exaggerating if I affirmed that at least 70 per cent of the cost of everything we consume or use is made up of the price of labour.

Now, honourable gentlemen, what is the effect of this Bill? This Bill has been prepared—my honourable friends across the House say with a great deal of care—for the purpose of controlling the prices of commodities within a reasonable measure. The Bill touches "la portion congrue" as we say in French—the meagre portion—of the price of commodities, and leaves the larger portion, the 70 per cent or 80 per cent made up of the price of labour, untouched. It is operative only as to the balance of 20 per cent or 30 per cent. That portion only remains compressible under the operation of the law and it alone must be reduced so that the total price of the commodity will be reduced. Allow me to illustrate by one example. Take the compensation paid for labour on railways. In 1916 there were 140,000 employees on the railways, and they were paid to the tune of roughly $100,000,000 a year. In 1922

there were 153,000 employes, and their compensation totalled $217,000,000. The last figure shows an increase of 115 per cent over the compensation of 1916. Of course the railways had to follow suit and increase their rates, and therefore we Canadians had to pay for freight in 1916 $184,000,000, which jumped in 1922 to $313,000,000. Those figures seem exceptionally large, but honourable gentlemen must not forget that they represent only 70 per cent increase over the figures of 1916, whereas the labour wages on the railways in 1922 showed an increase of 115 per cent. Whereas in 1916 we paid $53,000,000 for transportation of passengers, in 1922 we paid $78,000,000, which is an increase of only 49 per cent, not 115.

Well, honourable gentlemen, is that increase justified? I am giving this example in order to show whether or not this law should deal with labour unions. Everybody knows that the labour unions, through their tremendous power, are keeping enormous wages in force in this country on the railways, and that freight rates would fall just as soon as wages could be reduced. If that increase in wages is not justified, I am right in saying to the Government, "You have evidence of a combination, the most powerful in the land, forcing up freight rates which are reflected on everything that we consume." For instance, take iron, take lumber; sometimes freight rates are reflected three times in the price of the finished commodity.

The only justification for the labour unions —I think they call them the Big Four Railway Brotherhood—insisting on maintaining the rate of wages that is paid to them today, is that the price of living has gone up so high that whatever is paid to them is not higher than the much lower wages they received in 1916 when compared to the price of living at that time. Well, the last number of the Labour Gazette shows that the weekly budget of a family of five, for food, fuel, lighting and rent, was $14.21 in 1916 and $20.96 in 1922, or an increase of 46 per cent. Am I not justified, then, in saying to the Government: "You have there the evidence that the railway employees, because of the increase between those two dates of 46 per cent in the cost of living, exact an increase in their remuneration of 115 per cent, which has sent up and maintains the price of practically every commodity which we consume." Am I not right to say to the Government: "Why do you exclude the labour unions from this research, which you say you want to make conscientiously? And why do you exclude more particularly those who evidently maintain the increased price not merely of one commodity, but of all commodities in the land?"

I do not want to add to these brief remarks. It seems to me that if my honourable friends are really in earnest, if they really desire to get at the root of the trouble, they will address themselves not only to the meagre portion, but to the entire difficulty, not omitting, for political or other reasons, the labour unions of this country.

Hon. G. D. ROBERTSON: Honourable gentlemen, in view of the expressions of the honourable gentleman who has just taken his seat, and inasmuch as the honourable leader of the Government may not to-night reply in full to the question that has been submitted to the House in the speech just closed, I feel constrained to say a few words, touching the point raised as to the propriety or otherwise of section 34 remaining in the Bill.

Before doing that, however, I would like to say a word with reference to the principle underlying this Bill, and to endorse it, and to say that I purpose to support it. It is in keeping with legislation that has been passed by two previous Governments. So far as the principle itself is concerned, I do not see that any fair-minded citizen of Canada would hold that it was not proper that an illegal combine, or at least a combine that was organized for the purpose of enhancing the cost to the common people, should go unfettered and unrestrained.

There has been a great deal of difficulty experienced in the administration of this Act by other Governments, and no doubt the same remark will apply to the administration of this Act; but in my opinion the results will be satisfactory if those who are charged with its administration undertake to do their work honestly and fairly, instead of in the manner in which the last Act was administered, or attempted to be. If it is improperly and unfairly administered, and used as a weapon to persecute business instead of directing and properly controlling it, then it will fail, as did the other.

With reference to section 34, I would like respectfully to point out to the House this difference between the objects of the labour organization and a combine such as this Act proposes to control. Workmen in this or any other country have only one commodity to sell, that is, their own labour, and it has been recognized by the leading nations of the world—indeed, by all the nations associated with the League of Nations itself—that workmen have a right to negotiate for the sale of their own labour on the best possible terms that they may be able to procure, individually

or collectively. But this Act proposes to deal with a combine, which is an aggregation of gentlemen who may have a substantial amount of capital with which they purchase the product of labour and withhold it from public use until such time as the scarcity or demand permits them to enhance the price, and requires the public to pay through the nose, to use a homely phrase, for what they have in hand—something that they did not themselves create, that is not the product of their own labour, but is simply the result of their having gathered together in times of plenty a supply of any given article, for which this attempt to hold up the public for the highest possible price.

There is, in my opinion, no analogy between those two situations, and therefore I agree, that section 34 should properly remain in this Bill, as in former Acts of this sort. My honourable friend has tried to point out what he believes to be facts with reference to the effect of wages upon railway rates and upon the cost of living, and he has selected the wages of railway employees for this purpose. I beg to submit to the House for its consideration a little different view of that same picture. Honourable gentlemen will remember that from 1914 to 1918 there was no appreciable increase in the rates of wages received by railway employees in Canada, notwithstanding the fact that the cost of living did steadily and substantially increase during that period. They will recall that in the year 1918 the Government of the United States, which was then administering the railroads of that country, caused an exhaustive and expensive investigation to be made into the question of wages for railway employees, and determined that a certain standard should be set, which was regarded as constituting a living wage at that time. The railway companies of Canada were not forced or coerced by any combine or monopoly to adopt that wage, but they voluntarily adopted it in July, 1918.

From 1918 to 1920 the cost of living continued to rise, and rose fairly rapidly, and in 1920 the President of the United States created a tribunal empowered with full authority to deal with that question. In that year that tribunal authorized a further substantial increase in the wages of railway employees in the United States—why? As they said, in order to keep pace with the advance in the cost of living since 1918. Again the Canadian railways adopted the same increase, because of the fact that the cost of living was substantially the same in both countries, although as a matter of fact it was somewhat higher in Canada than in the United States.

The railway companies came along on July 16, 1921, and put into effect an arbitrary all-round decrease for the 153,000 men, aggregating $14 per month for each employee. Did the railway rates drop to the same extent at that time? Did that decrease in wages, which the employees accepted on the ground that there was a decrease in the cost of living, effect the railway rates? In some slight instances, but not very seriously.

Again, in 1922, the railway came along and repeated the dose, not in the same way, because this time they attacked the working conditions instead of the wages; but I want to say of the class of men with whom I am most familiar, and whom I represent in Canada, numbering some 8,000, that on the top of the reduction that those men accepted of $14 per month in 1921, a very substantial number of them also accepted, unwillingly it is true, a very substantial reduction, extending from $25 to $45 per month. That was in 1922, and it is a fact that to-day many railway employees are receiving $50 a month less than they did in 1920, though the cost of living has not diminished to any extent. It is thus unfair to represent to this House the point of view that my honourable friend has presented, though I am sure he has done so honestly.

Hon. Mr. CASGRAIN: What are they actually receiving?

Hon. Mr. ROBERTSON: The minimum wage to-day is $112 a month.

Hon. Mr. BEAUBIEN: Do I understand that my honourable friend challenges the figures I have read to the House as to the cost of living, and as to the difference in the cost of living between 1916 and 1922, and as to the difference in the wages paid to the men in 1916 and 1922?

Hon. Mr. ROBERTSON: I am challenging the statement made by my honourable friend that the increase in the cost of living was due to high wages, and that the high railway rates were due to high wages. I say that the increase in rates followed the increase in the cost of living, and that the decrease in wages has not been followed by a proportionate decrease in railway rates; and I think that fact is obvious to all who investigate it.

Hon. Mr. BEAUBIEN: I did not say that the increase in the cost of living came from the wages exclusively, by any means.

Hon. Mr. ROBERTSON: Surely that was the impression.

Hon. Mr. BEAUBIEN: No; what I said was this. You have a law to control the prices of commodities. You control everything except wages, yet wages is the greatest portion of the price of those commodities; why do you not include them? I cited evidence from the figures which I submitted. I want to know whether you, for the railway employees, challenge the statement that in the wages paid to the employees in 1916 and 1922, the difference is greater than the difference in the cost of living between those two dates.

Hon. Mr. ROBERTSON: There are just two inaccuracies in my honourable friend's presentation of those figures to the House. One is that in 1916 there were 140,000 railway employees—which figure I accept—and that the wages were so many million dollars. In 1922, he says, the wages were so much more, and there were 153,000 employees at that time.

Hon. Mr. BEAUBIEN: That is right.

Hon. Mr. ROBERTSON: But when he makes his comparison, he makes it on the millions of dollars of 1916 and the millions of dollars of 1922 in wages, but he makes no allowance for the increase of 13,000 in the number of employees.

Hon. Mr. BEAUBIEN: But if you compare $100,000,000 and $217,000,000, it is apparent that the figures show an increase of 117 per cent, while I mentioned 115 per cent; so I hope my honourable friend will not misquote me again.

Hon. Mr. ROBERTSON: I did not misquote you; I just pointed out the joker in your argument.

Hon. Mr. LYNCH-STAUNTON: What is a joker?

Hon. Mr. ROBERTSON: My honourable friend only plays bridge, and jokers are not used in bridge. The other point, that is perhaps misleading to the House—and I am sure it was unintentional on my honourable friend's part, and perhaps he did not even think of it himself—is that one reason for the pay-roll of our railways being substantially increased is the fact that the civilized nations of the world are fast recognizing the principle of the standard 8-hour day; so that the increase is not due entirely to higher wages? The Government of Canada has a 7-hour day in its public service, and I do not think honourable gentlemen can object if railway men who are shovelling gravel on the track, or working in the shop, giving the railway company 8 hours of service as a day, should have those 8 hours recognized as constituting a working day. That is something that has long been due the men. It came here, not as the result of a demand of the employees in Canada—though no doubt the demand would ultimately have been made—but because of the precedent established in the United States at that time, and because the Canadian railways felt that they could not ask their employees to accept less remuneration or work longer hours than men in the same service in the United States.

Hon. Mr. CASGRAIN: Is it not the same union?

Hon. Mr. ROBERTSON: I would point out again to the House that the unions had nothing to do with those rates and conditions. They were put into force voluntarily by the railroads, and not because of any demand made by the railway organizations in Canada, either in 1918 or 1920. The railroads came to the organizations and asked if an adjustment on that basis would not be acceptable. The railway organizations said: "We would prefer to make the adjustments on a little different basis;" and the railways said that so long as the amount of money involved and to be distributed was not exceeded they were willing that it should be distributed in a manner satisfactory to the employees. For that reason our rates and rules are not the same as those in the United States; but basically they are the same, and were brought about, not because of any combine or hold-up on the part of the railway organizations at all. I submit that as a statement of fact, because it is borne out by the facts bearing on the case. I feel that the discussion of railway rates and railway conditions is perhaps quite out of order under this Bill; but inasmuch as the point has been raised, I could not refrain from attempting to place before you some of the facts not brought out by the honourable gentleman who raised the question.

Hon. F. L. BEIQUE: Honourable gentlemen, I hope that my honourable friend from Montarville (Hon. Mr. Beaubien) is not opposed to the principle of the Bill. I think the principle of the Bill is recognized in all the countries of the world where democratic principles are applied, and I would be surprised if any member of this House were to take the position that it would not be proper for Parliament to guard against combines that are calculated to affect the welfare of the community. That I take to be the principle of the Bill.

In regard to section 34, there may be two opinions as to whether or not labour unions

should be brought under operation of the Bill; but I call the attention of the honourable gentleman to the fact that it would be contrary to the rule adopted in the Treaty of Versailles, to put the labour unions under the operation of the Bill, except, maybe, with certain safeguards. I have not sufficiently examined the Bill to have formed a final opinion on section 34. The Bill may be defective in certain respects. If that is so, it is our duty to try to perfect it.

The honourable gentleman from Montarville (Hon. Mr. Beaubien) attacked the Bill, and referred to the action of the labour unions in regard to railway wages. The honourable member from Welland (Hon. Mr. Robertson) is perfectly correct in the statement that the increase of wages referred to was brought about in the United States by the McAdoo award, which the railways in Canada had to follow because otherwise their employees would have gone to the United States. It is perfectly true that the labour unions in Canada had nothing at all to do with the fixing of those wages: they were brought about by the award in the United States, and the Canadian railway companies were driven into accepting practically the same scale of wages. I do not agree with the honourable gentleman, however, that those wages were fair wages. They were exorbitant wages; exorbitant to such an extent that labouring men, yardmen, were receiving higher wages than those paid to station agents or other important employees of the railway companies. They were exorbitant wages, and had the effect of crippling the railways in Canada to a very large extent; and I think the railway companies were perfectly justified in trying to bring down those wages as soon as they could. Railway wages as they are now are generally a good deal higher than those paid in other occupations in this country.

As far as I am concerned, I am in favour of labour unions, provided they are controlled to a certain extent, and provided they do not abuse their powers; but I think that the laws of the country should be such that any employee entering the service of a public utility should forego or renounce the right of joining a union. I think experience in the past has shown that labour has been oppressed, and that it was necessary for labouring men, for their reasonable protection, to join together and assert their rights. Therefore, I think we should be careful in dealing with matters of this kind.

The interest of labour unions or of labour is now a common interest with that of the employer, and the progress of society and of the country will take place only if those two interests work harmoniously together. Our endeavour as parliamentarians should be to devise the best means to foster both interests on parallel lines, and to try to put an end to the prejudices which exist. I have examined into the question pretty carefully, in order to be able to form a judgment, and I repeat that, so far as I am concerned, I am of opinion that the labourers in the past were not treated fairly; but I believe that day has now gone by, and they are very liberally treated by their employers. But there still remains a sentiment of irritation, and what is necessary now is that the leaders of society and large employers should try to educate the labouring classes, and get them to understand that it is the desire to treat them fairly, and that their interest is common with that of their employers. If they come to understand that, they will appreciate the necessity, in their own interest, of giving good and fair service; and the employer will be sure to remunerate them liberally.

This, of course, is a good deal outside of the question, and was drawn into the discussion because of the attack made upon labour unions. I thought it was my duty to express my opinion on that point. As far as the Bill is concerned, I submit that it is our duty to try to improve it, but that we should all support the principle of the Bill.

Hon. A. B. GILLIS: Honourable gentlemen, I want to say just a word regarding this Bill. At the outset I wish to state that I am going to support the Bill because we have been led to believe that great things are going to be accomplished by this legislation. This was one of the planks of the Liberal platform during the last general election, and it was preached from one end of the country to the other that they were going to bring in legislation of this kind, and generally revolutionize conditions in the country. I therefore trust that the Act will not remain a dead letter on the Statute Book, but will be fully enforced. There is no question that many combines exist in the country, and it will be the duty of the Government to act promptly, in carrying out the duty of inquiring into combines that may exist.

The honourable member for Boissevain (Hon. Mr. Schaffner) spoke with regard to the grain trade in the West. I want to give one or two figures to show that in my opinion there exists in the western provinces a very strong combine in relation to our grain trade. I will cite figures showing the prices of grain to the individual farmer—that is, the man

who is not fortunate enough to have a carload of grain, and who has to draw his single load to market and sell in what is supposed to be open competition. As a matter of fact, there is no competition. All the elevator companies are a combine, even the wonderful Saskatchewan Co-operative Elevator Company, forms as strong a part of that combine as any of the ordinary line elevators. For that reason I think there is ample scope for the Government to inquire carefully into the operations of those elevator companies. The individual farmer who brought his load into market during the month of October would receive 81 cents per bushel; if he were fortunate enough to have a carload, he would receive 99.18 cents per bushel, or a difference of 18 cents. During the month of November the average price the farmer would receive for his single load, selling on the open market—that is, the street price—would be 87.3 cents; if he had a carload he would receive $1.06, or a difference of 19 cents a bushel. Practically the same thing applies to the month of December. To my mind there certainly exists a combine, so far as the grain trade in the prairie provinces is concerned.

The honourable gentleman from Boissevain (Mr. Schaffner) has elaborated and dealt very fully with this question; therefore I do not think it is necessary for me to go over the same ground. I am going to support the Bill in the hope that it may have some effect along these lines: it is very desirable and very needful. A great deal of the complaints that we hear of conditions in the prairie provinces is due to the fact that the farmers are not receiving a fair price for their wheat. When a grain dealer makes a profit of 18 or 20 cents a bushel on the farmer's grain, it is certainly unfair to the farmer, and there is something radically wrong when conditions of that kind exist. I hope that the Bill may result in the Government inquiring carefully into conditions in the prairie provinces, particularly in reference to the grain trade.

Hon. G. W. FOWLER: Honourable gentlemen, I am in favour of the principle of an anti-combine Bill, but I am not in favour of the provisions of the document before us. It certainly places in the hands of the registrar a tremendous power, and subjects the manufacturers of this country to very serious difficulties, provided the registrar proceeds against them. Section 5 provides that—

> Any six persons, British subjects, resident in Canada, of the full age of 21 years, who are of the opinion that a combine exists, or is being formed, may apply in writing to the registrar for an investigation of such alleged combine.

There is no obligation on these gentlemen who have come to this decision, in case their opinion is founded on wrong reasons, and it is therefore not tenable that they shall be mulcted in damages or costs as an ordinary suitor would be if he brought such an action against an individual. It seems to me that is a defect in the Bill. It seems to me that when you come to consider the amount of trouble and expense, the interruption of business and the various difficulties that may occur from an investigation into any business or aggregation which is charged with being a combine, there should be some penalty fixed upon those who set the machinery in motion provided they have done so for insufficient or flimsy reasons. That is one of the defects in the Bill.

Then, to my mind, you place too much power in the hands of the registrar. You do not specify what the qualifications of the registrar shall be. He could be anyone picked up on the street, and it is rumoured that a certain man of rather unsavoury reputation, politically, a man who has been a mischief-maker throughout this country, is in training for the job. This should put us on our guard, and we should surround the appointment of a registrar with such safeguards and qualifications as to prevent a mischief-maker like the individual I have in mind being appointed to the post.

These are some things that have struck me as being very serious defects in the measure, though I have not examined the Bill very closely. I think the measure has been very ill-digested, notwithstanding the very enthusiastic reception it met in the other Chamber, having 117 votes for and 21 against. That does not carry as much weight with me as the figures would indicate.

I listened very attentively to the remarks of the honourable gentlemen from Welland (Hon. Mr. Robertson) in regard to the wages paid to employees on the railways. My honourable friend always comes to the rescue of labour when there is the slightest criticism of it. I find no fault with him for that; but he is such an enthusiast in the cause of labour that he is very apt to be what we might call lopsided in that way. The McAdoo award was a very fortunate thing for Canada, and for the United States as well. It was the result of ambition on the part of a certain politician in the United States who wanted to be the Democratic nominee for President at the approaching election. He made that award in order to get the labour votes in that country, and I am very glad to know that he did not get the nomination. However, the mis-

chief that he did still remains. Under this new scheme of wages brakesmen were able to draw much higher pay than presidents of universities. Men without any particular qualification except brawn and muscle, without any expensive training such as men in other vocations require before they earn anything like that, were able to draw down $300, $400 or $500 a month, which is a very good stipend in this country, even when the cost of living has gone up.

Hon. Mr. DANDURAND: More than county judges.

Hon. Mr. FOWLER: Yes. Well, I would compare them to men who work even harder than county judges do, because in my province county judges have as near to a sinecure as you can find, though I dare say in Ontario and Quebec such judges work fairly hard. But those workmen, without more intelligence than enough to enable a man to open a window in a car, were receiving $400 or $500 a month; and the men on the little branch lines were getting the best pay on account of overtime, bless you. Now, look at the illogicality of this overtime business. They say you should work a man only eight hours a day because he can only give his best service for those eight hours; yet if you keep him two hours overtime you pay time and a half for overtime, when, according to the rules as to loss of health and loss of labour he is giving his poorest service. In other words, you are paying him 50 per cent more for that poorest service than you pay for his good service.

That is one of the greatest difficulties, and causes a considerable amount of cost. Now, let us see how the 8-hour day works out. When I was a young man working at my profession I often worked 16 and 17 hours a day, and was very grateful that I had the work to do. The difficulty with the world to-day is that so few people want to work, and everybody seems to desire to spend money before they make it. Those are the two greatest difficulties we have in Canada to-day.

In my small town of 2,500 people the Canadian National, which used to be the Intercolonial, had two station agents, one taking the day train and the other the night, and they divided the day between them. The man who worked at night was able to get three or four hours sleep between one and five o'clock, and so he took a little sleep after breakfast, and had the greater portion of the day to himself for his own avocations.

Hon. Mr. ROBERTSON: But if caught sleeping he would be dismissed.

Hon. Mr. FOWLER: But he was not caught sleeping.

Hon Mr. LYNCH-STAUNTON: There was no one to catch him.

Hon. Mr. FOWLER: A man in military service caught sleeping would be shot, dismissed into the other world; but that is no argument, for you know a man can so train himself that the very rumble of the car wheel on the track will wake him, and he could sleep right up to the moment of the train approaching the station. At any rate, he got along very well; I know him, and he is in the same position yet; only to-day he just works 8 hours and takes as much time off for meals as ever; the station is closed during the meal hour; but there are three men doing the work of two, and getting higher wages than when there were two. Here we have 22,800 miles of railway belonging to the National system, and that same thing exists over the whole distance, not only with regard to station masters but other officials. These are some of the reasons why we have these tremendous deficits over the road. You cannot give those men this large pay for the short hours without doing the same thing for other labour, or else creating immense dissatisfaction. That is the position we are up against.

My honourable friend says this was all done voluntarily. I tell you that the railway unions have the railway management by the throat. Let me illustrate. A self-propelled car, a motor, was put on to run passengers from Campbellton to Bathurst on the old Intercolonial, now the Canadian National. Two persons were all that were necessary to run that car; but the unions, whom my honourable friend has been exalting, stepped in and said: "No, this won't do; you can't run that car with two men; you must put on five;" and they compelled the management to put on five men, and so the railway took off the car.

Hon. Mr. ROBERTSON: I must correct my honourable friend in that connection. That car that had been operating between Campbellton and Bathurst was brought up to Toronto and operated between Toronto Union Station and Washago over a portion of the Canadian National lines where a passenger service had been abandoned, and I can say that the same organization of railway men operated in Toronto as at Campbellton, and there are no five men on that car.

Hon. Mr. FOWLER: I can say there were five men on that car; the union compelled them to put on five men.

Hon. Mr. ROBERTSON: No, you are mistaken.

Hon. Mr. FOWLER: My honourable friend can shake his head until it shakes off, but it will not alter my knowledge, and those are the facts.

Hon. Mr. ROBERTSON: I speak with knowledge of it.

Hon. Mr. FOWLER: I say those are the facts, and those are the causes that have led to a large portion of the excessive cost of the railway. Of course, there are other causes, of which I will have occasion to speak when I move the motion that is now standing on the order paper.

I want particularly to call the attention of this House to the extraordinary powers that are given under this Bill to the Registrar, and also to the unfairness of permitting any six people who happen to be British subjects and living in Canada, to put any business in this country to the expense of a defence, and the expense of bringing all their books and showing them, without those people incurring any penalty if the investigation proves to be on a false alarm.

One reason I find fault with the labour unions is that they refuse to get down upon the same plane and the same level as the rest of the people. I believe in labour unions in a proper way, and the moment they are willing to be incorporated so that they can be sued for breach of contract just like an ordinary individual or corporation, then they will have removed, so fas as I am concerned, the great stumbling-block in the way of my appreciating them to the full. That is what they should do. I understand that that is the case in England, and I hope it is so, but whether it is the case in England or anywhere else, it should be the case everywhere.

Hon. Mr. ROBERTSON: It has been advocated, only.

Hon. W. B. ROSS: It was the rule in England once, but following the Taff Vale case—

Hon. Mr. ROBERTSON: It is not now.

Hon. Mr. FOWLER: I trust that some day it will be the case here, and then a contract with a labour union will be enforceable against them if they choose to break it, whereas it is not so now.

Hon. Mr. ROBERTSON: It is, under the Industrial Disputes Act.

Hon. Mr. FOWLER: Under the Act that is going through?

Hon. Mr. ROBERTSON: Yes.

Hon. Mr. FOWLER: I do not see how it will work if the labour union has nothing to be taken.

Hon. W. B. ROSS: Oh, a penalty.

Hon. Mr. FOWLER: But that is only camouflage; that is a joke. You put $1,000 on the employer and you can collect it, but you could not put $100 or $50 on an employee and collect it.

Hon. Mr. ROBERTSON: You put $10 a day on 150,000 employees, and the employer has it all in his own hands to collect it if the court says so.

Hon. Mr. FOWLER: But suppose the men do not work any longer, how are you going to get it? You can only get it by keeping it out of the men's wages. No, that is not a fair and square basis at all. I trust that amendments will be made to this Bill so that these objectionable features will be removed; so that the Registrar shall not have the absolute power of a czar. Why, if he were so minded, supposing an election were coming on, he and the gentlemen who are so fond of hugging the machine, might not be above going to a lot of employers of labour and saying, "Reports have come into my office about you people—that you have a combine; come across, or we will have to investigate." Therefore I say, when you are putting such power into the hands of a man, for Heaven's sake appoint a man that the country would have confidence in; and he should be a barrister, because he should have a knowledge of law, and because barristers are usually of high character.

Hon. GEORGE LYNCH-STAUNTON: Honourable gentlemen, I am opposed to this Bill in toto, but I do not propose voting against it on the second reading. I am opposed to it because of my reading of the history of legislation of this kind. We are told that similar legislation is in operation in nearly every country in the world, but I have yet to learn of one enactment anywhere that has ever been effective to any extent whatever. We have had these laws ever since the time of Queen Elizabeth. Again and again they have been enacted and repealed. For many years they were utterly abandoned, and then, within the last 50 or 60 years, there has been a revival of them. They were recognized as futile.

Hon. Mr. BEIQUE: You had proceedings under the Act.

Hon. Mr. LYNCH-STAUNTON: They are good election matter, and I presume that the House of Commons will go on enacting them for all time to come until they get something else that appeals more to the people. But I want to draw attention to two or three clauses in the Act, so that when I move an amendment, as I propose to do, honourable gentlemen will appreciate what I am after. In the 2nd section it is stated:

> In this Act, unless the context otherwise requires,—The expression "combine" in this Act shall be deemed to have reference to such combines immediately hereinafter defined as have operated or are likely to operate to the detriment of or against the interest of the public.

Now, my first quarrel with this section is with the words, "are likely to operate." I looked at the French version, which has an entirely different meaning, the translation being, "are of a nature to operate;" that is to say, possibly may operate. Surely it is enough to punish a man if he does something which injures somebody; but surely he should not be punished for a merger about which some Registrar may say: "Well, it looks all right, but by some possibility it may operate to the injury of the public." Surely a man should not complain before he is hurt. Any person may honestly and innocently merge two businesses, and some person may come along and say, "Now, I can see where in the future the public may be injured." I think that such legislation is utterly and absolutely improper and unreasonable. Then, it goes on to enact: "whether consumers, producers or others." I think if the Act read in this way it would be sufficient.

> The expression "combine" in the Act shall be deemed to have reference to such combines immediately hereinafter defined as have operated to the detriment of or against the interest of the public.

But it goes on to add, "whether consumers, producers, or others." Let me show how that may be very serious. A memorandum was sent to me the other day pointing out that the Ford Car Company fixes its prices, and it has published them in the newspapers. There is a clause in here which says it may not fix its prices if anybody thinks that to do so may operate to the injury of others. It may put the price $100 lower, and then some man will come along, and will say: "I have a lot of cars of another make, which were yesterday selling at $500 in competition with the Ford, which was selling for $600, at which price I could very well enter into competition with them. Now, they are reducing their price to $500. I would not have bought all these cars had I known that Ford was going to reduce his price." Why provide in a statute not only that a man may be indicted if the combine is likely to hurt a producer or consumer, but also "if it is likely to hurt a producer, a consumer, or others"? The Bill does not provide that it shall be a wrongful act; it may be a perfectly innocent act, but still he would be liable to prosecution.

My honourable friend here (Hon. Mr. Fowler) has spoken of the powers of the Registrar. If I went before the Registrar and said, "I am one of the others, and they are lowering the price of that car to injure my business, and I want an inquiry," the Registrar would have the facts which would not justify, but which would obligate him to make an inquiry. They would go to the Ford Company, or to any other company, as the case might be, and would inquire into their business and upset their affairs, and put them to no end of trouble.

Hon. Mr. DANDURAND: The charge would be that they had unduly reduced the price.

Hon. Mr. LYNCH-STAUNTON: Not "unduly;" simply that they had reduced their price to my detriment, because they could compete with me better than they could before. That would be the injury to me. If I had $10,000 worth of cars in my garage, and were selling them in the market at $500 while you were selling yours at $600, and you reduced your price, it would certainly injure me. The Bill does not say "unduly," "unreasonably" or "improperly." It simply says that if the action results in an injury to anybody—

Hon. Mr. DANDURAND: "Anybody" is the public.

Hon. Mr. LYNCH-STAUNTON: Excuse me: it says "the public, whether consumers, producers or others." You eliminate the buyers and the producers, and you come down to the middleman—the seller. The reason that I object to these words is because the action should be to the detriment or injury of the public.

Hon. Mr. BEIQUE: Does not the honourable gentleman think it is all controlled in the word "public"?

Hon. Mr. LYNCH-STAUNTON: No. The public does not mean all mankind: it means different classes of mankind, because the Bill goes on to separate them into different classes. It says that one class of the public is the consumer. The Registrar would say: "Does that injure the producer?" "No." "Does it injure the consumer?" "No." "Whom does

it injure?" "The distributor." The statute subsidizes the public, which I say should not be done.

Take the condition of the sugar refiners. Suppose they have a fixed price, and one refiner to-morrow cuts the price 10 or 20 cents per cwt. Surely the others are all injured, and could ask for an inquiry, saying that the price should not be reduced, that it will ruin their business, and that they want to find whether the reduction had been maliciously made. I think the provision should be limited to combines that have injured the public generally—not extended to those "likely to injure;" and the public should not be subdivided as they have been.

Then, I submit, the Registar should be one of the present Government officials. We have got enough departments now, and there ought to be men in those departments who could make these inquiries. If you set up a new department under a Registrar, it means a whole new outfit of parasites on this country. If you create a department for this purpose, the officials of that department will have to justify their existence, and will go about the country nosing into everybody's business, so that they may make a return at the end of the year showing that they have earned their salaries.

Hon. Mr. DANDURAND: I draw my honourable friend's attention to clause 4, subsection 2, which says:

> The office of registrar may be held either separately or in conjunction with any other office in the public service.

Hon. Mr. LYNCH-STAUNTON: I am quite aware of that, and want to strike out the words "either separately or." I want it to be indicated that it should be held in conjunction with some other office. That is the point I am trying to make.

I think also that the Government should be manly enough, when they fail in a prosecution of this kind, to pay the costs, not of the prosecutor, but of the persecuted. We have had two trials in Toronto under this precious legislation, one of which lasted six or seven weeks, and put the grocers of Toronto to an enormous expense. That trial was held before the late Chief Justice Falconbridge, who, after thoroughly examining into the matter, declared that there was no foundation for the charge at all. Those gentlemen were brought up and tried in a criminal court, and were put to all the expense of a defence when there was no reason whatever for the prosecution. There was another case in Toronto which was decided by the Court of Appeal. Because that was a civil action the Court of Appeal gave the costs to the defendants, who were successful. Under this legislation, the old principle that the Crown neither takes costs nor gives them is recognized, although in a great deal of our modern legislation the Crown does take costs. There should be a provision here that the Dominion Government should pay to the unfortunate people who are persecuted under this law their costs at least.

Hon. Mr. DANDURAND: I will answer in a very few words. My honourable friend from Montarville (Hon. Mr. Beaubien) was surprised to find that the labour organizations were excepted from the measure. I would draw his attention to the fact that this principle was introduced into this kind of legislation from the very inception. He will find it at the bottom of section 498 of Chapter 146 of the Revised Statutes; he will find it also in the Combines and Fair Prices Act, in clause 2, where it says:

> The expression "combine" does not include combinations of workmen or employees for their own reasonable protection as such workmen or employees.

I realize that the situation has changed somewhat since this kind of legislation was first introduced and this principle recognized. I am not sure at the moment whether it is to be found in the Act of 1889; but, even if it is not, it could be said that 10 years ago wages were low, and at that time it was admitted by people who were studying social questions and the relations of capital and labour, that labourers should have the right to unite for their own protection. Labour has succeeded magnificently in asserting its will and its right to bargain collectively. Wages have been gradually forced up. Should we at this time decide that labour unions shall dissolve and the men return to their previous powerlessness? That is what it would mean, because the whole of their strength to-day is based on union. I recognize the fact that they may be unreasonable and oppressive in the exercise of their newly-acquired power; but there was a time when the conditions were reversed; and I wonder to what extent the abuses that we have observed will continue and develop. At this moment I am inclined to accept the view of my honourable friend from DeSalaberry (Hon. Mr. Beique), and to suggest that labour employed in public utilities should be made to accept some kind of public control. Not long ago the nation had to protect itself, and could not allow the military, for instance, to form a union against the nation. We have reached the point where policemen in our towns and cities are trying to organize into

unions and to hold up the cities by withdrawing their protection. We have seen strikes in some cities; we have had an experience of it in Montreal; and it seems to me that Parliament will some day have to determine the extent of the control to be imposed on the wage earner who is giving his labour to a public utility. I recognize the principle, and I mentioned it last week as embodied in the League of Nations, of the freedom of man. A man would be free to give or not to give his labour to a public utility, but when he has consented to do so, I feel that in the interests of society there should be some kind of control.

My honourable friend from Sussex (Hon. Mr. Fowler) attacked clause 5 of the Bill. Of course, these matters could probably have been better discussed in Committee. He feels that there is no responsibility attaching to the denunciation by six citizens; and that if it is found that they have made a baseless complaint they should be made to pay the costs. That is not the principle which has been followed prior to the drafting of this Bill. There is something more commendable in the suggestion of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton).

The honourable gentleman from Sussex also said that the registrar seemed to have considerable power. He seemed to think that he would have a power for mischief by calling unduly on corporations that were doing no harm, for evidence of all kinds. I think when we go into Committee we shall find, by the simple reading of the clauses, that the public and the so-called victims are very fairly protected. There is a right vested in the registrar to first cross-examine the applicants and find out whether there is any basis for their opinion. The registrar may not have to call upon the parties complained of to rebut any kind of evidence. He will be a man of standing, who will himself judge of the value of prima facie evidence produced by the complainants.

The Government is asked what will be the standing of that individual. I would surmise that a Government composed of ordinary beings who are careful of their own reputation and have a sense of their responsibility would select for such a position a man who would have the full confidence of the public, and who would not impose such a handicap as has been suggested upon the operation of this Bill. The Bill simply provides machinery for investigation.

My honourable friend who has just spoken has suggested that the clause defining combines is very loose. When I introduced this Bill I took occasion to say that it had been largely taken from past legislation, with all the experience that past legislation had furnished. If my honourable friend will look at the Act for which he himself voted—because he was in this Chamber at the time—he will find the very same expressions in clause 2, which says:

> The expression "combine" is used in this Act with intended relation to articles of commerce, and it shall be deemed to have reference only to such combines, immediately hereinafter defined as, with relation to aforesaid, have in the opinion of the Board of Commerce of Canada (or of a single member thereof acting under authority of and for the purposes of section 8 of this Act) operated, or are likely to operate, to the detriment of or against the interests of the public, consumers, producers, or others.

Hon. Mr. LYNCH-STAUNTON: Because they went wrong once they should not be asked to do it again. I do not know that I would vote for it, though.

Hon. Mr. BEIQUE: This is going much further.

Hon. Mr. DANDURAND: Yes, it is limited:

> This expression shall be deemed to include—

Hon. Mr. BEIQUE: In the new Act it will have to be in the opinion of the judge.

Hon. Mr. DANDURAND: The other objection that my honourable friend had to the phraseology of this interpretation clause was directed against fixing a common or resulting price or a common rental or a common cost of storage or transportation. I have drawn his attention to the fact that all this is subject to the definition of the word "combine" which declares that it must be

> Operated or likely to operate to the detriment of or against the interest of the public, whether consumers, producers or others.

The expression, "the public" is a broad expression, and I doubt very much whether anyone having to administer this Act would not laugh out of court complainants who would come before him saying that the public were being victimized because they were being offered an article cheaper than heretofore the complainants had heard asked for it.

On the whole, I think that this Bill will stand the minute examination of my honourable friends when it comes to Committee, and I am glad to find that, the principle being recognized, we all agree upon the second reading which I have had the honour to move.

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

RAILWAY RATES FOR THE MARITIME PROVINCES

DISCUSSION CONCLUDED; MOTION WITHDRAWN

The Senate resumed from May 8 the adjourned debate on the motion of Hon. J. A. McDonald:

That in the opinion of this House the railway freight rates now effective on consignments from the Maritime Provinces are proportionately higher than those effective in regard to consignments from the western provinces and seriously handicap the industries of the Maritime Provinces and should be substantially reduced and that the Government should take steps forthwith to cause such reduction.

Hon. J. S. McLENNAN: Honourable gentlemen, this motion has been on the Order Paper for a long time, and it seems that we should submit it to the arbitrament of the House for its opinion. I would not have spoken on this if it had not been for some remarks that fell from the honourable member from Assiniboia (Hon. Mr. Turriff), who has visited Nova Scotia and the other Maritime provinces. I am sure that visitors as genial and observant as he will always be welcome there, although apparently he has seen and heard things which none of us who have been there our lifetimes, or the greater part of them, have ever heard.

He expressed the opinion that the prosperity of that country could be enhanced if there were free trade between those provinces and the States of the American Union. In saying that he indulged in what all of us have many times indulged in—the game of "hypothetical history"—what would come about if something happened which has not happened. I had occasion to make some studies which had some bearing on this question, and which I would like to submit. They were based on figures given me by the Dominion Bureau of Statistics. I asked for figures which would show certain things in relation to two of the larger Maritime provinces, Nova Scotia and New Brunswick. I did not include Prince Edward Island, because its situation was somewhat different and somewhat special, any more than I included mining in the figures in which I made comparisons. While mining is a very great and important industry in Nova Scotia, it is not one of very great importance in any of the States with which I made the comparison.

If there are any benefits to be derived from American trade, it seems to me they would be evident in a comparison made between our Maritime Provinces and those States of the American Union which are most like those provinces to which I refer. I took Vermont, New Hampshire and Maine—States not altogether dissimilar—in fact, as similar as possible to our own provinces.

As to population and growth, which are important. I have had some interest in public questions for the best part of half a century, and certainly there have been no 5 years or 10 years in that time in which one has not heard about how the population of Canada was going away to the United States and elsewhere; how we were losing people to an alarming and appalling extent. Only during certain years at the very beginning of this century was that cry not raised over and over again, from the sixties onward.

I made the comparison, first of all, covering the 60 years from 1860 to 1920. During those years the State of Maine increased from 628,279 to 768,014, or 22 per cent. New Hampshire increased from 326,073 to 443,083, or 35 per cent. Vermont increased from 315,098, to 352,428, or only 12 per cent. Take our own provinces, with which I have been making the comparison. Nova Scotia increased by 192,980 in that period, or 59 per cent. New Brunswick increased by 135,829, or 53 per cent. So that it is perfectly evident that during that whole period the rate of growth of population in the provinces compared very much more than favourably with the growth of those corresponding States which are contiguous, and most like the provinces with which I compared them.

Then, 60 years being a long period, I took a shorter period, namely, from the beginning of the century to 1920, and found that in those 20 years our two provinces had increased by 121,019, or 15 per cent. I took the three States again for the corresponding periods, and found that they had increased by 113,830, or 7½ per cent, the United States increase being just half of our Canadian provinces. We had increased 121,000 in a total population of 911,000, which was a vastly greater increase than that of the three American States—113,000 in a population of 1,500,000.

I find that our provinces doubled the value of their agricultural lands and buildings—that in farm implements and machinery they increased from $6,871,000 to $13,357,000, or more than double; that in field crops, though we have always felt that agriculture was not our strong point, our actual increase in value was from $18,158,000 to $73,500,000, which is four times. I find that in these States their field crops increased from $63,000,000 to $171,000,000, which is less than three times.

When we come to manufactures, which do not include mining, I find that their value in our provinces in 1901 was $44,564,000, and in 1921 $276,964,000, an increase of over six

times. Taking the corresponding figures in those three States which abut on our provinces—Maine, New Hampshire and Vermont—their increase was from $303,000,000 to $1,032,000,000—only three times.

Hon. Mr. CASGRAIN: But they are the three deadest States in the Union.

Hon. Mr. McLENNAN: They are the three most like our own. We cannot pick out tobacco from Virginia and food from Florida and gold from Wyoming, and then make a comparison. I made the comparison with States which most closely resemble our own. In giving these comparisons I am fully aware that a great statesman said there were three forms of untruth—lies, d— lies, and statistics. I have tried to do this as honestly and decently and fairly as I could.

I find, again, that they have the same troubles of which we complain. Those three States have lost living inhabitants, mostly to other parts of the Union, 294,699; and had there not been nearly 243,799 new people come in to those States, their condition would have been very different.

Now, I am not certain whether the views of the honourable gentleman from Assiniboia (Hon. Mr. Turriff) or mine are the more likely to be correct, but I am inclined to think that reciprocity would not have made very much difference. Looking at the matter in a practical way, one must remember that from the beginning until 1887 reciprocity never became a party question in Canada. After 1865, when there was a joint protest of all the Boards of Trade of Canada and the United States convened in Detroit against the repeal of the old treaty, effort after effort was made. In 1865 there was a mission to Washington; there was a mission again in 1869, again in 1871, again in 1874, again in 1878, again in 1887, again in 1892, and again in 1896; and then Sir Wilfrid Laurier said—and I believe no Prime Minister of Canada ever said anything that had a more unanimous response from the people of Canada—"We will make no more pilgrimages to Washington."

Hon. Mr. DANDURAND: Yes, but Washington made a pilgrimage to Ottawa.

Hon. Mr. McLENNAN: Yes, later enormous changes had come: we had found our feet; we had met with extraordinary prosperity; we had developed great self-reliance. That prosperity has unfortunately since met with difficulties, but it will come back. Every one of those missions failed, but every time the tariff of the United States has been hostile to Canada some new avenue has opened up to us. Canada was like Antaeus in the fable, who wrestled with Hercules. Antaeus was the son of the earth, and every time Hercules threw him he got new strength. So it was with Canada at the time of the McKinley tariff and other similar tariffs, and I am hopeful it will prove to be that the Fordney tariff will develop new strength and more self-reliance in us. It was that self-reliance, coupled with various blazing indiscretions, that caused that mission from Washington to Canada in 1911 not to meet with success. So much for that.

Speaking on the motion of the honourable gentleman, who has waited so long for the solution of the question he has proposed to the House, I would not be fair if I did not say that I scarcely think the revision of railway rates in the way he suggests would be a panacea for our trouble. Whatever lowering of rates there may be between the central provinces and the Maritime provinces, we must remember that a large part of our products there are similar in condition to those here, such as lumber. Fish is the only important one that is different, and I am not going into the somewhat complicated question of the distribution of fish; but I do think there are other openings by which the prosperity of Nova Scotia can be enhanced. One is the creation of new avenues of trade, and the railways of the country, according as they are handled in one way or another, can enormously change the result. for example, the trade from British Columbia could do a great deal for Nova Scotia if boats were put on that would carry cargo through the Panama canal, as pointed out by the honourable member from Victoria (Hon. Mr. Barnard). If this line were established, Nova Scotia-produced iron and steel might be substituted for foreign iron and steel in the markets of British Columbia, and products from the western province could be brought to the Maritime provinces, as well as to Ontario and Quebec, at a very cheaper rate than at present. That is not altogether impossible.

Again, there is the lifting of the embargo. If the honourable gentleman from Sackville (Hon. Mr. Black) were here, I am sure he would confirm, from the closest possible knowledge, the possibilities of these great dyke lands of Nova Scotia feeding cattle, which could be shipped during the summer months from Sydney, and during the winter from Halifax with a minimum disturbance and loss of weight. I think I am justified in saying that there is no land where cattle could be fed more cheaply than on these marshes.

Then there are various other things. There would be calling of the mail steamers, thus putting the Maritime Provinces practically

where they should be, having regard to their geographical position in relation to Europe, instead of being as they are now, about on a parity with the north of lake Superior.

Hon. Mr. CASGRAIN: Where would you have the steamers stop?

Hon. Mr. McLENNAN: That big traffic of the Montreal steamers must always go up the St. Lawrence, but a detour of 80 or 100 miles would give the lower provinces the advantage of their close proximity to Europe which they now enjoy only during the winter.

I think, too, that Nova Scotia and New Brunswick will get their greatest impetus towards prosperity and increasing population by the development of various industries which will make for an export trade. The prosperity of those provinces began on the water, and they are the nearest points in Canada, I think, to foreign trade, in the widest possible sense, not only to England and Europe, but to the rest of the world. When it comes to building a fishing vessel and sailing it, Nova Scotia can do as well as her competitors from the United States, and I do not believe that the skill and energy and enterprise is all dead, but that it will yet come to the front.

Hon. F. L. BEIQUE: My excuse for adding a word or two on this subject is the great importance of it. We in this country have been fortunate enough to have a Railway Board which has given entire satisfaction from the time it was created; and if it has given satisfaction, it is because it has not been a political agency, and because the Government has not interfered by influence or otherwise with its decisions. Our neighbours to the south of us have had another experience. Their Interstate Commerce Commission, which corresponds to our Railway Board, has ruined the railways all over the United States. You may consult any business man in that country, and he will tell you that they have had the worst commission that they could have, and that its decisions do not command any respect or exercise any influence because it has been under the sway of the United States Government.

The motion which the honourable gentleman from Shediac (Hon. Mr. McDonald) has put before the House seeks the interference of the Government in order to induce the Railway Board to reduce rates. Surely this House, much more than the other branch of Parliament, should be the one to guard against any interference of that kind, and I hope the honourable gentleman will not insist upon his motion, as it would be a step in the wrong direction and would no doubt have a very bad effect on the Commission. The Commission should be left alone. It deserves the confidence of the public; it is doing a good work. If Nova Scotia or New Brunswick, or any other province or part of the community is dissatisfied with the rates, they are at liberty to go to the Railway Commission and make a complaint, and they will be heard and will receive justice. But do not ask Parliament to intervene and exercise a power which they have the right to exercise, but which should not be exercised except under very exceptional circumstances.

Hon. G. D. ROBERTSON: May I just observe that the motion of the honourable member from Shadiac does not propose that Parliament shall interfere with any jurisdiction which the Railway Board may have. May I also observe that the Railway Commission has not heretofore exercised any jurisdiction over rates on this portion of the Canadian Government Railways.

Hon Mr. MURPHY: That is the important point that he overlooks.

Hon. Mr. BEIQUE: But the Government railways are now under the Commission.

Hon. Mr. ROBERTSON: The honourable gentlemen will note from reading the motion that it is proposed that this House shall express the opinion:

> That in the opinion of this House the railway freight rates now effective on consignments from the Maritime Provinces are proportionately higher—

If that is a statement of fact, then there should be no hesitation on the part of the House in agreeing that it is a fact, and by so doing bringing it to the notice of the Board of Railway Commissioners, who now have jurisdiction.

Hon. Mr. BEIQUE: The point I tried to make is this. It is open to them to go to the Commission, which is the proper party to pass upon that question, and give a ruling. But this Parliament is not in sufficient possession of the facts, and it would be taking the question out of the jurisdiction of the Board, so to speak.

Hon. Mr. McDONALD: If they have gone to the Commission and the Commission has not done justice, and the factories in the Maritime Provinces are closing down, is not this the proper place to come to demand justice?

Hon. Mr. CASGRAIN: No. When you are not satisfied with the decision of the Railway Board, you apply to the Governor in Council.

Hon. Mr. MURPHY: Cannot Parliament express an opinion?

Hon. Mr. ROBERTSON: The honourable member in pressing this motion, did so, I am sure, because of a desire on his part and on the part of the people of the Maritime Provinces to bring to the attention of Parliament the fact that the Maritime Provinces are labouring under a very serious disability. I think it may be summarized somewhat in this manner: that the original freight rates in Canada were based on Montreal, Montreal taking Boston and New York rates as between it and the West. And there was added to the Montreal rate an arbitrary so-called, which is a common term in rate making, that applied between Montreal and the points in the Maritime Provinces. The arbitrary increased as distance increased. That same thing applied to points in the state of Maine. The complaint of the Maritime Province people, as I understand it, is that as freight rates increased from time to time that arbitrary should have remained the same, so that getting their goods into the markets of the central and western provinces, and being able to purchase from those markets, they should not have been placed in a more disadvantageous position than were other parts of the Dominion; that, if they were required to pay increased freight rates west of Montreal, just as people in the province of Quebec or the the province of Ontario were, they should have continued to enjoy the same fixed arbitrary over and above the rates west of Montreal.

From my own observation, I think this is perhaps a matter of more importance to the Maritime Provinces than many honourable gentlemen realize. I have in mind what occurred in the town of Amherst. Only a few years ago Amherst was a very prosperous town, surrounded by a rather good country, and had some large industries, one particularly, which employed a large number of men—the Rhodes-Curry Car Company, and the Robb Engineering Company. For reasons which I am not qualified to state, those industries have drifted to other centres to some extent, particularly the car industry, which has almost entirely ceased to exist in Amherst, and which is now carried on in Montreal. The change may have been due to freight charges on material that had to be transported and to the rate charged on cars that had to be delivered to railroads west of Montreal. There is no doubt that the change was justifiable in the minds of those who caused it; but, so far as Amherst and the surrounding agricultural country is concerned, honourable gentlemen will appreciate that it was a severe blow to the community. That experience has caused a decrease in the town population within the last 24 months of more than 2,000 people, and it is the problem of that particular town to-day to find the means to obtain the taxes necessary to carry on their necessary municipal undertakings.

Amherst's experience has been multiplied in a number of other places in the Maritime Provinces, and there are very few places which show any substantial growth during the last two or three years. I attribute that unfortunate situation to some extent to the condition of freight rates. I am sure it is true that the Maritime Province people probably attribute to it more importance than it deserves; nevertheless they do feel that some relief in this regard would be a great boon to them. Many things have occurred indicating this, and I think the honourable gentleman, in bringing this matter to the attention of the House, has rendered the Maritime Provinces a real public service, and that the House should not pass over it lightly. When in the opinion of the House the representations he has made are true, what is the objection to the House agreeing to the motion? The matter will then be placed before the Board of Railway Commissioners, to deal with it as in their judgment seems wise.

Hon. Mr. CASGRAIN: Does not the honourable gentleman think that the Maritime Provinces are suffering very much because they have been cursed with Government ownership for years and years, ever since the Intercolonial was built, because no one had any interest in developing that road and establishing new industries? If honourable gentlemen would read the life of James J. Hill, they would see that every time he opened a piece of road there were factories and mills established to keep that road going. If the Maritime Provinces had had private ownership, they would have marched ahead with the other provinces.

Hon. Mr. ROBERTSON: I think it is proper to say that the Maritime Provinces also feel that they are entitled to some attention because of the fact that the present Government did bring relief to a substantial number of citizens in Western Canada. There are many articles of commerce to-day that are carrying a higher rate of freight, the cost of which is distributed all over Canada than would have been the case had the Government not taken that action last year and left the Railway Commission undisturbed and unhampered.

Hon. Mr. McDONALD: I wish to ask the permission of the House to amend my motion, as I do not wish to make any reflection or criticism of the rates in the western provinces. I would eliminate the words "are proportionately higher than those effective in regard to consignments from the western provinces and." The motion will then read:

That in the opinion of this House, the railway freight rates now effective on consignments from the Maritime Provinces seriously handicap the industries of the Maritime Provinces and should be substantially reduced, and that the Government should take steps forthwith to cause such reduction.

If honourable members from the province of Quebec knew the situation in the Maritime Provinces, I do not think they would oppose the plea which I am making for at least an examination into our condition.

The motion as submitted was amended accordingly.

Hon. Mr. DANDURAND: I may say to my honourable friend that I have some idea of the situation in the Maritime Provinces, and I add my sympathy to that already expressed by members of other provinces who sit in this Chamber. I recognize that the situation is not very bright, and that the Maritime Provinces are badly handicapped by the present high rates.

Hon. Mr. CASGRAIN: And Government ownership.

Hon. Mr. DANDURAND: But perhaps they are not so very much more handicapped than many of the other provinces in the Dominion, the rates all round being admittedly too high. The special case which my honourable friend has raised arises out of a change in the proportionate rate which used to prevail in the Maritime Provinces, and which has been disturbed somewhat. This is a special case which should receive the attention of the proper authorities; and when I say "proper authorities," I am in somewhat of a quandary. My honourable friend suggests that the Government should take steps forthwith to cause such reduction. Can the Government take steps to do so?

Hon. Mr. MURPHY: Certainly.

Hon. Mr. DANDURAND: I hear my honourable friend say certainly. Would he indicate in virtue of what authority the Government could take such steps?

Hon. Mr. MURPHY: Is not Parliament supreme in this country?

Hon. Mr. DANDURAND: Then my honourable friend means that we should ride rough-shod over the powers given to the Railway Board, and should appropriate to ourselves the right to fix rates. Of course, I take it for granted that this power would first be initiated in the popular branch, and not in this Chamber. It would directly affect the revenue of the country. Now, I do not believe that either this Parliament or the country is disposed to throw into the political arena, into Parliament, the fixing of rates on our railways. We have a Railway Board, an independent institution, to which we have delegated those powers.

I am not sure that political action cannot be exercised to a certain extent and perhaps I am not very orthodox in even suggesting that there may be a political discretion exercised; but it would only be after the Railway Board had passed judgment upon an application from one of the Maritime provinces, and an appeal to the Privy Council had been lodged from that Board if its decision were adverse. Then the matter would be in the hands of the Executive, that is, of a Committee of Parliament. The situation, as I see it, is absolutely before our eyes in an appeal to the Privy Council from British Columbia against a judgment of the Railway Board. That has already been heard in part, and will be continued after the prorogation of this Session. So there may be, in the last resort, an appeal to a power very near to Parliament, which is the Executive.

The answer which I have in my hand, and I have had for some weeks, may indicate to my honourable friend how he could proceed about it. It is one of the ways, and I do not for the moment see any other way. It is an answer to his motion that comes from the Department of Railways. I asked for it because I was under the impression that my honourable friend was putting this motion on the Order Paper so as to secure an expression of opinion from the Senate through some members speaking on this motion, but that he would not press it to a vote.

Hon. Mr. McDONALD: I want to find out how to-night the Senators stand on this question. I have heard two or three expressions, but the people, in the Maritime provinces want to find what the opposition is, and who they are.

Hon. Mr. DANDURAND: Who they are? The Maritime provinces are more interested in relief. The Senate can express here a wish by the adoption of this resolution or by an expression of opinion. We understand what are our limitations. The answer is as follows:

Since January 20th, the date the general Railway Act became applicable to the Canadian Government Railways, as provided by Section 14, Chap. 13, 1919 (an Act to incorporate the Canadian National Railway Company and respecting Canadian National Railways), the Intercolonial Railway has been under the jurisdiction of the Board of Railway Commissioners for rate-making purposes, and already an application affecting rates on Prince Edward Island has been made to the Board by J. J. Hughes, M.P., for King's, P.E.I.

This was an application for the establishment on Prince Edward Island of equal rates for equal distances on the mainland, and was heard by the Railway Board on Wednesday, the 25th of April. Representatives of the Canadian National Railways present intimated that new tariffs were in course of preparation, which would remove some of the objections complained of, and the matter stands until these tariffs have been filed and an opportunity afforded Island shippers to study them.

If Senator McDonald feels that there is unfair discrimination as to rates on the Intercolonial, the proper procedure would be to have the parties concerned make application to the Board of Railway Commissioners, when the matter would be heard promptly, and if the charge of alleged unfair discrimination is found to be sustained, the Board would apply the remedy.

This, of course, is an answer from the officials of the Railway Department, and a procedure is here indicated that would bring the matter before the Railway Board, which is specially constituted for the purpose of fixing railway rates—I say specially, not exclusively—and have a pronouncement from that Board. If the pronouncement is unsatisfactory to the Maritime provinces, there lies, as I said, an appeal to the Privy Council.

Hon. Mr. ROBERTSON: Having regard to the observations of the honourable member from De Salaberry (Hon. Mr. Béique), as well as those of the leader of the Government as to possible or at least apparent conflict of Parliament with the jurisdiction of the Board of Railway Commissioners, in case Parliament were to pass this motion, I am sure that no honourable gentleman desires to have Parliament even appear to interfere with the proper performance of the duties of the Board referred to. There is a little distinction between this case and that of the Crow's Nest Pass, for in the latter case the rates were originally fixed as a result of a statute passed.

Hon. Mr. CASGRAIN: A bargain with the C.P.R.

Hon. Mr. ROBERTSON: The rates were simply brought back into force by reason of a certain statute coming to an end, and not being renewed, and therefore it was a passive action of the Government, rather than a positive one that might be termed, and sometimes has been termed, governmental interference. But it does seem to me that this matter is of sufficient importance for the Board of Railway Commissioners to know the sentiment of this House, at least; and, while I would not care to move, because I am not a Maritime province man and not specially interested in the matter, I would suggest that if the honourable member from Shediac (Hon. Mr. McDonald) would amend his motion I think it would be perfectly proper for the House to concur, and let the matter be brought to the attention of the Board of Railway Commissioners so that they would, in all probability, review the expressions of opinion that have been given here, and thus be more fully seized of the importance of the matter than they might otherwise be. I would suggest that the honourable gentleman amend his motion to read as follows:

That in the opinion of this House the railway freight rates now effective on consignments from the Maritime provinces seriously handicap the industries of those provinces and should be substantially reduced, and that the Government should call this opinion to the attention of the Board of Railway Commissioners.

Hon. Mr. McDONALD: I am perfectly willing to follow the suggestion of the honourable member from Welland (Hon. Mr. Robertson). The reason I brought this matter before the House is that there is a very critical situation in the Maritime provinces. I am receiving letters and telegrams stating that factories are closing down, and there is not the slightest question that the freight rates are paralyzing the industries of the East. I find there is a great deal of discussion going on about redistribution—how many members there will be from Ontario and from Nova Scotia; but the important question in the Maritime provinces is not now many men we are to have. We might as well have 4 as 24 if we have no jurisdiction,—if we cannot come to the Commons or the Senate and get relief on rates. Representatives from the manufacturers in the East have come to the Railway Commission, and have got nothing. I went to a so-called expert, a pretty important man in this matter, and spoke about the differential or an arbitrary rate, such as the honourable gentleman from Welland emphasized—a through rate that was given us in 1876—and he said, "My dear man, freight rates are so evasive that what I know in the morning I forget at night." And this is one of the experts that we are supposed to take our final answer from. Now, if our factories are going to close down because that is the kind of intelligence we have to submit to, I say that unless this Senate considers my plea and takes action, I have no business here.

Hon. Mr. DANDURAND: Of course, I have recognized from the outset that any grievance can be ventilated in both branches of Parliament; but we have our limitations

when it comes to invading the jurisdiction of the tribunal which we have invested with some authority, and which we have created as an independent institution. Can we ask that the Government take action when, as a matter of fact, the Government will stand as a Court of Appeal if there is a case submitted to the Railway Board and rejected. It semes to me that my honourable friend could perhaps, like the member for one of the divisions of Prince Edward Island in the Commons, lay his case before the Railway Board and force them to take cognizance of it.

Hon. Mr. McDONALD: In the last amendment that was made to my motion, we state that, in the opinion of the Senate, the Government should lay the case before the Railway Commission.

Hon. Mr. CASGRAIN: The Senate can lay the case, not the Government.

Hon. Mr. ROBERTSON: An opinion expressed by this House obviously does not implicate either the Government or the House of Commons. Therefore I would suggest a modification of the motion.

The Hon. the SPEAKER: Do I understand that the honourable gentleman asks leave to further amend his motion?

Hon. Mr. McDONALD: Yes.

The Hon. the SPEAKER: The motion will read as follows:

That in the opinion of this House the railway freight rates now effective on consignments from the Maritime provinces seriously handicap the industries of the Maritime provinces, and should be substantially reduced, and that the Senate's opinion be brought to the attention of the Board of Railway Commission.

Hon. Mr. DANDURAND: I have considerable diffidence in going that length. This is undoubtedly a departure, and a precedent that we are creating by affirming our adhesion to a certain policy, and asking the Railway Board to act in consequence. I think that the honourable gentleman should be satisfied with the discussion which has taken place in this House, and the exposition and development of the situation in the Maritime provinces. We should be somewhat slow in going on record as advising the Railway Board. That is what bothers me.

Hon. Mr. ROBERTSON: Do we understand that my honourable friend objects to the consent of the House being given to the amendment of the motion?

Hon. Mr. DANDURAND: Well, I would like very much to show sympathy to the Maritime provinces, but at the same time I dislike to create such a precedent. We have said that the Railway Board which we created would act independently of political influences. We may recall any of those powers by an Act of Parliament; but we are not doing that; we are simply giving advice to the Railway Board.

Hon. Mr. McDONALD: Is that political influence—advice from the Senate?

Hon. Mr. CASGRAIN: Certainly.

Hon. Mr. McDONALD: The Railway Board is a tribunal. A case will be brought before that tribunal; the facts will be laid before it; argument will take place; and in the fullness of their independence that tribunal will render judgment. Now, we are dictating in advance to that Board the judgment it should render. In what position shall we be tomorrow if the Railway Board, after a full investigation, comes to the conclusion that it has no right or that it should not alter the situation? It will be a judgment which will set at naught our wish. What will be the recourse? An appeal to the Privy Council, or a Bill presented in this House to reach the end which will not have been met by a judgment of the Railway Commission. This is the situation. Have we a right, in advance of a case being submitted and pleaded, to give our opinion to the Railway Board? That is what hampers me considerably in acquiescing in the resolution.

Hon. Mr. ROBERTSON: I quite appreciate my honourable friend's difficulty, but is it not true that ever member of this Chamber has the undoubted right to bring before this Chamber any matter of public importance, especially to such a large proportion of the community as these three Maritime provinces form? The honourable member from Shediac has done that. With a good deal of force he has, by the recital of facts, presented a case that I think, has enlisted the sympathy of a great many honourable gentlemen in this Chamber, who I think agree that it is a matter well worth the closest investigation and inquiry on the part of the Board of Railway Commissioners. Now it is suggested that this House should formally express its opinion that such an inquiry would be proper for the Commission to make, without directing the Commission in any way, because we have no right, perhaps to do that. I would hesitate trying to urge upon my honourable friend that this House should take any action that might be considered as a dangerous precedent; but surely the Senate of Canada has a right to express an opinion on a matter of such grave public importance as this seems to be.

Hon. Mr. WATSON: What are we asked to express an opinion on? On the statement made here that the manufacturers of Amherst and the lower provinces are put out of business on account of the freight rates? Now, we do not know what those freight rates are. My honourable friend who made this motion undertook to compare them with those in the West; yet we have the statement made in another place in this building that the rates in the West are preventing the farmers from farming. I am sure that the freight rates had nothing to do with the car works moving from Amherst.

Hon. Mr. ROBERTSON: I think they had.

Hon. Mr. WATSON: You might say that about any business like it in any part of Canada.

Hon. Mr. ROBERTSON: For instance, if a car is built in Amherst for the Canadian Pacific Railway or the Grand Trunk Railway, before it became a part of the National, that car in all probability would have to be hauled empty from Amherst to Montreal to be delivered to the owner, at a cost of perhaps $50 to $75. If that car is manufactured now by the consolidated and enlarged car company in Montreal, and is turned out on the tracks of the purchaser, a very substantial saving is made in that as well as in the transportation of material; but, so far as the people of Amherst are concerned, it is fatal.

Hon. Mr. WATSON: But you would not suggest that those cars should be made in Amherst that can be made cheaper in Montreal?

Hon. Mr. ROBERTSON: I do not think it is good policy for any Government to attempt to concentrate the industrial activities of the country in any one centre.

Hon. Mr. CASGRAIN: Motions similar to this are constantly being made in the Senate for the purpose of enabling questions to be discussed; but as a rule the mover courteously withdraws his motion after it has been discussed. The honourable gentleman (Hon. Mr. McDonald) has had a very ample discussion of this matter, and I think the present leader of the House will agree with me that it has always been the custom, after having heard the discussion, to withdraw the motion; and I would ask the honourable gentleman to do so, because it is really embarrassing, and is the first time in 23 years that we have encountered such a case.

Hon. Mr. ROBERTSON.

Hon. Mr. BEIQUE: I think the honourable member from Welland (Hon. Mr. Robertson), who has occupied the position of a Minister of the Crown, will admit that when a tribunal is created for the purpose of making an investigation and obtaining all the details required and the views of experts, as the Railway Board has been, it is but proper to accept the suggestion of the leader of the Government and refer the question to the Railway Board. We have no knowledge that any application has yet been made to the Railway Board. The honourable gentleman from Shediac Hon. Mr. McDonald) has made his representations in favour of his province. He should be satisfied with that, and should follow the course laid down by the law governing the situation. A present court is created by Parliament to hear the complaint. Let him go to that court and exhaust its jurisdiction; then if he feels that the Railway Board has not rendered justice, he has recourse to the Governor in Council. If he is then of opinion that he has not obtained justice from the Governor in Council, he may ask Parliament to make a pronouncement. It seems to me that it would be indiscreet on the part of the Senate not only to create a precedent, but to form an opinion. If we are ready to form an opinion, we should be ready to dictate to the Railway Board the extent to which they should go. They would have the evidence and all the facts. We offer our sympathy to the honourable gentleman, but I for one feel that I am not at all qualified to go as far as he asks me, and therefore I hope that he will understand that the leader of the Government has indicated the course which should be followed, commencing by making an application to the Railway Board.

Hon. Mr. ROBERTSON: I quite appreciate the fact that the leader of the Government feels a somewhat serious responsibility in establishing a precedent which he thinks might commit this House to a line of action, or to expressing an opinion on something not properly before us. He is, I feel, confronted with the problem of either consenting to permit the honourable gentleman from Shediac to amend his motion in the manner suggested or to withhold that consent, which I know, from his usual courtesy, would be a matter of regret to him. Under these circumstances, and inasmuch as the matter has been very fully ventilated and very calmly and deliberately debated on two different occasions in this House, it may be that the honourable gentleman from Shediac will now feel that the matter will be brought to the attention of the Board of Railway Commissioners, and that

the purpose which he has tried to serve, and which I think he has very well served, has been fulfilled.

Hon. Mr. DANDURAND: I may add, honourable gentlemen, that I will make it my duty to lay officially before the Chairman of the Railway Board the debate which has taken place in this Chamber, and to ask him to kindly give his serious attention to the situation which has been disclosed to this House.

Hon. Mr. McDONALD: I appreciate the very kind and sympathetic way in which my plea has been received by the Senate. I was only pressing my motion as I know the needs of the Maritimes and that they want action right now. After the very graceful way in which the leader of the Government has promised to use his undoubted influence at once in this matter, I ask leave to withdraw my motion.

The motion was withdrawn.

GOVERNMENT STEAMSHIPS

INQUIRY

Hon. Mr. MURPHY: Before we adjourn, I would like to ask the leader of the Government whether he has brought down the information promised yesterday in regard to whether certain boats were in the hands of private individuals or in the hands of the Railway Department.

Hon. Mr. DANDURAND: I had hardly left this Chamber before I penned a letter to the Railway Department asking for the information which my honourable friend from Midland (Hon. Mr. Bennett) had requested. As soon as I get the answer, I will communicate it to the House.

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

THE SENATE

Wednesday, May 23, 1923.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill G5, an Act for the relief of Lillian Beryl Brayman.—Hon. Mr. Willoughby.

Bill H5, an Act for the relief of Roland Bergeron.—Hon. Mr. Ratz.

Bill 15, an Act for the relief of Florence Cohn.—Hon. Mr. Blain.

DISPOSAL OF CANADIAN SHIPS

ANSWER TO INQUIRY

Hon. Mr. DANDURAND: I was asked at the sitting on Friday last if the Government or the Railway Board had disposed, by lease or otherwise, of the Canadian ships on the Great Lakes. This was an informal question which arose in the course of a debate. The answer which I got was that no such lease had been made, or other disposal of the ships. The Canadian National Board could lease any of those steamers, or all of them, without any reference to the Government, but would not be apt to do this. The Railway Board, with the consent of the Government, has decided, to offer for sale 27 of the smaller ships of the fleet, which will include those on the Great Lakes.

FRENCH CONVENTION BILL

DEBATE ON MOTION FOR SECOND READING CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 23, an Act respecting a certain Convention of Commerce between His Majesty and the President of the French Republic.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentlemen, I do not propose to take up very much of the time of the Senate this afternoon on details, but I desire to lay before you, as plainly and briefly as possible, some impressions of the Bill which have not been brought out by my honourable friend who introduced the Bill yesterday. In fact, if I had not read the Bill myself, and had not listened to or read the debates upon it in another place, I am afraid that I would have had a very inadequate idea of the nature of the measure. I cannot, therefore, felicitate my honourable friend too greatly on the clarity and fulness of his exposé of the Bill before us.

Hon. Mr. DANDURAND: I took it for granted that most of the honourable gentlemen here knew about the treaty.

Right Hon. Sir GEORGE E. FOSTER: Still, it is wonderful what a lot of things we do not know, and how it sharpens us up to get a full and clear explanation from the leader of the Government in this House, such as he is so often able to give when he sets himself to it.

It is my purpose to call the attention of honourable members to two or three considerations prior to my remarks upon the Bill itself in particular. The first consideration is the course followed by our trade relations with France from the time that these exchanges of commodities began to take place. I think everybody in this Parliament, whether in the Senate or the House of Commons, has a sympathetic leaning towards the development of trade with France. That is natural to us, coming from the history of our country and the composition of its population, and the relations which have existed between the people of this country and those of France. From the inception of Confederation until 1896, properly speaking, that trade went on without any special or definite arrangements being made between Canada and France for tariff or trade privileges. In 1896 there came into force the first modest treaty which was made between Canada and France. That, if I remember rightly, was not a very large affair: the commodities treated of were few in number and limited in range. There were only 19 articles in all of Canada's products that were admitted under the special schedule at minimum tariff rates; then there was a clause which admitted wines, sparkling and non-sparkling, at a reduction of the ad valorem duty; and in addition to that soap and prunes and almonds and plums, and may be one or two other dried fruits, were admitted at a lowered duty. So, although it was an extension of the basis of trade, and indicated a desire to develop this exchange between the two countries, it was on a very modest plane indeed, and not too much could be expected from it.

That remained in force until 1910, when the 1907-8 convention came into effect. This was on a much extended basis. The number of articles which were admitted into France from Canada on the minimum tariff basis were some 152, and articles of French produce and of the colonies of France were given most favoured nation treatment in Canada. That condition remained until the story was taken up by my honourable friend yesterday, and until that treaty was denounced both by France and by ourselves, and was succeeded by the modus vivendi agreement which came into practical operation in February, 1921, and which has remained in force until this day.

Now I propose to give some figures with reference to the trade under these different conditions, commencing in 1868 with an import from France into Canada of $1,365,291, and exports to France of the modest figure of $96,672. We find that in 1895, the last full year of trading on that basis, our imports from France had grown to $2,585,174, and our exports to France had grown to the modest sum of $330,805. During that time, from 1868 to 1895, we imported from France in round numbers $44,000,000 worth of goods, and we exported to France in round figures $9,000,000 worth. That is, the total imports were an average of $1,600,000 and the total exports an average of one-third of a million dollars per year. In those 27 years the balance of trade was against Canada to the amount of $35,000,000.

Coming to the next period, which extended from 1896 to 1910, the figures which I will give in round numbers are as follow: In 1896 our imports amounted to $2,810,862, and in 1910 they amounted to $10,109,544. Our exports to France in 1896 were $573,835, and in 1910 they had crept up to $2,601,097. That is, in that period of 15 years we bought from France to the extent of $92,000,000, and we sold to France to the amount of $22,500,000, on sugar. There was a favourable balance in those years of $53,500,000.

Coming to the next period, commencing in 1911, our imports from France in that year were $11,563,677, and our exports $2,535,204. In 1912 our imports were $11,744,664, and our exports $2,048,768. In 1913 our imports were $15,375,874, and our exports $2,357,154. In 1914, our imports were $14,276,535, and our exports $3,632,444. In that period we bought from France $52,800,000 worth, and we sold to France $10,600,000, and the adverse balance for those four years was $42,200,000.

Looking at the matter in another light: from 1868 up to 1914, which takes in 27, 15, and 4 years, our imports from France had crept up from $1,365,291 to $14,276,535, and our exports from $96,672 to $3,632,444. On the whole, then, during that period of 46 years we imported from France $188,800,000 worth of goods, and we sold to France $42,000,000 worth of goods. The adverse balance against us was $146,800,000.

As showing the comparative purchases on the per capita basis, let me point out that in 1913 we bought from France at the rate of $1.58 par capita of our people, and France bought from us at the rate of 9 cents per capita for her population. The point I wish to make clear is that during that long period of 46 years in the pursuit of developing trade between Canada and France, that was the result and the development to which we had come.

The one inference that we can draw from that is that Canada proved a very good market for France, and that France proved a comparatively small and disappointing market for Canada. The object of treaty making, if I understand it at all, is this: to get markets for our surplus products. Some say it has another aim: it may be to get goods from other countries at a cheaper rate, and to bring them into consumption in our own country. It only requires a thought to show that Canada can get that without going abroad to negotiate treaties; all she has to do is to drop her tariff. If she wants goods from abroad at a cheaper rate, she can take off tariff duties and allow them in without. It is not a primary part, and consequently is not the basic defence of a treaty, that by getting the treaty you get goods into your market at a less price, and consequently benefit your own people. That is one thing we may bear in mind. The other thing we may bear in mind is that our negotiators in one sense never had a stronger argument in France than was at their hands when they went to Paris to arrange this treaty. The argument is largely from the figures which I have read—that to France this had proved a most eligible and most profitable market, because of the large amount of sales she made in the various exchanges that took place.

I have stopped at 1914. I have done that because we can say, and can only say, that up to that time trade was normal, more or less. After the war opened trade became abnormal; treaties amounted to very little here or there; and consequently I have dropped the figures from 1914, and have based the argument upon existing treaties and existing developments during those normal times.

Hon. Mr. DANDURAND: So did I, but there is an interesting element which my right honourable friend could emphasize—that the war has brought about this extraordinary situation, abnormal it is true, but we have re-established the balance by the extraordinary quantity of products that we sent over to France.

Right Hon. Sir GEORGE E. FOSTER: I wish to avail myself of that element; I was about to do it; but at the same time I caution my honourable friend, and caution myself and my friends in the Senate, that they are not to take an argument based upon deductions made from a war market, and that we are on safer ground when we keep ourselves to the normal time.

Hon. Mr. DANDURAND: I recognize that.

Right Hon. Sir GEORGE E. FOSTER: But, as my honourable friend said, there is an interesting development in the matter of trade, and whilst I am not going fully into the figures from 1914 to 1920, I am going to quote some figures from 1920. While we have not got down to normal, perhaps the worst abnormality has passed, and these figures show results that have been brought about by the war, and they are interesting.

Taking, then, the figures for 1920, 1921 and 1922, which are contained in the published reports, we imported from France in 1920 $10,630,865 worth of goods, and exported to France, $61,108,693 worth. In 1921 we imported $19,138,062, and exported $27,428,308. In 1922 we imported $13,482,705, and we exported $8,208,228. The abnormality is shown by the fact that in three years our exports to France fell from $61,000,000 down to $8,000,000. We are getting back nearer to normality. The figures of 1922-23 show a larger export to France than $8,000,000, but that was an abnormal year of a series of abnormal years, so far as France was concerned, owing, to a certain extent, to the failure of her crop, and the consequent exportation of a large amount of grain to France, and a large amount of sugar, upon neither of which is there any market advantage to any country as far as tariff is concerned, the minimum and general tariffs being exactly the same on grains and on sugar. That there was a favourable balance in those years of $53,500,000.

But there are other countries than France. The figures for Belgium are surprising. In 1920 we imported from her less than $1,000,000 worth, but we sold to her $28,500,000 worth. In 1921 we imported $4,700,000 and sold to her $40,250,000 worth. In 1922 we bought $3,800,000 worth and sold $12,300,000 worth. In those three years we imported $9,500,000, from Belgium and we exported to her a little over $81,000,000 worth of Canadian products. There was a favourable balance there in those three years of $71,625,144. The favourable balance for France in those three years was $53,500,000, or $18,000,000 less.

Coming to Italy, the figures are also a little astonishing. We imported from Italy in 1920 $999,000 worth and exported to her nearly $17,000,000 worth. In 1921 we imported from Italy $1,750,000 and exported to her $57,750,000. In 1922 we imported $1,387,000, and we exported $15,300,000. That is, in those three years we imported from Italy $4,000,000 worth and exported to Italy $90,000,000 worth. The favourable balance of trade in respect to Italy was therefore around $86,000,000.

Coming to Denmark, Norway and Sweden, I will give the total of the three years. We imported in 1920-21-23, $3,000,000 from those three countries, and we exported $30,750,000 to those countries. The favourable balance to Canada in those three years was $27,721,000.

Take Greece, which has latterly fallen into hard luck. In those three years we imported from Greece $2,500,000 worth of goods, and exported $55,600,000 worth, showing a favourable balance for Canada in those three years trade of $53,000,000.

Hon. Mr. FOWLER: Have we been paid for that?

Right Hon. Sir GEORGE E. FOSTER: Yes, that is all on a commercial basis. In connection with that it may be fair to say that our war loans that were made to Greece, Rumania, Belgium and France during those times, which have been sometimes very strongly criticized, have probably, and to my mind very certainly, been the seeds of this large growth of exports to those countries. Those people became acquainted with the products of Canada about which many of them had known nothing before, and they got acquainted with the resources of Canada for food purposes, and they have followed the trade ever since, to the great advantage of our country.

Take New Zealand—for we must not forget our own little sisters here and there. In those three years we imported from New Zealand $9,500,000 worth, and we exported to New Zealand $23,000,000, a favourable balance of trade of $13,500,000.

Coming to Switzerland there is a different picture. We imported from Switzerland in those three years $30,500,000 worth of goods, and we exported to Switzerland $3,250,000, showing an adverse balance of trade to Canada on that account of $27,250,000; but it is only fair to say, what was hinted at by my honourable friend yesterday, that Switzerland, being an encircled inland country, there is little doubt that she gets from Canada a good deal more than is shown by those figures. But there is no doubt, on the other hand, that the balance of trade with Switzerland is very largely against Canada.

Take Japan. In those three years we bought from Japan $49,800,000 worth of goods, and we sold to Japan $37,000,000 worth, an unfavourable balance of $12,800,000 as far as that country is concerned.

Now, to one who had not read over and studied those statistics, it is rather wonderful how the commerce of Canada, particularly in exports, has grown with reference to those countries with which we had scarcely any trade at all 20, 15 or 10 years ago. The moral that I draw from that is simply this, that, in discussing a treaty with France, we are apt to fix our minds upon our trade with that country and with that country alone, and perhaps we give undue prominence to what some seem to say is the absolute necessity of making a treaty with France, whether the terms are favourable or not. There is no such necessity.

In 1914 the total of our exports to France was about three-quarters of one per cent of out total exports of goods from Canada. Had we lost the whole of it, the loss would scarcely have been appreciable. In this year of grace 1922-23 our total exports will probably be about $950,000,000; so that our exports to France on the $12,000,000 basis will only give a little more than one or one and a quarter per cent of the total. It is therefore not an absolute necessity that we should go beyond what is reasonable and fair to make a treaty with France on the ground that it is of superlative importance for us to do so.

I am one who believes that the more strings we have to our bow the better. The more entrees we get into the trade of foreign countries for our exports and for the supplying of our own needs the better, because countries differ, and it is well to have your name and your work and your trade-making acquaintanceship with new countries from time to time, rather than to devote yourself entirely to the old countries with whom you have been trading. So that I hope honourable members will understand what I mean in giving these figures, and basing my remarks upon them—that though we want to secure as much of the trade of France as possible, and are trying to do so, it is not an essential to Canada; that it is a very small and trivial amount of our total trade; and that if France or any other power with that amount of trade is not reasonably fair to us, we are not called upon to make sacrifices and pay out our money and forego our duties in order that we may be saved from dire consequences. That modifies to a certain extent our view with reference to what some have expressed, I think a little too strongly—that we must have a treaty with France; that it is pretty nearly absolutely essential that we shall.

Hon. Mr. ROCHE: Have you taken into account, in the increase of the trade of Canada with those Mediterranean countries, that the breadstuffs and other articles usually received from Russia and the Danubian provinces have been supplied by Canada because

they could not be obtained from those countries, and that when those countries are open Canada will not have that increase of trade?

Right Hon. Sir GEORGE E. FOSTER: Yes, I remember two things with reference to that: first, that our agricultural capabilities are those that we chiefly wish to develop; and, following from that, that anywhere we can push our grains and flour and meat products, it is to our very great advantage to do so. I do not think we should be kept from trying to do that merely because some day or other a source of supply may spring up either in some of those countries to a larger degree than now, or they may come from some other country. The future with reference to the marketing of breadstuffs is one which may provoke a great deal of argument and speculation. Some go so far as to say that the world will some time starve to death if the population continues to increase in the present ratio, and that the time will come when there will not be bread enough for the mouths to eat. Others take the opposite view, and say that production will so increase that our agricultural and food-producing countries will by-and-bye find that their stocks are left on their hands. I do not think we need to borrow trouble from that source; these things adjust themselves pretty well; and I think we and several generations after us may live without being troubled with the fear that the world's population will not be sufficient to eat all that the world will produce, from year to year, and from generation to generation, for a long time to come.

Now I come to the matter of the negotiation of this treaty. I have said that our negotiators going to Paris had very strong arguments in their favour, and I was a little surprised to read a statement made in another place to the effect that when our negotiators arrived at Paris they found that changes had taken place, and that it was impossible to get as generous treatment for Canada as that of preceding times. I do not see why that should be so. It seems to me that the argument for a generous treaty on the part of France was a very strong one. Here we find that France has traded with Canada for 46 years and has sold Canada $188,000,000 worth of her products, and has bought from Canada only about $42,000,000 worth of Canadian products. That is a market which is not to be despised, and it passes my understanding if intelligent and wideawake French negotiators did not have an abiding sense of the utility and the profit of such a market as that. I doubt if there is any great country in the world which affords France a greater comparative output for her products, while at the same time calling upon her to buy so small a proportion of its products. So it might very well have been urged by our negotiators, under the treaties which existed: "Widen our trade, one to the other; your market has increased with us more than our market with you, by all this heavy percentage; you de not wish to lose that market". Nor do I believe that the Paris negotiators thought they would lose it, nor do I believe that they would not have been prepared to have given more for the retention of that market if it had been properly pressed before them. I know of no argument that is stronger than that. Would it not appeal to you, honourable members of the Senate—would it not appeal to every business man in Canada—that if there was a country where we could send $188,000,000 of our products and only have them pay in return for $42,000,000 or so, that is a market that we would want to keep, and that we would not wish to lose? That, therefore, was one of the strong arguments which our negotiators had at their hands. Whether they used it skilfully or not I am not saying but evidently it did not produce results.

But there was another argument which could be used.

Hon. Mr. BEIQUE: What of the exchange against France? Was not that argument urged by France as rendering very difficult importing from Canada?

Right Hon. Sir GEORGE E. FOSTER: We all have to meet exchange difficulties, but that should not prevent a fair exchange of products.

The second argument which was under the hands of our negotiators was that France gives to the United States, and has given to the United States, very great advantages, in many respects over ourselves, and I know of no special return that the United States has given for that treatment of her products on the part of France. I know that the United States, with her vast population and mighty production, and all that prestige which belongs to a great industrial and naturally productive power, has an opportunity of making her influence felt in treaty and trade arrangements without having recourse to most favoured nation treatment and bargains along that line. At the same time, as between Canada and the United States, it is an argument which would appeal to the French negotiators, that they should treat us as well and as generously as they did before, when they established a large market in our country for the small

amounts they bought from us. But that has not been done. Other arguments might be used by our negotiators, and very strong ones. Whether they were used or not I am not saying; but evidently, from the treaty, they have not been very effective.

Now, with these remarks I want to say one word with reference to the agreement of 1921, to which very scant and somewhat slighting reference has been made in another House, and to which a little less scanty reference has been made by my honourable friend who sits opposite to me. One speaker in the other House, one of the negotiators of the treaty, said with reference to the treaty of 1921 that everybody knows that it was worse than that of 1908; and the impression given was that we got very little under that agreement and that the sooner we got rid of it the better. I think it is due to myself to ask the attention of this honourable House for a moment to that. The treaty of 1907-8, Schedule A, had 152 articles on the minimum basis. I brought back, in the agreement of 1921, 138 of those 152, and they are embodied in that agreement. But in that agreement we got 23 other products not in Schedule A of the 1907 treaty on the minimum list and in addition to the 138; and we got 8 others on a percentage basis. Fourteen of the 152 articles under the 1907 Schedule A left Schedule A, as far as the minimum basis was concerned, and were embodied in Article I, where they had a percentage of reduction rate. Not a single one of those articles was an agricultural product: all of them were products of our manufacturers. So that the simple fact is that that agreement embodied 161 articles on the minimum basis, as compared with 152 in the 1907 Schedule, and in addition all those others that I have mentioned. But the treaty of 1921 did something else. Under that arrangement France went back to the intermediate tariff, and we got rid of allowing to Switzerland and Japan and the other most favoured nations any reduction of duties on the goods which were embodied in the 1907-8 Schedule.

The Finance Minister says to-day that the treaty which he brings before Parliament will probably cause a loss of $850,000 to the revenues of this country. It is safe to say that that is a minimum estimate, and that anywhere from $850,000 to $1,000,000 will be the loss of revenue owing to this treaty when it shall have gone into operation. You may make an estimate from that of what was saved to the revenues of the country by France being taken from under the special duties in the 1907-8 treaty, and put back under the Intermediate tariff. That is simply by the way.

I wish now to draw the attention of honourable gentlemen to the treaty itself. First, what has been gained for Canada? What has Canada got? Take Article I, which reads:

> The natural and manufactured products originating in and coming from Canada enumerated in Schedule A to this Convention shall enjoy when imported into France, the French Colonies, Possessions and Protectorates having the same customs tariff as France the benefit of the minimum tariff and of the lowest rates of duties as regards present import duties and taxes and as regards any such duties or taxes which France may hereafter establish and also as regards surtaxes, coefficients or other temporary increases that France may establish.

That is to say, not all the products of Canada enjoy that privilege, but only those that are mentioned in Schedule A, which are 141 in number. 141 of the products of Canada get the privilege of Article I, namely, the benefits of the minimum tariff; and we get most favoured nation treatment in regard to those articles if any better treatment is given to any other country.

When you go to the Article by which France gets an entry into Canada, you find that it covers not a schedule of 141 articles, but all the products of France and of all her colonies. It is not a fraction of her products, but all of them that get most favoured nation treatment on their entry into Canada. Now, bear that in mind, and then bear another thing in mind: you have to read Article II in connection with Article I. With regard to those 141 articles in Article I admitted to France on most favoured nation treatment there is a most important paragraph which sheers off almost all the benefits that otherwise we would get. What is that Article? Article II makes certain exceptions. It says:

> The grant of the minimum tariff for the products enumerated in Schedule A means the treatment of the Most Favoured Nation as respects such products, but does not entitle Canada to claim the benefit of any preferential advantage which France may grant to her Protectorates—

No one finds any fault with that. We give special privileges and preferential privileges to the sisterhood of the different components of Great Britain.

> —or the benefit of any tariff resulting from economic agreements which France may enter into with border states, or the benefits of any tariff which France may grant for products the importation of which is designed to facilitate financial settlements with those countries that were at war with France during the years 1914-1918.

That is an article that never appeared in previous treaties; and the strange thing about it is that when it was brought before the other Chamber the Minister of Finance, who had the Bill in charge, said: "That is a

clause that is common to all treaties; it was in the former treaty. It only means that there is a little border of territory between the two countries where they ease up on certain arrangements." That is what he stated in the House, and that is what he thought this clause meant. That is where he showed no adequate knowledge of the breadth and the efficacy of that clause, because that was not it at all. In the other treaties there was always an arrangement for a little border strip of 15 kilometers which did not affect the duty at all; it was simply for transhipment and warehousing privileges, but made no difference in the duties in any respect whatever. Our two negotiators thought that that was all they had given in this Article II; but when it was put to them, the Finance Minister in the end had to say: "Yes, I was wrong about that. It goes farther than I had thought. But it is no matter: I am quite certain France will never take advantage of it." Did you ever hear any negotiator of a treaty use an argument like that?

What is a treaty for? To bind a people by the terms and conditions of the treaty, and by nothing else. What does that provision mean? It means that with regard to the border states—Belgium, Germany, Switzerland, Italy, and Spain—France may give any further advantages and preferences that she chooses, and that Canada will not participate in or enjoy those advantages. And yet the Finance Minister says: "It is a matter of no consequence; I am sure France hasn't it in her heart to do it; and, if she does, it won't hurt us, because they don't compete with us." Where is your competitor more keen and efficient than Belgium, in a large class of articles which have been placed in these schedules, from which Canada is supposed to benefit in the market of France? Take everyone of the countries I have mentioned, and in one particular or another they are and will be keen competitors with us in the French market. No: France under this treaty, if it passes, will be able to give whatever preference she pleases to these five border states, on goods which compete with our own; and we ourselves get nothing of that advantage. Does that look fair or right?

But that is not all of it. There is the other part of the clause:

—may grant for products the importation of which is designed to facilitate financial settlements with those countries that were at war with France during the years 1914-1918.

Germany, Austria, Hungary, Turkey, Russia, Bulgaria, were all at war with France during those years. France has claims against all of them; in making adjustments and financial arrangements France is at perfect liberty to give to those six countries any preference she chooses, and we get none of the advantages. Is this a most favoured nation treaty arrangement that we have? I just put it to the common sense and the business view of the members of the Senate and the people of this country.

Now let us go to Article III. Having culled out 141 articles that Canada would like to send to France, they make up another schedule which is called Schedule B. 82 of the articles which under the old treaty enjoyed the benefits of the minimum tariff are deprived of that benefit, and are now put in Schedule B, where they get what? A percentage on the difference between the maximum and the minimum tariff. It has been said by someone that the French administrators have of late years followed a different method of putting on their duties. So they have. Now, what does this percentage mean? It means in the case of all the articles mentioned in Schedule B that the Canadian producer will look at the tariff and will say: "On a certain article I will have fifty per cent on the difference between the maximum and minimum tariffs of France. I will look up the maximum and subtract from it the minimum, and if I take 50 per cent of the difference, that will show the duty that I will have to pay." And that percentage is constant, and does not vary. But there is something else that does vary. That duty is so much per cent of the difference between the maximum and the minimum, and France any day in the year may change her maximum and her minimum, one or both, on all those articles. If she lessens the difference between the maximum and the minimum, the percentage that you get dwindles; and when the minimum becomes the maximum you get nothing at all. And our negotiators never thought it worth while to guard themselves and Canada by saying: "You give us a percentage upon the difference; give us also an undertaking that the same difference between maximum and minimum will remain whilst this treaty lasts, or that if you change one you will change the other so as to keep the difference the same." France has an absolutely free hand, and can make a change in everyone of those articles with regard to the minimum or the maximum, or both. Consequently the Canadian merchant never knows where he would be. France has a different system from ours. It was alluded to by

my honourable friend yesterday. She is given, as an administration, wonderful power by the chambers, and she has a complex system of co-efficients. I never could quite fathom how they act; but she can attach co-efficients to a duty, and change it in a night by an Order in Council, or by a decree of the Department. So she can change her maximum and her minimum, and we are not protected in that way at all.

Go to the reverse. When our negotiators under another section of the treaty said that French products in such and such a schedule shall come into Canada at a cetrain rate plus a discount of a per centum for the sum of the duty paid, France imposed the condition, and it is in the treaty, that if any changes were made between the intermediate and the general rates in the Canadian tariff, the proportionate difference between the two should be maintained, so that she should always have a specific and fixed duty. Why was it that our negotiators tied themselves and the Dominion Government, on a matter of tariff legislation, hand and foot, and never sought to tie the French negotiators with reference to the articles I have just spoken of? That does not seem to be a fair way of dealing.

Now, not to make the matter too long, in Schedule D France gets entry for 31 very important articles at specific or ad valorem duties plus the most favoured nation treatment, while in Schedule B Canada gets no most favoured nation treatment. There is a proviso that if the United States, with reference to any one of those articles in Schedule B, gets better treatment than is offered under the present tariff, Canada shall get the same. But there is a wide difference between the most favoured nation clause, which takes in all nations, and the bilateral agreement which takes in only one nation.

Then there is another peculiar thing that is vaunted in the other House as being a claim for this treaty—that the United States gets certain treatment under the decree of March, 1921, and that, so long as the duties are in that way towards the United States on that list of goods over and above those in Schedules A and B, Canada shall get equal treatment; but that when for any reason the United States' claim to these duties lapses, Canada then will get 25 per cent on the difference between the existing maximum and minimum duties. There is no guard that the same difference shall be kept between the maximum and the minimum so that that fades and vanishes away, changes and alternates, according as these maximum or minimum rates are changed—and they may be changed now and then, and on and off. In those respects it does seem to me that our negotiators were scarcely as wise and sagacious and careful of the interests of Canada as they should have been. It seems to me that the price they paid is a good one, as seen by Schedule E, Schedule D, Schedule F, and Schedule C. Take them, and you will find the most important products from France admitted under fixed duties, plus a discount of 10 per cent and 15 per cent; and you find those absolutely fixed: we cannot vary them. We can demand that the treaty shall be cancelled, but that is not a nice thing to use as a remedy.

Another thing: why was it that a treaty which cost so much effort and which is going to cost Canada so much in actual revenue, which has to be made up by the people in other ways—how is it that it was only given a duration of six months? Is it possible for any manufacturer or any producer to employ capital, make his equipments, set his cap for the trade with France, and only have six-months' certainty of the prevailing treaty, and not a single month's security or certainty as to the percentage of duty that he will get? It seems to me that the time is quite too short, and that if the negotiators had any faith in the treaty, and had any abiding conviction that it would be an advantageous thing, they should have given our producers some opportunity of setting themselves to capture and develop and open out the trade along these lines.

Hon. Mr. FOWLER: Is the treaty only for 6 months?

Right Hon. Sir GEORGE E. FOSTER: Only for 6 months. France can denounce it, or Canada can denounce it, on a 6 months' notice. It simply goes for that time.

Now, I have not attempted to make a thorough analysis of the treaty. That can be done when we come to the items, if it is thought wise to do it. The treaty has been framed, it has been signed, and on this last I think I might congratulate the negotiators. I looked in perfect astonishment at the signatures to that treaty, and, lo and behold, I found that a representative of the British Government had actually been allowed to attach his signature to that treaty and to the Italian treaty. Now, I can imagine a brief conversation between the little gray man and the large man from Quebec; the large man saying: "Isn't this a Canadian business? I don't want to play with the British Ambassador in this yard; I don't want to put my name alongside of his; I don't think it is becoming in Canada to do it." And the little

gray man saying to the other: "Tut, tut, man, that is silly; you ought to be mighty proud to sit alongside and to sign alongside of a representative of the greatest Empire in the world." Thanks for the little gray man; we have not committed the foolishness at Paris that I am afraid has been committed at Washington.

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

THE MOST FAVOURED NATION CLAUSE

ORDER DISCHARGED

On the Order:

Resuming the adjourned Debate on the Motion of the Honourable Mr. Beaubien—

That he will call the attention of the Senate to the Nations enjoying the benefit of the most favoured Nation clause, without any adequate compensation for Canada, and will ask the Government whether it intends to obtain the denunciation of the treaties granting such unilateral advantages.—(The Rt. Hon. Sir George Foster.)

Right Hon. Sir GEORGE E. FOSTER: I have made some little allusion to this in the remarks I made yesterday, and I have no desire further to carry on the debate. It might disappear from the Order Paper, unless somebody wants to follow it up.

The order was discharged.

COMBINES INVESTIGATION BILL

CONSIDERED IN COMMITTEE—PROGRESS REPORTED

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 54, an Act to provide for the investigation of Combines, Monopolies, Trusts and Mergers.

Hon. Mr. Blain in the Chair.

Section 1 was agreed to.

On section 2—definitions; "combine":

Hon. Mr. ROCHE: How far would that extend—the definition of a combine? How far down does it go? What is a combine? How would it be construed?

Hon. Sir JAMES LOUGHEED: Read section 2, paragraph a.

Sections 2 and 3 were agreed to.

On section 4—registrar; duties of registrar:

Hon. Mr. FOWLER: Is it not the intention to change this section in regard to the registrar—as to the personnel, how he is to be appointed, and what qualifications he shall have? Is it going to be possible that the Committee will leave it to the Government to name any person, no matter what his qualifications may be? When you are appointing a judge there are certain qualifications laid down: he should be a barrister of so many years standing; but here you are appointing a man with ten times the authority of a judge, and yet no qualifications whatever have been named for him. It does seem to me that this House would be very lax in not attaching some necessary qualification. In speaking on this matter yesterday, I pointed out that it was rumoured that a certain politician of unsavoury reputation was hanging around the corridors and the purlieus of this House with the expectation of being appointed to that office; and I say this, that if that man is appointed, it will have a very bad odor throughout the country.

Hon. Mr. DANDURAND: Of course my honourable friend said that yesterday; but he left the Chamber before having the answer. My honourable friend had retired at that moment.

Hon. Mr. FOWLER: I will say this much, that very few members of this House are more regular in their attendance.

Hon. Mr. DANDURAND: I am not disputing that; I said my honourable friend had made that remark last evening, and I had the privilege of answering him, but he was not in his seat.

Hon. Mr. FOWLER: Would it be too much trouble for my honourable friend the leader to give a brief résumé of what he said in answer, for I am anxious to have that, in the interests of the country. We have not got the Hansard, so I could not see it.

Hon. Mr. DANDURAND: Yes, I think I have the Hansard.

Hon. Mr. MURPHY: Just the first part of it.

Hon. Mr. DANDURAND: I do not know that I will repeat textually what I said last evening, but I may state now that it is my opinion, and it will be quite readily understood in this Chamber, that a barrister of some standing should be given the preference for that position. I am not sure, however, that some other view may not be entertained upon the value of some person having some other calling. I have noticed that in the other Chamber there is a representative from British Columbia who is not a barrister—I think he styles himself an accountant—who seems to have the qualities that would fit him perfectly for that position judging from my reading of his speeches. I do not name him, but he is one of the bright members of the House of Commons, and I think I would

trust him to deal with these matters if they came before him as registrar. But I am not ready to say.

Hon. Mr. FOWLER: Is he likely to be appointed?

Hon. Mr. DANDURAND: I may state my view, that my preference for a barrister may disappear if some name is pressed forward of a person having the qualifications, but who might not have the advantage of belonging to the Bar; so that I am not speaking for the Government. Knowing how easily a member of the Bar could adapt himself to very many conditions, with the advantage of a knowledge of the law, my own preference would be, as I say, for a barrister; but last evening I stated that this is one of the very important positions that the Government may have within its gift, and that the Government would like to be judged by the reputation and standing of the person who will be favoured. I do not know what my honourable friend has in view when he speaks of some aspirant for the office. My honourable friend asks, will we leave to the Government the appointment of such a responsible official? The Government appoints Lieutenant Governors, representatives of His Majesty the King.

Hon. Mr. FOWLER: I said, leave it to the Government with that restriction.

Hon. Mr. DANDURAND: They appoint judges; and I think we must trust the body of men who for the time being have the support of public opinion, and of the majority in the other House, to do the right thing. Interest is the measure of men's actions. Is it not in the interest of the Government to select the best men for positions in order that it may meet with the general approbation of the public?

Hon. Mr. FOWLER: When you quote that, you leave out the human equation. Governments, otherwise, would not make mistakes at all; they would always select the best men and do the right thing; but they occasionally select a poor man—not poor in this world's wealth, but poor in attainments. They occasionally follow the wrong course, because they are not perfect. As I say, you must remember the human equation.

Take, for instance, the appointment of judges. A man must be a certain time at the Bar before he is eligible. You surround the thing with safeguards. Here you are giving the man a very important position, a position in which he can do a great deal of harm if he is the wrong man. He can disrupt business throughout the country, which is a very important thing to consider, in these parlous times at any rate, that business shall not be improperly disturbed or interrupted.

I made the remark the other day that my honourable friend the leader of the Government, for whom I entertain the most kindly feelings and the greatest respect, was a master of camouflage; and his answer to-day with regard to my objection proves it, because he made quite a lengthy speech and said absolutely nothing to the point.

Hon. Mr. WATSON: He answered you.

Hon. Mr. FOWLER: No, he did not answer the question at all. I asked what safeguards were to be placed around the appointment of this man, and he said if I had only been here last night for the whole evening, I would be informed of that. I have heard what he said to-day, and it leaves the matter absolutely as it was before. He said it as if he were imparting a tremendous amount of information to us; his words carried conviction, but they did not back up the conviction.

Hon. Mr. DANDURAND: What is the suggestion of my honourable friend?

Hon. Mr. BEIQUE: Is the honourable gentleman prepared to make a suggestion as to the qualifications the nominee should possess?

Hon. Mr. FOWLER: Yes, I am—that he should have the same qualifications as a judge of the Supreme Court or High Court.

Hon. Sir JAMES LOUGHEED: I was not present last evening when my honourable friend apparently informed the House, in answer to the inquiry made by the honourable gentleman from Sussex (Hon. Mr. Fowler), and I had not the opportunity of being assured in regard to the qualifications of this registrar. When my honourable friend rose to his feet this afternoon and pointed out that during the absence of the honourable gentleman from Sussex, as well as during my own absence, he had answered that question, I was prepared, when he was to repeat himself, to be assured that we were to have an ex-judge or some gentleman with qualifications that would be equivalent to those of a judicial officer. But my honourable friend has answered nothing to-day, and if his explanation last night was on an equality with the answers he has made to-day the House is as ignorant of the required qualifications as it was last night.

In casting my eye over this Bill, I cannot see any reason why the Government should hesitate to say that the man should be pos-

sessed of the first judicial qualifications—that for this office he should be a barrister of ten years' standing. If reference is made to sections 16 and 17 it will be observed that the judicial functions to be exercised by the registrar are quite as important, more important, probably, than those exercised by any judge. I cannot conceive of a judge of the Supreme Court of Canada exercising more important functions than those enumerated in sections 16 and 17.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to subsection 2 of section 4, which is an indication of what may be done. It will give an idea of the trend of thought of the Minister who presented this Bill.

Hon. Sir JAMES LOUGHEED: My honourable friend is surely not serious in asking us to accept the state of mind of a Minister of the Crown, particularly when political influence is brought to bear upon him.

Hon. Mr. DANDURAND: I make that remark at this moment, because my honourable friend speaks of a judge on the Bench being given the preference. I see in this Bill an indication of some other intention.

Hon. Sir JAMES LOUGHEED: I do not apprehend that it will be a judge, inasmuch as judges already occupy positions or offices which will not permit of their exercising the functions detailed in this Bill. But it is a court made up of commissioners.

Hon. Mr. DANDURAND: I think my honourable friend is in error. Will he look at clause 4: "duties of registrar."

Hon. Sir JAMES LOUGHEED: That may be; but as we advance through the Bill it will be found that "the registrar and every commissioner may order—" and so on.

Any person summoned before the registrar or a commissioner shall be competent and may be compelled to give evidence as a witness.

Every person who is summoned and duly attends as a witness shall be entitled to an allowance for attendance.

Then, section 17:

The registrar and every commissioner may accept or require evidence upon affidavit or written affirmation, in every case in which it seems to him proper to do so.

The registrar and every commissioner and all persons authorized to administer oaths to be used in any of the Superior Courts of any province may administer oaths—

And so on.

Hon. Mr. FOWLER: The registrar is the whole thing.

Hon. Sir JAMES LOUGHEED: In fact, all the machinery of this Bill is the machinery that would be imported into any Bill for the establishment of a court, and I see no distinction between this tribunal and any judicial tribunal. The one is vested with just the same powers as the other; and when we consider the extraordinary powers thus given to the registrar and the commissioners, by which they subpœna witnesses and hear evidence and adjudicate upon matters that may involve millions of dollars, and when we take into consideration the fact that the Bill is aimed at the suppression of combines, which means that enormous masses of capital will be involved, to think, say, that the presiding officer of this important tribunal, associated with commissioners on either side, shall not be qualified by having an ordinary knowledge of law as administered by a judicial functionary, is trifling with public business.

As I intimated yesterday, I do not see my way clear to move an amendment to this Bill, because of the state of mind of the Government touching its administration, or, in the first place, in placing it on the Statute Book. I have very grave doubts as to the sincerity of the Government in desiring this to become part and parcel of the statute law of the Dominion; but the responsibility is the Government's. I think we discharge our duty when we point out where the Bill is wanting; and it certainly is wanting in this particular respect.

As we proceed, I should like my honourable friend to direct attention to the particular principle wherein this Bill departs from the statute of 1919, which became the subject of a judicial decision of the Privy Council in the case of the Attorney General of Canada against the Attorney General of Alberta. I have been looking through the Bill, and I am more or less acquainted with the Act of 1919; but I fail to see any distinction between the two. At the same time, we have a judgment of the Privy Council which held that that Act was ultra vires of the Federal Parliament, and I trust my honourable friend will give us some explanation as to wherein the one differs from the other, and in what way he expects the administration of this measure to be any more successful than the administration of the one placed in the statutes of 1919, which was administered by the Board of Commerce.

Hon. Mr. REID: I agree with what has been said with regard to the appointment of the registrar being really the most important part of the Bill. I rise to make a suggestion which perhaps would save a great deal of expense in the administration of the Bill.

There may be very few cases coming before the registrar, and if you appoint a registrar for this particular purpose, he will require a staff and so on, which will cost the country a great deal of money. Parliament has appointed a man at a salary of $12,000 per annum, giving him the standing of a judge of the Supreme Court of Canada, who, in my opinion, has very little to do between one election and another; I refer to Mr. Biggar. Mr. Biggar is a barrister of high standing. Why could not the administration of this legislation be put in his hands at no expense whatever? He is a man in whom this country would have confidence, and I merely make this suggestion because such an appointment would meet with my own views, and would effect an economy in the administration of the Bill.

Hon. Mr. DANDURAND: I have not had occasion to discuss this matter with the Prime Minister, who fathered the Bill in the other House. I find, however, in subsection 2 of clause 4 an indication of the possibility of such a thing being done as my honourable friend has suggested. This subsection says:

> The office of registrar may be held either separately or in conjunction with any other office in the public service, and in the latter case the registrar may, if the Governor in Council thinks fit, be appointed not by name, but by reference to such other office, whereupon the person who, for the time being, holds such office or performs its duties, shall by virtue thereof be the registrar.

I have heard some criticism of this Bill this afternoon, and have listened to suggestions as to the qualifications required by the registrar. I take it for granted that similar thoughts would occur to the Minister having to make the choice of the registrar. Already, as I have stated, there is an indication that the office may be filled by one who is an official in the public service.

Hon. Sir JAMES LOUGHEED: But could my honourable friend say why there is so much mystery about it?

Hon. Mr. DANDURAND: That is the most extraordinary thing I have heard yet. Here we are passing an enabling Act—

Hon. Sir JAMES LOUGHEED: No, it is not an enabling Act.

Hon. Mr. DANDURAND: —and I am asked if the Government has already deliberated upon the official who will be appointed under the Act. My honourable friend has been in power long enough to know that the first thing is to see whether Parliament is agreeable to the legislation; then it will be for the Executive to organize the machinery for undertaking the administration of the measure. I do not yet know in what form this Bill will leave this Chamber. It would be far more in order, if my honourable friend is dissatisfied with the safeguards that surround the appointment of the registrar, if he would propose an amendment which we could discuss, and which would be there not for tomorrow but for all time.

Hon. Mr. FOWLER: I think I would say that no matter whether he were in the service or not he should be a barrister of at least 10 years' standing.

Subsection 2 of section 4, to which my honourable friend has referred as showing the intention of the Government to appoint one already in the service, does not show any such intention. It says the office may be held separately or in conjunction with any other office in the public service. The intention of the Government may be either the one thing or the other; so they may not have any particular intention at all. I was only speaking from rumour, which sometimes contains a very strong element of truth, when I said that there was danger of a certain obnoxious politician being appointed to this office, and that I thought he would be a dangerous man there because of his well-known characteristics.

Hon. Mr. WATSON: The obnoxious part has disappeared.

Hon. Mr. FOWLER: Age has improved him, as wine is improved with age. Like cheese, I think, he has grown worse, and smells to Heaven.

However, I am not going to insist. I am pointing out that these are things which ought to be done in the interests of good government and economy. We have a tremendous number of officials in this country to do the work that is laid before them. What does this mean? We will appoint a man who is holding a very prominent position. He must have a very big salary, because in these days in order to keep up—what shall I say?

Some Hon. SENATORS: Keep up with the Joneses.

Hon. Mr. FOWLER: Yes, in order to keep up with the Joneses, he must have a salary of not less than $10,000 a year. Then he has got to have a private secretary, because it is utterly impossible for a man to hold a position of any kind without having a private secretary. It would be infra dig; it would be lowering to the dignity of his position if he had not a private secretary at least. Then he must have an assistant

chief, and so on down the line, until you find him surrounding himself with 25 or 30 officials, all with big salaries, because he could not justify his own salary, unless his assistant was in receipt of half that amount.

Then take other things. There must be a first-class motor car at his disposal, at $4000 or $5000 a year, with a chauffeur in uniform—that is the livery of the country—in order that his wife and family may have the advantage of the salubrious air round about Ottawa, and of driving up the Gatineau and all these other beautiful places. That example is set him by those in the seats of the mighty, as well as by those who recently vacated those seats, and who were no less offenders in that respect—I do not wish to make fish of one and fowl of the other. You will find that this office, instead of costing $10,000 a year, will, when it gets fairly under way and meddling with everybody's business, will be costing $100,000 a year. Well, can we afford it?

Hon. Mr. BEIQUE: Will the honourable gentleman allow me to suggest that he might submit the amendment which he has in mind, and the Government may possibly accept it.

Hon. Mr. FOWLER: Does the honourable gentleman make that suggestion in order that I may shorten my remarks? Is that his desire? If I am offending him, and stepping on his corns, I would not do so for the world, because he is a venerable old gentleman, and one for whom I entertain great respect.

Hon. Mr. WATSON: He has no intention of doing that.

Hon. Mr. FOWLER: That is the only reason I can understand for his wanting me to shorten it. I say these things because they should be said. We are in danger of extravagance, and the Government is setting an example of extravagance. The Governments of the past have set such an example, and this one is following them. I want to say that to-day, when we have to pay direct taxation to the Federal Government, it is a matter of some importance, because we are going to add to our already too large Civil Service by creating another high-salaried office. Now, I do not propose to move any amendment: I am just throwing out the suggestion, and if it is considered a good one, and in the interests of good government, it can be accepted and an amendment can be adopted. I have made my protest, and so far as I am concerned I have fulfilled my duty.

Hon. Mr. TAYLOR: I would draw attention to another paragraph which further illuminates this subject. True, we have not reached the section yet, but it has a bearing on the matter which the honourable gentleman from Sussex (Hon. Mr. Fowler) has been discussing. If you look at section 31 you will find a provision—

> That notwithstanding anything in the said Acts or amendments thereto, the Governor in Council may appoint any British subject to be Registrar under this Act.

And further:

> May appoint any British subject to be a Commissioner thereunder.

And a few paragraphs further down it refers to "a commissioner or commissioners." So that the one expensive motor car to which the honourable gentleman from Sussex refers will be entirely inadequate, as there are to be at least three officers of the rank entitled to call for motor cars here.

Hon. Mr. FOWLER: And the chief, in addition, will have a private car on the railroad.

Hon. Mr. TAYLOR: It certainly seems to me to be significant that a special provision should be made here to appoint any British subject—making that the only qualification for an office of this kind.

Hon. Mr. ROCHE: The honourable gentleman from Sussex (Hon. Mr. Fowler) has intimated that if a barrister were appointed he would require assistance, and have all the paraphernalia of officers and an establishment. As a layman I would respectfully ask why a lawyer or a judge should be appointed to decide in matters of trade about which he knows nothing, because his profession has not qualified him to enter into the minute matters or the combinations of trade, and he has no experience in the ramifications of trade. A man of that kind appointed to be a judge in cases involving the minutiae of trade would be entirely astray. If a person should be selected for that purpose, he should have a knowledge of all the combinations and minutiae of trade, and not be a barrister, and not a judge, and not a lawyer.

Hon. Mr. PARDEE: I am going to take issue with my honourable friend from Sussex on the very same point. I cannot fall in with the idea that every time some sort of investigation is to be made, along the lines of trade, a barrister or a judge should be the one to be appointed. I am rather inclined to think the man to be appointed should be one who has been brought up in trade and dealing and who would have a far larger grasp than the ordinary lawyer or judge would have of matters arising under this Bill. As far as judges are concerned, my opinion is that the

more they keep away from this sort of thing the better it is for the Bench. I do not think it is well for a judge to do anything outside of what he is appointed for. I have very strong objection to judges serving on Commissions, and I do not think a barrister of 10 years standing is any better, or as good, to look after a business proposition as a layman who has been trained along those lines.

I wanted to ask the leader of the Government one or two things regarding this Bill. I sincerely hope that the costly establishment that my honourable friend from Sussex has built up will not materialize. I can hardly imagine that it would, under the thrifty Liberal Government that we have. I cannot bring myself to believe that such a thing could happen.

Hon. Mr. FOWLER: You are joking now.

Hon. Mr. PARDEE: No. But, subsection 3 of section 4 refers to the duties of the registrar, and then says:

(e) To make reports from time to time to the Minister;

(f) to conduct such correspondence with Commissioners as may be necessary, and to receive and file all reports and recommendations of Commissioners.

Then section 10, read in conjunction with that, says:

10. The Governor in Council may from time to time appoint one or more persons to be Commissioners under this Act. Every Commissioner shall have authority to investigate the business, or any part thereof, of any person who is or is believed to be a member of any combine.

Of course, there is this provision, under section 5:

Any six persons, British subjects, resident in Canada, of the full age of twenty-one years, who are of the opinion that a combine exists, or is being formed, may apply in writing to the Registrar for an investigation, etc.

Those people, I take it, make complaint to the Registrar. The registrar then, it says, shall communicate with the Commissioners, and the Commissioners, under section 10, shall have authority to enter and examine, etc.

Is it the idea of the Government to appoint a Registrar, and is it their idea also to appoint permanent Commissioners who shall be there at all times to receive from the Registrar any such reports as may come in on complaint of those six persons? In other words, is it the idea under this Act to set up a Registrar with an office? It says, "one or more Commissioners." How many should there be? Is it the idea to create under this Act a Registrar with a court of Commissioners who at all times shall be ready, on the complaint of any six persons, to investigate the business, and to enter and examine the premises, books, papers and records, etc.?

It would appear to me that it is not particularly necessary that there should be any great number of Commissioners. It would strike me that a Registrar and one Commissioner, if he is to be a permanent official, would be all that would be necessary under this Act, if that is the mind of the Government creating it. To appoint two or three Commissioners would in my opinion lead practically to an established court. Such a court, with a Registrar and Commissioners, would simply mean that it is there to do business, and although I know there were no prosecutions under the old Act, yet with a court always ready to sit, would it not lead to some six persons banding themselves together and making these complaints? In that case, no doubt there would be a very serious upsetting of business. I would like to hear from the leader of the Government whether or not the idea is to establish what I might term a permanent court in order to go on with this investigation, or are the appointments to be made when the complaint is laid, and are the Commissioners to be on duty each time?

Hon. Mr. DANDURAND: My understanding of this Act is the following. The Registrar will be appointed to a permament position; he will receive complaints; he will make a preliminary investigation; he will get from the complainants sufficient information to enable him to form a judgment as to the good faith of the complainants, and as to the value of the complaint. When he has satisfied himself one way or the other, he will report to the Minister. If he reports to the Minister that the complaint is valueless, baseless, that ends the matter.

Hon. Sir JAMES LOUGHEED: Is this the Commissioner, or the Registrar?

Hon. Mr. DANDURAND: The Registrar. If he has gained the conviction that there is some basis for the complaint, and so reports to the Minister, it will then be the duty of the Minister to assume his own responsibility and appoint a Commissioner, or more than one, to enter on an investigation. The Commissioner will be appointed in connection with the complaint before the Minister. The Minister will know what is the institution that is to be investigated.

Hon. Mr. FOWLER: Read section 7 and you will see you have not quite studied the matter.

Hon. Sir JAMES LOUGHEED: Will my honourable friend in that connection read subsection 2 of section 31, where it will be observed that appropriations are to be made from Session to Session of Parliament for the payment of the Commissioners. It would therefore appear to me that the Commissioner or Commissioners, as this subsection mentions, are to be permanent officers:

(2) The remuneration and expenses of the Registrar and Commissioner or Commissioners so appointed, and of the temporary technical and special assistance so employed,

The Commissioners are not temporary—

and the fees and expenses allowed to any counsel instructed by the Minister of Justice under this Act, shall be paid out of such appropriations as are made by Parliament to provide the cost of administering this Act.

There is all the machinery of a court; there is no doubt about that. The Commissioners are puisne judges, and the Registrar is Chief Justice of the court; that is about what it is.

Hon. Mr. FOWLER: You said that if he reported that the thing was trivial, there would be the end; but it is not the end; the Minister shall thereon decide whether a further investigation shall be made.

Hon. Mr. DANDURAND: That is what I did say. The Minister, of course, remains master of his action. When we come to the section we will see that it is the Minister, after consultation with his colleagues. The Minister will decide as to what will be the next step.

Hon. Mr. FOWLER: Whether he will do anything or not.

Hon. Mr. DANDURAND: But if he decides that there shall be an investigation, according to my reading of this Act, perhaps influenced by the statements which I read as made in another place, I have come to the conclusion—and if I err on that part I will retrace my steps that there will be no permanent court, no permanent Commissioner; that one or more Commissioners will be appointed in each case, and chosen for their experience in the business which is to be investigated.

Hon. Sir JAMES LOUGHEED: But would it be unreasonable to state that in the Bill? Will my honourable friend tell me, on the other hand, where the Bill prevents a permanent staff from being appointed, made up of the Registrar, Commissioners, and all the permanent officers of the court?

Hon. Mr. DANDURAND: I have just stated, under section 10:

10. The Governor in Council may from time to time appoint one or more persons to be Commissioners under this Act. Every Commissioner shall have authority to investigate the business, or any part thereof, of any person who is or is believed to be a member of any combine or a party or privy thereto, and who is named in the order in council appointing the Commissioner; every Commissioner shall have authority to enter and examine the premises, books, papers and records of such person. The exercise of any of the powers herein conferred on Commissioners shall not be held to limit or qualify the powers by this Act conferred upon the Registrar.

Hon. Sir JAMES LOUGHEED: Then you might have 20 Commisisoners, all acting at the same time.

Hon. Mr. DANDURAND: We might, if there are 20 investigations going on throughout the land.

Hon. Sir JAMES LOUGHEED: You may have more than one Commissioner for each investigation?

Hon. Mr. DANDURAND: Yes, but it would be quite proper that under this Act a Commissioner specially fitted to examine into the lumber industry would not be the proper Commissioner to examine into the grocery business.

Hon. Sir JAMES LOUGHEED: The difficulty I see in that connection is that the Act provides that the Registrar shall sit with the Commissioner. If you are going to have a number of investigations proceeding at the same time I find it difficult to appreciate the Registrar sitting with the Commissioners.

Hon. Mr. DANDURAND: Where does my honourable friend find that the Registrar shall sit with the Commisisoner? I do not think he will find it.

Hon. Sir JAMES LOUGHEED: I would infer that under sections 16 and 17.

Hon. Mr. DANDURAND: Once the Registrar is appointed a Commissioner, then his functions as investigator are at an end. It is the Commissioner then who is seized with the carrying on of the investigation, and he may from time to time report to the Registrar, who will report to the Minister.

Hon. Sir JAMES LOUGHEED: Yes, but he sits as a Commissioner.

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: Yes; read sections 16 and 17. Then there is a provision for punishing contempt in the face of the court, and so on—in fact, all the machinery of a court. I do not contend that that is unnecessary; it may be necessary for the carrying out of the purposes of the Bill; but it is

not unreasonable to ask my honourable friend to so mould the Bill as to express fully what is to be done, what are the powers, what are the limitations, etc. All statutes invariably do that.

Hon. Mr. DANDURAND: Well, I believe that all these questions will be answered by the Bill itself; but of course we are now going on at random from one section to another, and putting to ourselves questions to which we shall have to find answers in the text itself. Let my honourable friend read section 10.

Hon. Mr. FOWLER: That would seem to indicate that the Commissioners are appointed only when required.

Hon. Mr. DANDURAND: Yes. I read that Act from the first section to the last, and it seems to me quite a complete document.

Hon. Sir JAMES LOUGHEED: Will my honourable friend pardon me for again interfering? Under section 10 the Order in Council simply designates the particular Commissioner who has been appointed to make a certain investigation. He is not appointed for that purpose, but he is designated as the person who shall make a particular investigation.

Hon. Mr. FOWLER: Does it not say "appointed"?

Hon. Sir JAMES LOUGHEED (reading):

> The Governor in Council may from time to time appoint one or more persons to be Commissioners under this Act. Every Commissioner shall have authority to investigate the business, or any part thereof, of any person who is or is believed to be a member of any combine or a party or privy thereto, and who is named in the Order in Council appointing the commissioner.

Hon. Mr. FOWLER: I think that means that the Board of Commissioners are appointed as occasion arises.

I want to reply to my honourable friend from Lambton (Hon. Mr. Pardee), and also to the honourable gentleman from Halifax (Hon. Mr. Roche). I was a little surprised at my honourable friend from Lambton casting aspersions upon members of his own profession—

Hon. Mr. PARDEE: I did not.

Hon. Mr. FOWLER: —particularly when he had before his eyes the example of a lawyer from his own town who was such an excellent business man that he died a millionaire. I could understand the honourable gentleman from Halifax (Hon. Mr. Roche), being a business man, taking that stand. We have in this House a man who has been not only a great lawyer in his province, but a great business man as well; and we have sitting on this side of the House a lawyer from the great city of Montreal, who not only excels as a lawyer, but who in the short span of life that has passed, has amassed a huge fortune. So, the fact that a man is a lawyer does not necessarily prove that he has not business ability. As a matter of fact, young business men are to-day taking courses in business law in order to better fit themselves for the conduct of business.

Now, what are the duties of the registrar? They are first to examine into evidence. Who is so well trained, who so well could understand the force and weight of evidence, as a man trained as a lawyer? That is what the registrar has to do in the first place—to examine the evidence that comes before him as to whether or not there is a combine; and yet you would ask an untrained man to do that. He might be able to tell you what sugar is worth in the raw state, and how much refined, and what the spread ought to be; but he would not be a judge of the weight of evidence at all. Therefore I say it is important that the registrar—even more important that the registrar than the commissioner—should be a man trained in the law. We find it provided that the registrar shall have the right to call expert witnesses to give evidence with regard to these things; therefore he is not without assistance and guidance in the peculiar matters that belong to big business. All he has to do in matters of this kind is to call to his aid some business man. So, from the nature of the Bill itself, it is evidently intended that the registrar shall have a knowledge of the law; but I would like to see it expressly stated that he shall have such knowledge.

That is all I have to say with regard to this matter. I think the amendment should be made, and that the leader of the Government would be well advised if he would amend the Bill to that effect. Do not be deceived about this, because you may create a bureau which will spread and increase until first thing you know $100,000 to $200,000 will not cover the expense of it.

I am opposed to so much interference with business. There are already hamperings enough in connection with the businesses of this country—"big business," as it is opprobriously called. God help the country that has not got big businesses; God help the labouring men in a country where there is no big business to give them employment. I am impartial in what I say, and I can afford to speak in this way because I am not a member of any big business or big cor-

poration. Our legislation all round is too much of the interfering sort—prohibition: it interferes with what a man may drink and what a man may do. This is only an example of it, gone a little madder than usual. Six irresponsible people, without incurring any penalty, can band themselves together and obtain an examination into a man's business. I say it is absolutely outrageous, and I do not blame the business people of this country for being uneasy with regard to the future when they see the legislators interfering with them in every shape and form.

Hon. Mr. BEIQUE: Let me suggest that this clause be suspended so that we may look further into the matter.

Hon. Mr. ROBERTSON: I wanted to ask the leader of the Government if it is not the intention that this legislation should operate in somewhat the same way as the Industrial Disputes Act does at the present time? The Industrial Disputes Investigation Act passed in 1907 provides for a registrar, who is the Deputy Minister of Labour. When a complaint is received from either an employer or an employee, in compliance with the provision prescribed in the Act, the registrar decides whether or not a board ought to be established, and makes his recommendation to the Minister. The Minister then finally determines whether or not a board shall be established. If it is decided and agreed by both of them that a board shall be established to investigate the dispute, then a board of conciliation—or in this case, a board of commissioners—would be established to deal with each specific complaint. If it is the intention of the Government that the Act should operate in that way, then I would like to be advised as to just how it is intended to proceed, and at the same time comply with the terms of section 25, which bring in the Attorneys General of the provinces.

Hon. Mr. DANDURAND: My honourable friend asks how it is that the Attorney General of each province may be called.

Hon. Mr. ROBERTSON: If my assumption is correct, that you intend the registrar to function as the registrar does under the Industrial Disputes Act, and that the commissioners shall virtually perform the same duties as would be performed by a board of conciliators under that Act, then it seems to me quite clear. But I cannot quite understand how the Attorneys General of the provinces seem to have certain duties.

Hon. Mr. DANDURAND: They are not parallel cases. Under the Industrial Disputes Act a registrar applies the Federal Act and sees to the carrying out of the conditions under it; whilst under this Bill the Federal Government recognizes the power and authority of the province, and directs the attention of the Attorney General to infractions of the criminal law, and invites him to bring to justice the parties who, after an inquiry, have been found to have violated the provisions of our criminal law.

Hon. Sir JAMES LOUGHEED: But if he does not do so you get onto dangerous ground again.

Hon. Mr. DANDURAND: Power is appropriated under this clause for setting in motion the machinery which will bring the offender before the criminal courts.

Hon. Sir JAMES LOUGHEED: Not the criminal courts?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BEIQUE: Under the Act of 1910, entitled, "An Act to provide for the Investigation of Combines, Monopolies, Trusts and Mergers," I find this provision:

4. The Governor in Council shall appoint a Registrar of Boards of Investigation, who shall have the powers and perform the duties prescribed.

The office of Registrar may be held either separately or in conjunction with any other office in the public service, and in the latter case the Registrar may, if the Governor in Council thinks fit, be appointed by reference to such other office, whereupon the person who for the time being holds such office or performs its duties shall, by virtue thereof and without thereby being entitled to any additional remuneration be Registrar.

That is somewhat the same as the clause in the present Bill. Then, on referring to paragraph e of section 2 of the same Act, I find:

"Judge" means, in the province of Ontario, any judge of the High Court of Justice; in the province of Quebec, any judge of the Superior Court; in the provinces of Nova Scotia, New Brunswick, British Columbia, Prince Edward Island, Saskatchewan and Alberta, any judge of the Supreme Court; in the province of Manitoba, any judge of the Court of the King's Bench, and in the Yukon Territory, any judge of the Territorial Court.

Under that Act the commissioner was a judge; and whenever there was an investigation to be passed upon, it had to be passed upon by a judge. As presently advised, I think it would not be unreasonable to follow those old provisions of the law. Of course, the objection has been taken that the judges should not be appointed to perform these functions. Well, the question of whether they

are judges or barristers of ten years' standing might be considered, and I suggest that the clause be suspended so that we may look further into the matter.

Hon. Mr. DANDURAND: I draw the attention of the House to the fact that the Board of Commerce Act created a permanent tribunal. The principle which underlies the present legislation is totally different; it is simply an investigation Act. When we go from clause to clause, the honourable members of this House will notice that the whole machinery is for the purpose of probing into the organizations of the day that may be denounced by six citizens who will declare that these associations are working to the detriment of the public.

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend this question? The Privy Council held that an order made under the Board of Commerce Act was ultra vires of the Federal Parliament, inasmuch as it affected property and civil rights. I think I am right in that general proposition. Now, if the judgment of the Privy Council be good —and it is good, because it is final—then it seems to me that an investigation made by this Parliament into a subject with which we have no power to deal would also be held ultra vires, and that an injunction would lie to restrain the commissioner from making that investigation. If the Board of Commerce had no authority to make a final order, certainly the preliminary steps by way of investigation would be equally ultra vires of this Parliament.

Hon. Mr. BEIQUE: I have not had occasion to look very much into this, but I am under the impression that the difference is this: under the present Bill it is a criminal offence--

Hon. Sir JAMES LOUGHEED: No, not until the Attorney General of the province refuses to take action. I am dealing now with the preliminary steps, namely, of an investigation with a view of setting the Attorney General in motion.

Hon. Mr. BEIQUE: Section 26 of the Bill provides that:

> Everyone is guilty of an indictable offence and liable to a penalty not exceeding $10,000 or to two years' imprisonment, or if a corporation to a penalty not exceeding $25,000 who is a party or privy to or knowingly assists in the formation or operation of a combine as defined in this Act.

So this Act is brought practically under the operation of the Criminal Code.

Hon. Mr. BEIQUE.

Hon. Sir JAMES LOUGHEED: At that point I would direct my honourable friend's attention to the judgment of the Privy Council that this Parliament cannot appropriate to itself, by the passing of a criminal law, powers which are vested in the provinces under section 92 of the British North America Act.

Hon. Mr. BEIQUE: I do not see that that question is raised in the present case. The preliminaries to which the honourable gentleman has referred are for the purpose of ascertaining whether an offence has been committed. There it is part of the same Act. If any member of this honourable House has any doubt as to the legality of this Act, it would be quite proper to ask the opinion of the Minister of Justice.

Hon. Sir JAMES LOUGHEED: Do you not think we should do that, in view of the disaster we met in connection with the Board of Commerce?

Hon. Mr. BEIQUE: Yes, but I would think it is perfectly within the jurisdiction of this Parliament, because it is dealing with the matter as a criminal offence. A number of Acts have been passed on the same lines, and they have not been attacked.

Hon. Mr. DANDURAND: I may answer my honourable friend on the same line as the answer that has just been given. The Criminal Act, which is now Article 498 of the Criminal Code, is being added to by this Bill which is before us, and the question has been put: has not that criminal offence been somewhat shaken by the judgment rendered in the case of the Attorney General vs. Wholesale Grocers?

Hon. Sir JAMES LOUGHEED: That is not the case I have reference to; it is the case of the Attorney General of Canada vs. the Attorney General of Alberta, in 60 Dominion Law Reports.

Hon. Mr. DANDURAND: As we are discussing practically the value of that criminal enactment which is being supplemented by this Bill, I have the opinion of the Department of Justice on this point. It is from Mr. Newcombe, the Deputy Minister and is as follows:

> I have considered the judgments of the Appellate Division of the Supreme Court of Ontario in the case of Attorney General vs Canadian Wholesale Grocers, herewith, with relation to its effect as to section 498 of the Criminal Code, and I find that it does not conclude any question as to the authority of parliament to enact that section.
>
> The court was composed of the Chief Justice, Hodgins, Ferguson and Magee, J. J. The Chief Justice re-

luctantly considered that he was bound by the observations of Lord Haldane in the Board of Commerce case to hold that section 498 was ultra vires, as not relating to criminal law within the meaning of that section of the British North America Act, 1867. Hodgins and Ferguson, J. J. however, expressly refrained from expressing any opinion against the validity of section 498, although they agreed with the Chief Justice for other reasons that the appeal should be dismissed. Magee, J. concurred in the result without any observations or reasons, and so it stands that the invalidity of section 498 rests only upon the opinion of the Chief Justice.

I do not think that it is at present necessary or advisable that our course of action should be in any wise modified by reason of the view which the Chief Justice expressed. I do not think that the question is governed by Lord Haldane's observations, and when it arises for decision we will have an opportunity to make good our claim for legislative authority. Meantime I would proceed upon the assumption that the enactment is intra vires.

Progress was reported.

The Senate adjourned until Tuesday, May 29, at 3 p.m.

THE SENATE

Tuesday, May 29, 1923.

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

Prayers and routine proceedings.

PRIVATE BILLS

FIRST READINGS

Bill 105, an Act respecting the Canadian Order of the Woodmen of the World.—Hon. Mr. Pardee.

Bill K5, an Act respecting the Calgary and Fernie Railway Company.—Hon. Mr. DeVeber.

CANADA SHIPPING BILL

FIRST READING

Bill 166, an Act to amend the Canada Shipping Act.—Hon. Mr. Dandurand.

CIVIL SERVICE SUPERANNUATION AND RETIREMENT BILL

FIRST READING

Bill 180, an Act to amend the Civil Service Superannuation and Retirement Act.—Hon. Mr. Dandurand.

C.G.M.M. CANADIAN FARMER

INQUIRY

Hon. Mr. TAYLOR inquired of the Government:

1. In respect of what voyage or voyages of the C.G.M.M. Canadian Farmer was the amount of $13,642.52 paid by underwriters during 1922?

2. (a) How much of this payment, if any, was for equipment lost or damaged and replaced by purchase? (b) How much was for damages made good by repairs? (c) At what yard or yards were such repairs effected? (d) Who on behalf of the C.G.M.M. made the specifications and gave the order for these repairs? (e) Who on behalf of the C.G.M.M. inspected the repairs when completed and gave certificate for same?

3. (a) In respect of what voyage or voyages of the Canadian Farmer was the amount of $151.59 due by underwriters as adjusted loss at 31st December, 1922? (b) What was the nature of the loss?

4. (a) In respect of what voyage or voyages of the Canadian Farmer was the amount of $5,236.63 recoverable from underwriters at 31st December, 1922? (b) What was the nature of the loss upon which this claim or these claims were based?

Hon. Mr. DANDURAND:

1. Voyage No. 1	$ 6,142 84
" 11	3,692 52
" 12	595 80
Miscellaneous cargo claims	3,211 36
	$13,642 52

2. (a) $459.93.

(b) $9,375.43 (including $1,185.43 for underwriters and classification survey fees, etc.).

(c) Montreal Dry Dock and Ship Repairing Co., Montreal, and Wallace Shipbuilding and Dry Dock Co., Ltd., Vancouver.

(d) Montreal: Mr. I. J. Tait, Superintending Engineer, Canadian Government Merchant Marine, Limited (in conjunction with Mr. H. W. Morris, Underwriters' representative).

Vancouver: Mr. T. Louden, Assistant Superintending Engineer, Canadian Government Merchant Marine, Limited (in conjunction with Capt. W. H. Logan, Underwriters' representative).

(e) Montreal: Mr. I. J. Tait, Superintending Engineer, Canadian Government Merchant Marine, Limited; certificates given by Mr. H. W. Morris, Underwriters' representative, and Messrs. Hay and Bales, Classification Surveyors.

Vancouver: Mr. T. Louden, Asst. Superintending Engineer, Canadian Government Merchant Marine, Limited. Certificates given by Capt. W. H. Logan, Underwriters' representative, and Mr. H. A. Barnett, Classification Surveyor.

3. (a) Voyage No. 11	$ 78.93
" 13	36.47
" 19	36.19
	$151.59

(b) Voyage No. 11, balance repairs.
" 13, cargo claims.
" 19, injury claims.

4. (a) Voyage No.	2	$ 38.25
"	3	87.83
"	7	384.20
"	8	359.43
"	9	762.53
"	10	551.53
"	11	261.36
"	13	27.25
"	16	25.37
"	17	170.00
"	18	215.95
"	19	77.78
"	20	92.64
"	21	727.50
"	22	727.50
"	23	727.51
		$5,236.63
(b) Survey Fees		$ 215.95
Cargo claims		2,812.80
Premium returns		2,182.51
Personal injury claims		25.37
		$5,236.63

RAILWAY MAIL-CARRYING CHARGES

INQUIRY

Hon. Mr. TURRIFF inquired of the Government:

How much was pand for carrying through mails from the East to the West and from the West to the East during the fiscal year 1922-1923—
(a) to the C. P. Railway?
(b) to the Government Railways?

Hon. Mr. DANDURAND: The answer is as follows:

Expenditure on account of Railway Mail Service for the Nine Months to 31st December, 1922:

Canadian Government (I.C.R. and P.E.I.)	$687,136.47
Canadian National (C.N.R. and G.T.P.)	816,471.38
Grand Trunk Railway	898,654.31
	$2,402,262.16
Canadian Pacific Railway	$2,803,261.51
For Fiscal Year, 1921-1922:	
Canadian Government (I.C.R. and P.E.I.)	$985,065.77
Canadian National (C.N.R. and G.T.P.)	1,170,825.02
Grand Trunk Railway	1,235,984.17
	$3,391,874.96
Canadian Pacific Railway	$ 3,747,248.05

Hon. Mr. TURRIFF: Honourable gentlemen, the object I had in view in making this inquiry was to find out how much money was paid to the different railways. I would like to point out to the honourable leader of the Government that we are paying several hundred thousand dollars more to the Canadian Pacific Railway than we are to our own Government roads, although the latter have about a third more milage than the C.P.R. and the trunk lines from the East to the West and in the lower provinces have practically a monopoly of the mail carrying. I would like to see if something could not be done to equalize matters a little better than is done at the present time, in the interest of our Government roads.

THE RUSH-BAGOT TREATY

INQUIRY

Hon. Mr. MACDONELL inquired of the Government:

1. Have new Draft Treaties regarding the Rush-Bagot Treaty been passed between this Government and the United States Government?
2. If so, at whose suggestion have these new treaties been drafted?
3. What changes in the present Treaty are recommended?
4. Was the Canadian Draft Treaty submitted to the Chief Executives of our National Defence Department for their information before being despatched to Washington?
5. Has the new Treaty been negotiated through the British Embassy at Washington or direct between this Government and the United States Government?
6. Is Parliament to know anything about this important matter before such treaties are completed?

Hon. Mr. DANDURAND: The answer is as follows:

1. Negotiations looking to the conclusion of a treaty to take the place of the Rush-Bagot Agreement of the 29th April, 1817, are still in progress.
2. The Canadian Government has taken the initiative in this matter.
3. In the present state of the negotiations, it is not considered desirable to give a detailed reply to this question.
4. Yes.
5. The British Embassy has been in touch with the proceedings throughout.
6. Any treaty if concluded will be made subject to the approval of Parliament.

GOVERNMENT MERCANTILE MARINE

DAMAGES TO FREIGHTERS McKEE AND DRUMMOND

Hon. Mr. BENNETT inquired of the Government:

1. What was the nature of the damage done to the freighter J. A. McKee and to the Thos. J. Drummond, Government owned vessels, on account of which insurance to the extent of $8,780.11 and $23,150.03 on each of said vessels, respectively, was paid for insurance to Canada in the year 1922.

2. Where was the work performed on said vessels for which the above insurance was paid and by whom was the said work performed and by whom inspected for the Government.

Hon. Mr. DANDURAND: The answer is as follows:

1. Steamer J. A. McKee, stranded Prince's Shoal, August 26, 1920; insurance paid, $8,002.69.

Damage sustained:

To hull: Plating repaired and renewed. Tanks recemented. Tank margins made good. Stern post renewed from original scarph down. Rudder straightened, aligned, and new counter balance. Port hawse pipe renewed.

To machinery: Propeller removed from tail end shaft. Thrust shaft examined. Steering chains aft removed, put through fire, examined, annealed, replaced and coupled up in order.

Fire in accommodation of same vessel, September 23, 1921, Levis to Sydney:

Damage sustained: Flooring, woodwork and fittings renewed and painted, $296.27; miscellaneous personal injury claims, $481.15; total damages paid (J. A. McKee), $8,780.11.

Steamer T. J. Drummond, struck bottom, Welland Canal, November 3, 1921, and struck shoal or rock, Brockville to Maitland, November 22, 1921; insurance paid, $22,428.25.

Damage sustained: Keel plate cut off, faired and refitted. Considerable portion bottom plating faired and renewed. All internals in way of above including frames, floors, keelson, brackets, etc., repaired or renewed. Broken and damaged cement cut out and renewed and all new and disturbed work painted as before.

Also same vessel struck abutment, Lock No. 4, Soulanges Canal, August 12, 1922, $54.63.

Also collision of T. J. Drummond with S.S. Covalt, canal bank, Thorold, September 1, 1922, $37.86.

(Repairs account these two accidents not yet made. Items given represent survey fees.)

Miscellaneous cargo claims, $629.29.

Total damages paid (T. J. Drummond), $23,150.03.

2. As to the J. A. McKee, August 26, 1920—at Lorne Dry Dock, Levis, by Davie Shipbuilding Company, and inspected by I. J. Tait, Superintending Engineer, Canadian Government Merchant Marine.

Same vessel, September 23, 1921—at Montreal, by Shore Staff, C.G.M.M., inspected by William Young, Assistant Superintending Engineer, C.G.M.M.

As to T. J. Drummond, November, 1921—at Collingwood, Ont., by Collingwood Shipbuilding Company, Limited, inspected by I. J. Tait, Superintending Engineer, C.G.M.M.

Repairs on account mishaps of August 12th and September 1, 1922, not yet made.

GREAT LAKES SHIPPING

Hon. Mr. DANDURAND: I have a further answer to an inquiry made some days ago as to what the Railway Department was doing with the ships of the Canadian Government Merchant Marine now on the Great Lakes pending their sale. The memorandum I have received reads as follows:

There are ten ships of the Canadian Government Merchant Marine on the Great Lakes at the present time.

Of that number, six 3,400-ton boats are assigned to carrying grain between Fort William and Port Arthur to Port Colborne and Bay ports.

The T. J. Drummond and the J. A. McKee, the two 3,500-ton boats, are under charter to the Great Lakes Transportation Company for the summer season.

Two 3,750-ton boats are at present tied up for repairs.

DIVORCE BILLS

FIRST READINGS

Bill J5, an Act for the relief of Cecelia Maria Taylor.—Hon. Mr. Blain.

Bill L5, an Act for the relief of William August Kruger.—Hon. Mr. Green.

COMBINES INVESTIGATION BILL

CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 54, an Act to provide for the investigation of Combines, Monopolies, Trusts and Mergers.—Hon. Mr. Dandurand.

Hon. Mr. Blain in the Chair.

On section 4—registrar:

Hon. Mr. FOWLER: Has the Minister had any amendment prepared with regard to the qualifications of the person to be appointed as registrar? It seemed to be the consensus of opinion on both sides of the House on the last occasion when we discussed this Bill that there should be some provision made with regard to the qualifications of the registrar, so that the country would know that the man appointed was a proper man for the position.

Hon. Mr. DANDURAND: I think the suggestion for the suspension of this clause came from the honourable gentleman from De

Salaberry (Hon. Mr. Béique). I do not see him in his seat. I do not know whether anyone has drafted an amendment to the clause.

Hon. Mr. FOWLER: Do you want it to remain in suspense?

Hon. Mr. DANDURAND: I have no objection to the form of this clause; but it may be suspended till we go through the rest of the Bill.

Hon. Mr. FOWLER: I think it was I who first brought up the matter of the qualifications of the registrar, and I am interested in seeing the matter adjusted.

Hon. Mr DANDURAND: Well, we will suspend the clause. Perhaps while we are going through the other sections my honourable friend can draft an amendment which will suit him. Of course, that implies a point that may not be agreeable to all—that a barrister must fill the position.

Hon. Mr. FOWLER: I decline to prepare an amendment on the ground that I have done my duty in bringing it to the attention of the Government. It is a Government Bill, and I as a humble member of this House would not have the temerity to introduce an amendment and expect the Government to accept it. Recognizing as I do the importance of the position, and the necessity for the appointee to be properly qualified, I leave it to the Government's good sense to accept the suggestion and make the amendment.

Hon. Mr. DANDURAND: We will allow the clause to stand for the time being.

Section 4 stands.

On section 5—application for investigation of alleged combine:

Hon. Mr. DAVID: Does not the leader of the House think that it would be well to provide that the statement accompanying the application made by six persons should be a sworn statement, or should at least be in the form of a solemn declaration made before a justice of the peace? That would guarantee the bona fides of the applicants, who would be more careful knowing that they were responsible for their declaration.

Hon. Mr. FOWLER: In addition to what the honourable gentleman has suggested, I think there should be responsibility for costs attached to these applicants if the action against the company fails. Otherwise there would be a great deal of trouble made for companies by persons desiring to embarrass them. That is only fair if a man who starts an action against another or against a corporation fails. It is a small enough penalty to make him pay, but it would be a deterrent to irresponsible persons who might otherwise bring actions. If these men are so high-minded as to want to do some good for the country, they should take the responsibility.

Hon. Mr. DAVID: If the honourable gentleman is prepared to have the clause suspended, I will prepare an amendment for the next sitting.

Hon. Mr. DANDURAND: I have no objection to the clause being suspended, but I do see objections to the suggestions made by my honourable friends. We must first realize what is the end in view. If there is a public tort, its cure is for the advantage of the community at large; and all that is required under this Bill as framed is that six citizens should draw the attention of the registrar to a certain condition of things. As I had occasion to state the other day when the Bill came up for second reading, these concerns present a very difficult problem, and are surrounded with secrecy and considerable legal protection. So when you ask six persons to take an oath or to declare that they solemnly believe, you defeat the object of the Bill, which is to draw the attention of the public to a certain condition of things which should be investigated. This being a measure in the public interest, it seems that we should not at the very threshold make it difficult to start an investigation. If you tell a person that he must take an oath as to facts upon which he is not absolutely clear, seeing results clearly but not seeing the causes which may be enshrouded in considerable mystery, you deter him from taking action. If you add to that a provision that he must pay the costs, then he may feel that it is too costly to try to cure the evil that may be of considerable consequence to the community. Therefore I say that I do not think the honourable gentlemen who have made the suggestions realize that there are combines, mergers, and trusts that are detrimental to the state. It being recognized that there have been such trusts, why should we not afford an opportunity for shedding light on such a situation and not preclude the starting of an investigation?

Hon. Mr. FOWLER: My honourable friend neglects the human equation in this matter. There are in every community, be it large or small, certain busybodies and people of such a character that they want to pry into other peoples business and make mischief for them. We see it everywhere. These are the type of persons I wish to guard against. Gossip and

scandal are so magnified as to be entirely out of proportion to the real evil. These men who listen to gossip will go off and make this application before the registrar. Then, see what the registrar has to do under the Act. He has to go to the company, examine its books and hold an investigation, which is only preliminary to further investigation. All this entails a tremendous amount of expense and annoyance to the persons attacked, and the complaint turns out after all to be nothing but moonshine—no reasonable foundation for it whatever. But the mischief has been done. Surely there ought to be someone responsible for that. Either the Government of the day ought to be responsible and pay the costs of the people investigated, or else the men who started the law in motion and made this declaration should be called upon to pay. If that were done they would be more careful to investigate before they signed a declaration of that kind. If a man lays a criminal information against another man on false grounds, he is liable to an action for malicious prosecution. Why should these six individuals, I do not care how high-minded they are, object to paying costs if they had gone wrong? I do not see any reason whatever in the argument advanced by the honourable gentleman. I think it would be only a safeguard against malicious persecution on the part of a lot of busybodies, not only to make them take a solemn declaration, but also to make them liable for costs if their action falls.

Hon. Mr. DANIEL: I would like to ask the Minister whether, if an application has been made by six persons and they have stated the grounds, the registrar must necessarily hold an investigation? Has he got discretion or not? Supposing he does not consider the ground that these six persons allege sufficient for such an investigation to be held, has he discretion to refuse or not? It appears to me that the regstrar would be obliged to hold an investigation if any six persons made an application. Is that so? If it is, I think it is going too far.

Hon. Mr. DANDURAND: My honourable friend will find his answer in clause 7, which says:

> If after such inquiry as he deems the circumstances warrant, the Registrar is of the opinion that the application is frivolous or vexatious, or does not justify further inquiry, he shall make a report in writing to the Minister setting out the application, the statement or statements, the inquiry made and the information obtained, and his conclusion. The Minister shall thereupon decide whether further inquiry shall or shall not be made, and shall give instructions accordingly.

My honourable friend will see that the registrar will first get all the information that the complainants can furnish. He may from their statements come to the conclusion that there is no need to trouble the person complained of, and make a report to the Minister; but if there is something that strikes him as being serious, he goes a step further and starts a preliminary inquiry, and when he has made that inquiry he reports to the Minister. He may report against any further investigation, or he may find in favour of holding a regular inquiry before a commissioner.

Hon. Mr. DANIEL: He is bound to hold an inquiry if an application is made. The complainants state the grounds, and he may consider them insufficient, but according to this section he must hold an inquiry of some kind first.

Hon. Mr. DAVID: I would be satisfied by simply adding after the words, "the application shall be accompanied by a statement," the following words: "made in the form of a solemn declaration." I think that would be sufficient to meet my objection. It would be no harm to oblige the applicants to make that solemn declaration, which would give some guarantee that they would be prudent in their statements.

Hon. Mr. FOWLER: Is it your intention to accept that amendment from Montreal?

Hon. Mr. DANDURAND: No; I will ask the suspension of the clause, and will take note of the suggested amendment.

Hon. Mr. FOWLER: Will you take note of my proposition at the same time?

Hon. Mr. DANDURAND: Certainly. The suggestion of my honourable friend is, that these six complainants, if they fail, be made to pay the costs.

Hon. Mr. FOWLER: Yes; secured by a bond when they make an application.

Hon. Mr. DAVID: I did not say what the effect of a solemn declaration would be. Every honourable member knows that if it is false the maker of it is subject to be sued.

Hon. Mr. ROBERTSON: Would it not rather appear that the adoption of the suggestion of the honourable member from Sussex (Hon. Mr. Fowler) would have a very deterring effect on any persons laying an information or making a complaint, because after they had made the complaint the matter would be entirely out of their hands. After the complaint is filed and the Registrar makes an investigation if the Minister approves of the matter being further dealt with, in case

the complaint is not sustained it would seem to me that the responsibility for the payment of costs should rather rest upon the Crown than on the original complainants, because the Minister makes the decision whether or not the prosecution shall occur.

Hon. Mr. FOWLER: There is just this point about that, that the Registrar and the Minister may be taken in by the statements made by those people, and the whole difficulty may be the result of false and erroneous statements made by the original six who started the ball in motion. Why should they not be held responsible? My honourable friend speaks of a deterrent as though there was some sort of desire on the part of everybody to get something on some corporation or some big business house. Is that the feeling in this country? Is it the feeling that, because there is a big business or a big corporation, therefore it should be shadowed at all times by detectives, and guns should be trained on it? It seems to me that is a very bad sort of idea to go abroad throughout this country,—a country that requires big business and big capital and big corporations in order that the smaller men who have not money may have work. My honourable friend speaks for labour in this House, but he cannot speak properly for labour by attacking the very people that make labour. There is too much of this sort of thing in this country, to the detriment of the country, and to the driving of people out; they are going to-day out of Canada, by thousands, because there is not work for them here, at a price that they claim is necessary in order that they may live, and they can get that price in the neighbouring republic. Yet we are passing legislation that is going to hamper the very people who are providing whatever labour is provided. It seems to me this is a very wrong procedure for us to take. If there is a combine suspected, those six intelligent persons who are citizens, but who may not be voters, who may not have one cent of property in the country, who can pack their little valise and leave at any time, can join and make a complaint without swearing an affidavit to it, or becoming responsible in any way in case their statement is false and erroneous. Thus they may put a corporation to great expense and annoyance without having any responsibility whatever. I would say that it is awful legislation, it is absurd legislation, and it will be greatly to the detriment of this country if it passes this House.

Hon. Mr. ROBERTSON: I am quite in accord with the honourable gentleman from Sussex in what he is trying to do, but I do not agree that he is taking the right course in the suggestion he has made. He has pointed out that people who have no financial responsibility may lay an information, yet the making of a law requiring them to pay costs if they do not succeed is not going to collect the costs. I think responsibility should be placed at some point where the costs could be refunded in case the suit did not succeed—that the expenses should be collected from some party named in the law who would be responsible. and not from irresponsible complainants.

Hon. Mr. FOWLER: Let the complainants be called upon to put up a bond. It is an easy matter to arrange that, and thus there will be a deterrent. Of course, if the object of this House is to pass legislattion that would interfere with the progress of employment, with the supply of work, with the formation of corporations that would bring capital into this country, then it is all right to pass this Act as it is, and I will guarantee that it will act as a stopper, and keep people out of the country. If that is what you are after, go ahead.

Hon. Mr. DANDURAND: My honourable friend must not forget that the many ills that he suspects may flow from this Act have not shown themselves in the operation of preceding Acts which contain such a legal enactment.

Hon. Mr. FOWLER: Because they did not operate. Nobody operated them. If you are going to do the same with this, just say so, and allay all our suspicions and fears.

Hon. Mr. DANDURAND: It simply shows that busybodies and suspicious people are not so numerous in Canada, after all, since so very few have taken advantage of the Acts that have been on the Statute Book since 1889.

Hon. Mr. FOWLER: They have not been so fatal as this one.

Hon. Mr. REID: I rise to ask a question, but before doing so I want to say I agree absolutely with the honourable member for Sussex. I think there has been sufficient legislation put on the Statute Book this Session to deter almost any person from putting capital into manufacturing industries in this country. We have such great natural resources that instead of trying to prevent capital from developing them we should be doing something to encourage capital to take hold of them.

I wish to ask the honourable leader of the Government if the two propositions are that this section shall be amended as suggested by

the honourable member for Montreal (Hon. Mr. David), so that those six people must make an affidavit that they believe there is a combine, which would perhaps be a small safeguard; and also, as proposed by the honourable member from Sussex, that those who make the declaration shall pay all costs in connection with the matter if they fail. I would like to see both those suggestions adopted.

Hon. Mr. DANDURAND: There are three suggestions made: one, that the statements of the six complainants be under the form of a statutory declaration; and two others, one from the honourable gentleman from Sussex, that the complainant should give security for costs, and one from the ex-Minister of Labour, that the Crown should pay the costs. This is on the same line as a suggestion made by the Honourable member for Hamilton (Hon. Mr. Lynch-Staunton) on the second reading. I will ask that this clause be suspended.

Right Hon. Sir GEORGE E. FOSTER: Before the suspension of that clause—there seems to be in section 7 an omission of one of three possible cases. In the first place, you have the six persons who incur no responsibility at all, and need not be very substantial people, who are simply required to be British subjects and residents of Canada 21 years of age; they give no security at all as to the bona fides of their allegations; they simply place them on paper, which is an easy thing to do; but the moment those six men, who might be called irresponsible men, have undertaken to do that in a city or town or rural community, immediately you have a prima facie case against the owners and against their method of business. That is not a healthy thing for a man to meet in his business. An old well-established firm might very well subsist against an allegation of half-a-dozen men on that ground, but an individual or a young firm starting in business will be at a disavantage the very moment the law is put into operation and becomes the news of the town, because everyone in business has to face persons who are more or less hostile, for business or other reasons. Such a firm or individual remains under suspicion of trying to overcharge his neighbours, trying to get more than he should, or trying to work a monopoly of some kind in order to gain unreasonable profits.

Does that aid business, or does it not? My honourable friend is good enough to think that there will not be many people who will make charges of that kind. I am inclined to think they will be numerous, and that, taking Canada as a whole, under the operation of this Bill you will have hundreds and perhaps thousands of investigations started in this way, and every one of them can be started by six persons who make the allegations though not in any way responsible, financially or otherwise. I am not lawyer enough to know just how far that kind of irresponsible allegation would be prevented by the motion of my honourable friend from Montreal. I would like to know exactly from men who are legal, or from my honourable friend the leader himself, how that would serve as a deterrent.

The Registrar must make an inquiry; there is no doubt about that. It seems that his primary inquiry would relate to the allegations made by the six men: they have stated so and so, and he has to look into that and see whether or not those allegations are well founded. That is not the inquiry that will go into books and transactions. There may be another inquiry after that.

Hon. Mr. FOWLER: How will he investigate that?

Right Hon. Sir GEORGE E. FOSTER: I think he will just have to use the best judgment he can on such information as he can gather. If he undertakes a thorough investigation into all the circumstances of the business of the people against whom these allegations are made, it will be as thorough as the final inquiry.

Hon. Mr. FOWLER: And that is the only kind of inquiry he can make.

Right Hon. Sir GEORGE E. FOSTER: My idea is that he is supposed to make an estimate or valuation of those charges, and as it appears to him he is to report on only two cases—on those that are frivolous or vexatious, or on those that do not justify further inquiry. But what becomes of the other possibility, namely, that the allegations are in his mind trustworthy and valid, and that therefore he should make an inquiry? He does not appear to report to the Minister on that phase of the matter at all. When the Minister gets the reports provided for in sections 6 and 7, he has only reports upon cases that are frivolous or vexatious, or cases that do not justify any further prosecution, and it is upon those that the Minister acts: and, if the registrar says, "A, B, C, D of those that I am reporting are frivolous, and E, F, G do not justify further inquiry," then the Minister is to say whether or not he approves of that, and that nothing more shall be done. But what becomes of the case in which the registrar

feels that there is really a matter which ought to be looked into and investigated, and which does justify such action? I cannot see where that is provided for at all.

Hon. Mr. McCORMICK: In a matter such as this, where so much annoyance can be given to people engaged in any kind of business, and employing labour, on the complaint of six men to the registrar, I think it would be more proper if previous to any action there should be an inquiry between the Minister and the registrar as to things that are of concern to the general public. They ought to be able to ascertain whether an inquiry should be held or not, and, if the Minister finally decides that action should be taken on the allegations of those six men, there should be some responsibility, as to the expenses of the inquiry, even if the Crown has to assume it. When the complaint first comes to the registrar he ought to make some inquiry, and before the Minister takes action he ought to be in a position to get some information. According to section 8 a corporation has to furnish a lot of information, but before any corporation is required to do that, there should be substantial reasons given, for such action.

Hon. Mr. FOWLER: I would like to know from the honourable Minister how far this Act would have power to operate as against a province. As I understand it, the provinces of Ontario and New Brunswick have certain Hydro Acts which make it impossible for any private people to start electric power companies and compete with them. Is it intended that this measure should operate against those provinces? There is a combine, it is clear—a combine to shut out everybody else. Is it the intention that this Bill should operate against them, so that a power company can be started to compete? I understanded that where they operate they do not allow any competition. What does the Minster say with regard to that? This is not exactly on the point, but it bears on the whole measure. I have not lost sight of the point I made that there should be some penalty attached to the solemn declaration. I take it for granted the section is going to be amended to that extent, and I think the other amendment should accompany it.

Hon. Mr. DAVID: In answer to the honourable member from Ottawa (Right Hon. Sir George E. Foster), I would quote the law which says that a solemn declaration has the same force and effect as if made under oath, and that a man who makes a false solemn declaration may be sued for perjury.

Right Hon. Sir GEORGE E. FOSTER: Could he be prosecuted for laying a false information if the information were simply untrue, whether he had malice prepense or not, or must he wilfully lay a charge on false information? I should suppose the latter.

Hon. Mr. DANDURAND: I do not know exactly what would be the value of a solemn declaration covering the statement that he is called upon to make:

The application shall be accompanied by a statement showing:

(a) the names and addresses of the applicants, and at their election the name and address of any one of their number or of any attorney, solicitor of counsel whom they may, for the purpose of receiving any communication to be made pursuant to this Act, have authorized to represent them; (b) the nature of the alleged combine and the names of the persons believed to be concerned therein and privy thereto; (c) the manner in which, and where possible the extent to which, the alleged combine is believed to operate or to be about to operate to the detriment of or against the interest of the public, whether consumers, producers or others.

Right Hon. Sir GEORGE E. FOSTER: Your solemn declaration would not be worth a fig, inasmuch as the statement is one of belief only.

Hon. Mr. DANDURAND: It is an expression of opinion, so I do not see that the solemn declaration would add very much to the value of the document.

Hon. Mr. FOWLER: I think it would add a good deal; that and the penalty I suggest would act as a deterrent unless there was some real reason.

Hon. Mr. DANDURAND: I have not answered my honourable friend's inquiry as to the opinion of the registrar being against the parties complained of. If he is of the opinion that the investigation should proceed, then he is authorized to go forward. Clause 21 states:

At the conclusion of every investigation the registrar and every commissioner shall make a report in writing, which report shall be signed by the registrar or commissioner, as the case may be. If the report is made by a commissioner, it shall be transmitted to the registrar, together with the evidence taken at such investigation, certified by the commissioner and any documents and papers remaining in the custody of the commissioner. The registrar shall without delay transmit to the Minister his report and the report of every commissioner. The Minister may call for an interim report at any time; and when so called for it shall be the duty of the registrar and every commissioner to render an interim report setting out fully the action taken, evidence obtained and conclusions reached at the date of the interim report.

Hon. Mr. FOWLER: That does not answer the question of the honourable gentleman from Ottawa.

Hon. Mr. DANDURAND: Then, section 23 says:

Whenever, from or as a result, of an investigation under the provisions of this Act, or from or as a result of the judgment of the Supreme Court or Exchequer Court—

Hon. Sir JAMES LOUGHEED: No, his authority is under clause 6. He proceeds to make an investigation under that clause.

Hon. Mr. DANDURAND: Yes, and clause 7 allows him to make a report that he has found nothing.

Section 5 stands.

On section 6—registrar shall cause inquiry to be made:

Hon. Sir JAMES LOUGHEED: Can my honourable friend say under this section what is the distinction between the legal authority of this Parliament to pass legislation authorizing an investigation of this kind to be made and the powers contained within the statute of 1919, I think it is—the old Combines Act—in regard to which it was held by the Privy Council, in the case of the Attorney-General of Canada and the Attorney-General of Alberta, that the Federal Parliament had no authority to legislate in any way so as to interfere with the exercise of property and civil rights in the provinces, and that under section 92 of the British North America Act the rights of the provinces were so protected and guaranteed as entirely to prevent the exercise of a like authority by the Federal Parliament? The question came up as to the validity of an order made by the Board of Commerce, and it was held to be an invasion of property and civil rights. It seems to me that precisely the same thing is being done in this Bill. If the making of an order were invalid under the statute of 1919, the preliminary steps which are to be taken here for the purpose of investigating an alleged combine would be clearly ultra vires of this Parliament.

I have read this authority as critically and as closely as I can, and I cannot see wherein there is any distinction between the legislation we are now considering and that of 1919, so far as the authority of this Parliament is concerned. If one step is invalid certainly the other is. The invalidity did not lie merely in making the order, but in every step which led up to the order; and it is quite clearly as illegal to take the preliminary steps in investigating a business, which can only be investigated by the province, as to make a final order.

It will be observed that it is proposed in the latter part of this Bill that, after the investigation is made and the report is prepared, the Federal officers shall hand the report over to the Attorney-General of the province, and notify him to put the provincial machinery in motion for the purpose of prosecuting the accused; but all the preliminary work up to that point is clearly invalid. The Bill on its very face admits the inability of this Parliament to give effect to the object in view, but it is said: "At the final stage we will hand it over to the province and trust to the powers of the province to give effect to the object we have in view." Then it is provided that if the Attorney-General of the province remains passive the Federal officers shall then set in motion the criminal law as to combines. But the Privy Council has said that the Federal Parliament cannot appropriate to itself the right to pass criminal law touching subjects which are exclusively within the right of the provinces. It seems to me that at every turn you bring this legislation which we are considering to-day within the case of the Attorney-General of Canada and the Attorney-General of Alberta, and that we are simply spending our time for naught; and. unless my honourable friend can show us some authority either from the law officers of the Crown or otherwise, that we are dealing with a subject that is distinguishable from the legislation of 1919, it seems to me that we are simply placing legislation upon the Statute Book to be held ultra vires of this Parliament by the Privy Council.

Hon. Mr. FOWLER: It was from that very point of view that I asked the question with regard to the provincial combines. Say a provincial officer is going to bring an action—say Attorney-General Raney is going to bring an action against Premier Drury in regard to the Hydro. The thing is absurd on the face of it. In my opinion it is clearly ultra vires.

Hon. Mr. DANDURAND: I do not presume to give an off-hand opinion on what would be the situation if a complaint were made against a Hydro Commission created by a provincial Government. It would be a fine case for attorneys to argue before the tribunals of this country. I realize that all this legislation hinges upon our right to legislate in criminal matters. The Federal powers claim the right to make criminal law. There has been an opinion by one judge out of three of the Appellate Court of Ontario that section 498 of the Criminal Code was probably ultra vires; but the Department of Justice takes for granted that that opinion should not bind the Dominion of Canada, and that we should proceed as though we had the power, awaiting the real test case whenever occasion arises. This measure sim-

ply supplements the enactment already in the Criminal Code. On the second reading of the Bill I read the opinion of the Department of Justice on this very point I do not know whether my honourable friend was in the Chamber when I did so.

Hon. Sir JAMES LOUGHEED: I think I was.

Hon. Mr. DANDURAND: It bore on the value of the present legislation, which is based on the Criminal Code.

Hon. Sir JAMES LOUGHEED: Will my honourable friend permit me to read an extract from the judgment of the Privy Council which was delivered by Viscount Haldane, and which deals with the exercise of the right given us under the British North America Act to legislate in criminal law. This is the case of the Attorney-General of Canada and the Attorney-General of Alberta, in which it was decided that the legislation of 1919 was ultra vires of this Parliament:

It is one thing to construe the words "the Criminal Law, except the Constitution of Courts of Criminal Jurisdiction, but including the Procedure in criminal matters."

These are the words to be found in the British North America Act.

—as enabling the Dominion Parliament to exercise exclusive legislative power where the subject matter is one by which its very nature belongs to the domain of criminal jurisprudence. A general law, to take an example, making incest a crime, belongs to this class. It is quite another thing, first to attempt to interfere with a class of subject committed exclusively to the Provincial Legislature, and then to justify this by enacting ancillary provisions, designated as new phases of Dominion Criminal law which require a title to so interfere as basis of their application. For analogous reasons their Lordships think that sec. 101 of the B.N.A. Act., which enables the Parliament of Canada, notwithstanding anything in the Act, to provide for the establishment of any additional Courts for the better administration of the laws of Canada, cannot be read as enabling that Parliament to trench on provincial rights, such as the powers over property and civil rights in the Province exclusively conferred on their Legislatures.

I cannot recall exactly the line of argument adopted by the Department of Justice, and I defer with very great respect to the opinion of the law officers of the Crown, particularly that of the Deputy Minister of Justice; but nevertheless, in view of this decision of the Privy Council, I cannot reconcile the exercise of the power we are now seeking in this legislation with that particular judgment.

Hon. Mr. DANDURAND: My honourable friend will realize that we have a right to legislate on trade and commerce.

Hon. Sir JAMES LOUGHEED: But this authority deals expressly with that, and they hold that this legislation does not come within trade and commerce. The suppression of combines, the investigation into trusts, has nothing to do with the exercise of the powers of the Federal Parliament in trade and commerce. It is purely a matter of dealing with property and civil rights. If my honourable friend has any doubts upon that question, or if he feels absolutely sure that it comes under the head of trade and commerce, the perusal of this judgment will at once disabuse his mind of the idea that we can invoke that power for legislation of this character.

Hon. Mr. DANDURAND: If my honourable friend will look through the Criminal Code, he will find dozens and dozens of enactments, I was going to say hundreds, which are of a similar nature—which are prohibitions carrying a penal sanction. Now, we have a right to legislate on good order in the Dominion, and, besides, we have the exclusive right to legislate on trade and commerce. I recognize that it is a debatable matter. It is one upon which the Department of Justice does not express a very clear-cut opinion; but in view of the fact that the proposed legislation is in the general interest of Canada, it is not for this Parliament to set arbitrary bounds to its own powers when the matter may at least be debatable. That will be for the courts to decide. Where we trespass upon provincial rights of course it would be unseemly that we should do so with our eyes open, going clearly against the letter of the Act; but when we have power—

Hon. Mr. FOWLER: Have we not a decision there? Does not that open our eyes?

Hon. Sir JAMES LOUGHEED: This is the language of the judgment:

Nor do the words in section 91, "the regulation of trade and commerce," if taken by themselves assist the present Dominion contention.

There is an express authority that the Federal Parliament cannot invoke this particular power to pass legislation of this character.

Hon. Mr. FOWLER: It seems to me that where we have a judgment like that so clearly defining the matter, it is presumption on our part, and an improper presumption, to pass legislation that clearly infringes upon provincial rights. There is only one explanation for it, and that is that this legislation is sought as a sort of sop to be thrown to certain persons who are anxious for this kind of thing, with the expectation on the part of the promoters of the legislation that it will never be brought into active operation.

I do not want to be unkind, but really I am forced to that conclusion, with nothing but the most kindly feelings towards the Government.

Hon. Mr. DANDURAND: I do not intend to bore the House with a repetition of my speech on the second reading. I gave them a few of the reasons why there had been in the past a desire, and apparently a necessity, for such legislation, and why the reasons which operate in favour of such legislation in the last thirty years justified the present Bill being brought before us. In this matter I can only rely upon our advisers, and our Department of Justice has been asked to give its opinion, and I will read it. It bears on the very question we are now discussing—the value of Article 498 of the Criminal Code, which we are adding to by this present Bill. It is from Mr. Newcombe, the Deputy Minister, and is as follows:

> I have considered the judgments of the Appellate Division of the Supreme Court of Ontario in the case of Attorney General vs Canadian Wholesale Grocers, herewith, with relation to its effect as to section 498 of the Criminal Code, and I find that it does not conclude any question as to the authority of parliament to enact that section.
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> The court was composed of the Chief Justice, Hodgins, Ferguson and Magee, J. J. The Chief Justice reluctantly considered that he was bound by the observations of Lord Haldane in the Board of Commerce case to hold that section 498 was ultra vires, as not relating to criminal law within the meaning of that section of the British North America Act, 1867. Hodgins and Ferguson, J. J. however, expressly refrained from expressing any opinion against the validity of section 498, although they agreed with the Chief Justice for other reasons that the appeal should be dismissed. Magee, J. concurred in the result without any observations or reasons, and so it stands that the invalidity of section 498 rests only upon the opinion of the Chief Justice.
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> I do not think that it is at present necessary or advisable that our course of action should be in any wise modified by reason of the view which the Chief Justice expressed. I do not think that the question is governed by Lord Haldane's observations, and when it arises for decision we will have an opportunity to make good our claim for legislative authority. Meantime I would proceed upon the assumption that the enactment is intra vires.

Hon. Sir JAMES LOUGHEED: There is a good deal of doubt there.

Hon. Mr. FOWLER: Whatever may be the shortcomings of the Chief Justice, as a lawyer and as a judge he has no superior and very few peers.

Hon. Mr. DANDURAND: I can only say, as I have often said in this Chamber, that where there is a doubt we should—

Hon. Sir JAMES LOUGHEED: Encourage the lawyers.

Hon. Mr. DANDURAND: We should not accept the doubt as a limitation to our own jurisdiction.

Hon. Mr. FOWLER: That is a truly modest idea.

Sections 6 to 9 inclusive were agreed to.

On section 10—Governor in Council may appoint Commissioners to hold investigations:

Hon. Mr. REID: These sections are going through pretty fast. I would like to bring up one question. I have not had time to read this Bill perhaps as thoroughly as I should. According to section 8 the registrar may at any time require written returns and full disclosure of agreements. I would like to ask if that information is to be made public; in other words, if the investigation is to be a public investigation, and if the documents submitted are to be given to the public. An industry might be destroyed by making public any of the reports that are submitted.

Hon. Mr. DANDURAND: I would draw the attention of my honourable friend to section 19.

Hon. Mr. FOWLER: Then it is purely in the hands of the Minister to decide whether the investigation is public or private.

Hon. Mr. REID: Section 19 does not cure the point I raise at all, because the very minute a charge is laid the registrar demands that a report be made of the whole of the business complained of and the business practically stops while the investigation is going on, and the party investigated does not know whether he is to be exposed to the public or not, the whole matter being in the hands of the Minister. Well, there may be ministers either in the Dominion or in the local government who might think it to their interests, political or otherwise, to disclose the business. I think any investigation of this kind should not expose to the public any private business; it should be kept absolutely private, just as are other matters that come before the Government on which reports are made after an investigation. In the case of banks their whole business is not exposed; and I think industries should be treated in the same way. We all know the injurious results of information being made public, perhaps without good grounds: the matter may be taken up by the press, and the business concerned may be ruined.

Hon. Mr. DANDURAND: If my honourable friend will look at the Combines and Fair Prices Act, which his own Government brought

into being, he will find that practically all of this section 8 is taken from section 19 of that Act. Perhaps, in the mind of my honourable friend, that would be evidence that it is good legislation, since it was his own, but he may revise his own judgment upon it, and alter it. The reason for the inquiry being conducted privately at the beginning is obvious. There may be no justification for the complaint, and if it is held to be frivolous no harm has been done. It is the right of the commissioner or of the Minister, under section 19, to order an investigation to be conducted in public at a certain moment. That power will only be utilized when it is deemed in the public interest that it should be. In a case establishing a notorious merger or combine, until that point is reached it will be seen that the investigation is carried on in private; but a time may be reached when the public will be interested in obtaining an insight into the operations of the combine.

Hon. Mr. REID: I have no objection to the information being taken, as required in section 8, but after the information is obtained I object that the Minister should have power to make it all public, and thus destroy the industry. It may have been so under the Combines Act; but we must remember that under war conditions advantage was taken of the situation, and there were combines with inflation of prices that were an injury to the public; but now we are getting back to normal conditions, and I think we should go a little more cautiously in these matters. I would like the honourable leader to tell me what section of this Bill is the same as section 19 in the old Act, where power was placed entirely in the hands of the Minister.

Hon. Mr. DANDURAND: Section 9 gives power to the registrar or the Minister to investigate a business, to enter premises and examine books, etc. Section 25 of the Combines Investigation Act of 1910 required the proceedings to be public. In the Act of 1923 it has been thought better to make the proceedings private, for, if an offence has been committed, investigation will result in a prosecution; if no offence has been committed, publicity might work injury to the public. The honourable gentleman will see that the Act of 1910 ordered the proceedings to be conducted in public.

Hon. Mr. REID: Yes, but that is the very point. The honourable gentleman said it was the Government of which I was a member that passed that Act, but our Government did not come into power until 1911.

Hon. Mr. DANDURAND: I think that under the Board of Commerce Act the prosecution was public, since it was before a regular tribunal.

Hon. Mr. REID: I have here the statute passed in 1919, the Combines and Fair Prices Act, but I see in section 19 the court may investigate businesses and appoint examiners, but the information is not made public. Then it is provided that "no prosecution shall be commenced, otherwise than at the instance of the Attorney-General of the province, without the written leave of the Board expressing whether such prosecution shall be by way of indictment or under Part 15 of the Criminal Code, and that such prosecution shall be commenced only after a judicial finding in which the alleged offence was committed." In other words, all that the court did was to collect the evidence and get it ready, but it did not make it public, and had no power to make it public. All we would do would be to hand it over to the Attorney General of the province, who assumed the responsibility for it.

Section 10 was agreed to.

On section 11—access to premises and records:

Hon. Mr. FOWLER: Supposing he does not hand over the papers, what is going to happen to him?

Hon. Mr. DANDURAND: Then there is a penalty clause.

Hon. Mr. FOWLER: How much?

Hon. Mr. DANDURAND: There is clause 16: "Powers of registrar and commissioner as to witnesses, evidence on oath and production of papers."

Hon. Mr. FOWLER: Section 11 applies to papers.

Hon. Mr. ROBERTSON: Section 29 covers that.

Hon. Mr. FOWLER: Those are pretty heavy penalties. The Act establishing the Inquisition had nothing on this. This is awful legislation; I am shocked; it is worse even than I expected from honourable gentlemen opposite. I am really pained and shocked at this legislation, which requires men to hand over their private papers and books, and subjects, them to a penalty of $5,000 and two years in the penitentiary if they do not do so. If I were running a business and they came and demanded the books under these circumstances, I think I would have a

sawed-off shot-gun and would be tried for murder and not for contravening this particular Act.

Hon. Mr. DANDURAND: If my honourable friend wants to be shocked a little more, he only needs to look at the Customs Act and see what the customs agents can do.

Hon. Mr. REID: I would ask the leader of the Government if he would not let section 11 stand. It says:

> Every person who is in possession or control of any such business, premises, books, papers, or records, as are referred to in the two immediately preceding sections shall give and afford to the registrar and to every commissioner admission and access thereto whenever and as often as demanded.

Could not something be done to compel the commissioners or the registrar, or whoever has the information, to keep it private? At all events, if it is to be disclosed, should not the Minister be the one to disclose it? Then, if the information is made public and a business is destroyed, we would know who was to blame.

Hon. Mr. DANDURAND: Is not section 19 a complete answer to my honourable friend? That places the full responsibility upon the shoulders of the Minister.

Hon. Mr. REID: It says the Minister may order the proceedings to be conducted in public. The point I raise is that the commissioners who take the evidence have all the documents and all the information—quite properly perhaps—and make them public. I feel that something should be done to protect the industry by compelling all those that have anything to do with the investigation to keep all information private until it is disclosed by the Government through the Minister who may be responsible. Then if there is any leak, the commissioners, or whoever it might be, could be prosecuted.

Hon. Mr. DANDURAND: We might proceed with the Bill, and if we find there is further enactment on these lines we might consider it.

Hon. Mr. FOWLER: Supposing when a man's papers and books were demanded he should say: "No, I will go out of business; I won't give up my books and papers and show the secrets of my trade; I will go out of business in Canada and go to some country that gives liberty to a man to carry on business and will set up there." Would he in that way evade this punishment that is held over his head, or is he bound to be dragged before this tribunal and punished?

Hon. Mr. DANDURAND: I do not believe so, I believe that if he closed his doors it would end the inquiry.

Hon. Mr. FOWLER: I think he should be given that alternative. If he says: "I am used to a free country, where there is liberty and where a man can conduct his occupation in peace and comfort and security; I find I have come to the wrong country, a country that is ridden by busybodies and faddists—and I cite prohibition and some other laws that we have passed; I want to go to a country where there is real liberty and where people are not obliged to conform to the opinions of short-haired women and long-haired men"—he should have that alternative. We are very little in advance of Russia. We laugh at the Russians, and say they are an ignorant lot of people; and why? Because only about 10 per cent of Russia is Bolshevik; and yet the Bolsheviki have been in control of the other 90 per cent for several years. We have very little to laugh at Russia for. We are run by about 10 per cent of our population—faddists, short-haired women and long-haired men, who have passed prohibition legislation of all sorts, and educated intelligent Canadians put up with it. Now we come to the ordinary trade and vocations of life. What justification is there for it? What outcry is there from the public that there are combines plundering and ruining the country? We do not see anything of it in the papers, except here and there in a red-flag sheet; and yet we are being stampeded and this legislation is going through—legislation which permits of conduct towards the people equivalent to that of the time when the Star Chamber was in full force in Great Britain. I have made my protest; I am only one individual; pass it if you will.

Hon. Mr. DANDURAND: My honourable friend may have taken that stand ever since he has been in public life. If he has, this is not the first time he has had occasion to address this Chamber or the other Chamber, because we have had similar legislation in a variety of forms. Under the Customs Act an agent enters a wholesale house, and as he enters he closes the doors behind him and says, "I take possession;" and he holds the stock, the books, everything, under his hand for whatever length of time it pleases him. We have an Act which enables the Government to reduce the tariff in case parties are taking advantage of it for the purpose of a combine. We have an Act which allows of the suspension or annulment of a patent where that privilege has been abused. We are surrounded by such

laws, and yet we have managed to live and find ourselves more or less the happiest people in the world.

Hon. Mr. FOWLER: That seems to me to be a very poor excuse for such legislation—if you run over a man with an automobile, put the next one through a threshing machine. One bad act is justification for another. There may be some justification for the enactment of the customs law, because nearly everybody would smuggle. I would not include the honourable gentleman in that, but nearly everybody will smuggle.

Some Hon. SENATORS: No, no.

Hon. Mr. FOWLER: Hear them howl. Every man who protests is a smuggler.

Hon. Mr. DANDURAND: If not he, his wife.

Hon. Mr. FOWLER: His wife anyway, because a woman, being unmoral, is always a smuggler and sees no harm in it. She thinks it is all right. But that is no justification for this kind of legislation. The first thing we know this country will not be fit to live in. Having lived in it all my life, and my family for some generations before me, I shall be very sorry to have to leave it.

Hon. Mr. McMEANS: Where will you go?

Hon. Mr. FOWLER: To some South Sea island where they have no law.

Right Hon. Sir GEORGE E. FOSTER: I should like to ask whether or not there are any restrictive penalties in regard to indiscreet or intolerable information that might be given by a registrar or a commissioner. They have tremendous power for getting information. They take up contracts or agreements of a business man or a corporation. This throws a very strong light on the kind and quality of man who should be a registrar or a commissioner. The possession of such information with regard to agreements, contracts, business methods and arrangements in the hands of some persons might be used by way of personal gain, or for the benefit of friends close to him, in a very improper and very damaging way. I have had a fairly good view of the wisdom of Governments in making appointments; but my life has given me instances of some mighty poor men who have been placed in responsible positions, and I can conceive of persons being nominated as commissioners or as registrar, who have strong political or partizan leanings; men who have various attitudes with reference to this business man and that; and I think there is in almost any man's being a little chord of temptation that can be pulled and made to operate in an unfair way. Suppose a man makes disclosures or uses information for his own advantage or for the advantage of his friends financially or politically, is there anything to restrain him or punish him for such incontinence?

Hon. Mr. DANDURAND: I read the Bill very minutely, but it was two weeks ago, and I have not in mind and cannot recall any special enactment on that point.

Right Hon. Sir GEORGE E. FOSTER: I could not find it.

Hon. Mr. DANDURAND: But if, when we are in Committee, we realize there is no such restriction, we can very well add a clause in order to protect the public.

Hon. Mr. FOWLER: Will the Civil Service Commission appoint the registrar?

Hon. Mr. DANDURAND: I do not think so.

Hon. Mr. FOWLER: Surely it is not the intention of the Government to go outside the Civil Service Commission?

Hon. Mr. DANDURAND: My honourable friend knows the deputy ministers are excepted from the Civil Service Commission, so probably this commissioner would be equal—

Hon. Mr. FOWLER: Equal to a deputy minister?

Hon. Mr. DANDURAND: In qualifications to a deputy minister, I think the appointment is left to the Governor in Council.

Hon. Mr. ROBERTSON: That is covered by section 4.

Hon. Mr. REID: It was with knowledge of the way in which the Customs Act had been administered for many years that I made the suggestion with reference to this Bill. The honourable gentleman has referred to customs officers having power to go into places of business and take charge. That is true, if they have information that any violation of the law has taken place or is suspected by any individual. But that is never heard of, and the information does not come to the public, unless prosecution takes place, and then a judge decides what proportion of it shall be made public. In this case the commissioner walks in, and there is nothing to prevent him, after the investigation has been held, giving the information to the public. Clause 19 simply provides that the Minister may order that the evidence be taken in private.

Hon. Mr. DANDURAND: The investigation is private unless the Minister says it shall be public.

Hon. Mr. REID: The investigation is held in private, but there is no provision that the commissioner must keep the proceedings secret. That is the point. For instance, a customs officer can hold an investigation in private, and the law will not allow him to make anything public. In this case the commissioner shall hold the investigation in private if he so orders; but, after he has held the investigation, he may let the information out. For that reason I would ask the honourable leader to consider whether anything could be added to cover the point I make.

Hon. Mr. DANDURAND: We may consider the possibility of amending or supplementing, but if my honourable friend will read section 19 he will find: "The proceedings of the registrar and every commissioner shall be conducted in private," etc. Until the Minister intervenes the investigation is private, and the commissioner, as well as the registrar, must keep it private to the point where he makes his report to the Minister; so that it is private with him or with them all the time unless the Minister intervenes to declare that it shall be carried on in public.

Hon. Mr. REID: I do not think that is plain.

Right Hon. Sir GEORGE E. FOSTER: That is simply as to the investigation itself—as to whether you shall open the doors and let the public in, or keep the doors closed and keep only the registrar in. But the point my honourable friend has made, and that I tried to make, is that the information which the commissioner or the registrar gets, whether he conducts the investigation privately or not, is information which is of the most private kind, and if used or made public it might be very disadvantageous to the firm, and might work a great injustice to it, and might be used for the advantage of another. It is to dam up that possible leak in the dyke that I think we ought to have something.

Hon. Mr. DANDURAND: I see no objection to that. I will take a note of it.

Sections 11, 12 and 13 were agreed to.

On section 14—Registrar or Commissioner may inspect and copy books, etc:

Right Hon. Sir GEORGE E. FOSTER: There is a kind of an omnibus clause here: you not only have the registrar and the commissioner and the experts provided for, but they may be investigated by the Registrar and the Commissioner, "and also by such parties as the Minister or Commissioner allows." What is exactly the extent and meaning of that? That opens a very wide door. A commissioner might think that he should take a business man in to help him in this investigation, and this man might be a rival of the accused.

Hon. Mr. DANDURAND: There is a clause which allows of the appointment of experts, who, in cases of books, would be accountants or auditors.

Hon. Mr. FOWLER: Experts would not be confined to bookkeepers: they would be in any line. Suppose it was a dye factory, an expert on dyes would be employed.

Hon. Mr. DANDURAND: Section 15 provides that information obtained by competent persons employed to examine books, papers, or records shall not, except so far as the Minister deems expedient, be made public, and also that such parts of books, papers or records as are not material to the investigation may be sealed up. This section provides the necessary secrecy.

Hon. Mr. FOWLER: But the experts are not necessarily expert bookkeepers: they would be experts along any line.

Hon. Mr. DANDURAND: They may: that is why the expression is a broad one.

Sections 14 to 17, inclusive, were agreed to.

On section 18—no person excused from attending or giving evidence on ground that evidence may incriminate him:

Hon. Mr. FOWLER: He is not to be excluded on such ground?

Hon. Mr. DANDURAND: There is an ordinary saving clause that no evidence thus given shall be used against such person in any criminal proceedings.

Section 18 was agreed to.

On section 19—proceedings in private:

Hon. Mr. REID: That is the clause I object to. I think that should stand to see if something cannot be provided.

Hon. Mr. DANDURAND: We may find that in some other clauses there are sufficient guards.

Section 19 was allowed to stand.

Sections 20, 21 and 22 were agreed to.

On section 23—Governor in Council may admit article free of duty or reduce duty if satisfied as a result of investigation under this Act that combine exists at expense of public:

Right Hon. Sir GEORGE E. FOSTER: Can that action be taken before the action referred to in section 25, and its result known? Section 25 refers the whole thing to the Attorney General. Can any decision of a registrar or a commissioner as affecting the combine itself be taken and made public before you hand it over to the Attorney General of a province? Is not this all preliminary—to put information into the hands of the Attorney General of the province for prosecution if he deems it worth while to take action?

Hon. Mr. FOWLER: Section 20 opens a pretty wide door.

Hon. Mr. DANDURAND: I draw the attention of the honourable gentleman from Grenville (Hon. Mr. Reid) to section 22 as to secrecy:

Within fifteen days after its receipt by the Minister the report (other than an interim report) of any Commissioner shall be made public, unless the Commissioner is of the opinion that the public interest would be best served by withholding publication and so states in the report itself, in which case the Minister may exercise his discretion as to the publicity to be given to the report in whole or in part. The Minister may publish and supply copies of any report in such manner and on such terms as to him seems most desirable.

Hon. Mr. FOWLER: Then it all depends on the commissioner; the Minister has nothing to do with it.

Hon. Mr. ROBERTSON: That refers only to the report—not to the evidence.

Hon. Mr. DANDURAND: The Minister may exercise his discretion as to publicity.

Right Hon. Sir GEORGE E. FOSTER: Perhaps I was not clear in my question as to section 23. The reduction of duty or otherwise is a penalty for an adjudged case. Therefore, whether the Attorney General takes it up or not, the decision has been made and the penalty applied, which affects not only the man or the corporation itself, but the whole trade.

Hon. Mr. DANDURAND: Of course, I am not ready to say it is a penalty. It is a relief to the whole public, but of course it would operate as a penalty.

Hon. Mr. FOWLER: I think that is quite a reasonable provision. If there had been a combine, and it was clearly ascertained, then the combinesters should be punished.

Right Hon. Sir GEORGE E. FOSTER: Is it ascertained before the Attorney General has taken up the matter and prosecuted?

Hon. Sir JAMES LOUGHEED: Yes, because the report of the commisioners is made to the Attorney General. They simply hand it over to the Attorney General as the provincial authority.

Hon. Mr. REID: According to section 22, it is left in the hands of the Minister whether to make it public or not. Unless the commissioner writes it in his report that it would not be in the public interest to expose it, the whole information must be made public.

Hon. Mr. DANDURAND: No; the report.

Hon. Mr. REID: Well, the report would be supposed to contain all the evidence.

Hon. Mr. FOWLER: Oh, no.

Hon. Mr. REID: They generally submit the evidence with it.

Hon. Mr. FOWLER: That is another matter.

Hon. Mr. REID: That may form part of the report. The evidence may be submitted with the report to justify the finding. At all events, I interpret that as leaving the thing in the hands of the commissioner, and as meaning that it shall be made public.

Section 23 was agreed to.

On section 24—if owner or holder of patent makes use of exclusive rights to unduly limit production or restrict or injure trade, patent shall be liable to revocation:

Hon. Sir JAMES LOUGHEED: We should have put that in the Patent Act.

Hon. Mr. DANIEL: I would like to ask the Minister: who pays the expenses of this Act? I see that witnesses are entitled to receive travelling expenses, and witness fees, and all that sort of thing. Where does the money come from?

Hon. Mr. DANDURAND: The Federal exchequer.

Hon. Mr. DANIEL: That is all right. I thought they had nothing in the treasury.

Sections 24 and 25 were agreed to.

On section 26—penalty for violation of Act:

Hon. Mr. FOWLER: If you make the penalty too great, you will defeat the object of the Bill. Before you can convict on an indictable offence you have to try it before a court, and I can assure you, as one having had long experience with criminal law, that the worst thing you can do is to make the penalty for an offence too great, that is, out of proportion to the offence. As sure as you do, you either get a disagreement of the jury or an acquittal.

Hon. Mr. DANDURAND: My honourable friend will see that there is no minimum.

Right Hon. Sir GEORGE E. FOSTER: It may be one dollar.

Hon. Mr. FOWLER: But an indictable offence is tried before a jury, and how do the jury know what attitude the judge will take? And if they suspect that the judge will be severe, they will acquit or disagree. That is the result of my experience, and I think you will find that it is the result of any man's experience.

Hon. Sir JAMES LOUGHEED: You will have to hoodwink the jury in some way.

Hon. Mr. FOWLER: You have the penalty here too great.

Hon. Mr. DANDURAND: Not for big business.

Hon. Mr. FOWLER: But you are going to bring in a lot of little fellows in addition to the big ones. You can prosecute a small man for this offence as much as you can a big man.

Hon. Mr. McMEANS: There is no private prosecution allowed: you have to get the consent of the Attorney General or the Solicitor General.

Hon. Mr. FOWLER: That is not the point. That only goes to the prosecution, but this is after you have the thing started; after you have had the investigation, then you turn it over to the provincial authorities for prosecution. I see that these remarks of mine are not received with very much seriousness by my honourable friend. He is sure in his own heart that this Bill will never be operative—that it is really just a little sop to the boys.

Section 26 was agreed to.

Sections 27 to 30, both inclusive, were agreed to.

On section 31—appointment of registrar and commissioner and employment of requisite technical and special temporary assistance:

Hon. L. C. WEBSTER: May I ask if all the expenses will be paid by the Government?

Hon. Mr. DANDURAND: I am happy to be able to inform my honourable friend that the Federal exchequer will be mulcted only for its own costs.

Hon. Mr. FOWLER: Who pays the costs in case the inquiry falls to the ground? Does the alleged combinester have to suffer the injury?

Hon. Mr. DANDURAND: I do not presume there will be any costs.

Hon. Mr. FOWLER: Does he not have to defend himself?

Hon. Mr. DANDURAND: If he has a clear record and clean hands why should he employ counsel?

Hon. Mr. FOWLER: Just to show that he has a clear record and clean hands.

Hon. L. C. WEBSTER: Who pays the witnesses if the case is not proven?

Hon. Mr. DANIEL: The Crown pays them all.

Hon. Mr. McMEANS: It is the same as with any criminal charge: a man who defends himself has to pay his own expenses.

Hon. Mr. DANDURAND: I draw attention to subsection 2 and 3 of section 31. Of course, the question arises as to the claim on the part of the accused if he is freed from the accusation.

Hon. L. C. WEBSTER: That is my point.

Hon. Mr. DANDURAND: I do not see that power is taken to compensate him by paying his expenses.

Hon. Sir JAMES LOUGHEED: You think acquittal will be sufficient compensation.

Hon. L. C. WEBSTER: Do you not think something might be added to cover the expenses of the party accused?

Hon. Mr. DANDURAND: We have left that question in abeyance. The question is, should the complainant or the Crown or the innocent party pay? My honourable friend from Manitoba (Hon. Mr. McMeans) has just remarked that in all criminal cases the accused pay their own expenses.

Hon. Sir JAMES LOUGHEED: You are not putting this in the same category?

Hon. Mr. FOWLER: But if a man is maliciously prosecuted, he has an action in return; in this case he has not.

Hon. L. C. WEBSTER: A man so accused may not be a criminal.

Section 31 was agreed to.

Section 32 was agreed to.

On section 33—Governor in Council may make necessary regulations:

Hon. Mr. FOWLER: Will the regulations be effective before any meeting of Parliament?

Right Hon. Sir GEORGE E. FOSTER: It is just the usual clause.

Hon. Mr. FOWLER: Are the regulations effective from the time they are made?

Hon. Mr. DANDURAND: Yes.

Section 33 was agreed to.

On section 34—trade unions not affected:

Right Hon. Sir GEORGE E. FOSTER: What is the meaning of this section?

Hon. Mr. FOWLER: It says:

> Nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees.

Why not add the words "or employers?"

Hon. Mr. DAVID: Does that mean that the Act shall not apply when the combination is for reasonable protection?

Hon. Mr. FOWLER: Who is to say whether it is reasonable protection or not? And why, if it applies to workmen and employees, should it not apply to employers? Why should not everyone be reasonably protected? Is it only the workmen who are to be protected or exempted from restrictive laws? That is class legislation.

Hon. Mr. SCHAFFNER: That is the fly in the ointment.

Hon. Mr. FOWLER: Yes, that is the fly in the ointment. Let us all be judged alike. I shall view labour legislation from a different standpoint when the labour unions consent to be incorporated so that actions can be brought against them for breach of contract. So far as labour legislation is concerned, my experience is that the labour unions are always trying to get some advantage over other people. Let them stand on an even basis with others. Every man in this country should have an equal right before the law. They make exceptions of themselves and are not to be held liable; but the corporation of employers is held liable. Corporations of employees can amass a large amount of money and snap their fingers and laugh when a corporation tries to enforce any contract against them. That is not fair, that is not square, that is not British justice and fair play; and I say they have no right to be excepted from this any more than employers have.

I would make a suggestion, which I am sure is in line with my honourable friend's view, because I know him to be a very sensible, level-headed, just man. I appeal to him on that ground to amend this by adding the words "or employers" so that it will read "workmen or employers or employees."

Hon. Mr. REID: I would also like to make the appeal to have farmers exempted.

Hon. Mr. FOWLER: U.F.O.

Hon. Mr. REID: Not U.F.O.—farmers as a whole, including U.F.O.'s.

Hon. Mr. FOWLER: Real farmers.

Hon. Mr. REID: Yes. Is it not a fact that farmers have to unite to sell their products? Why should this legislation apply to workmen and not to farmers? I think everything should be done to assist farmers and give them an opportunity to reap better profits.

Right Hon. Sir GEORGE E. FOSTER: Could my honourable friend mention a case in which any provision of this Act applies to trade unions?

Hon. Mr. DANDURAND: I do not see any.

Hon. Sir JAMES LOUGHEED: Or in what way it could reach the trade unions, if you were to omit the clause?

Hon. Mr. DANDURAND: I confess that up to this moment I have not emphasized the expression "reasonable protection," which opens quite an interesting debate. What this section would cover in the general activities of the trade unions I am not prepared to say. It has been suggested that employers should be added.

Hon. Mr. FOWLER: Would you allow me to make a suggestion? Suppose that the trade union was composed of bricklayers who bind themselves not to lay more than 300 bricks in a day. Would that bring them within this measure if the exception was not made?

Hon. Mr. DANDURAND: Off-hand, I would say yes.

Hon. Mr. McMEANS: It is not a combination in respect of trade.

Hon. Mr. FOWLER: Then, if you pass this exception, you are permitting the workmen to do what you will not permit the employer to do.

Hon. Mr. DANDURAND: No, I say that I believe that the trade union which would act in that way would not be covered by clause 34. That is my opinion as I read the clause.

Hon. Mr. FOWLER: Would not be excepted?

Hon. Mr. DANDURAND: A union that decided to limit its production unduly to the extent that my honourable friend mentions.

Hon. Sir JAMES LOUGHEED: That would be unreasonable protection.

Hon. Mr. DANDURAND: It would fall under this legislation, and would not be protected by clause 34.

Hon. Mr. FOWLER: Where would you draw the line as between reasonable and unreasonable? Would it be at 300 bricks or 400 bricks a day?

Hon. Mr. DANDURAND: I return to section 2:

> The expression "combine" in this Act shall be deemed to have reference to such combines immediately hereinafter defined as have operated or are likely to operate to the detriment of or against the interest of the public.

Hon. Mr. FOWLER: Is not a trade union that restricts the labour of its members to the laying of 300 bricks a day when an ordinary man could lay 800 to 1,000 a day a combination in restraint of trade, and does not that work to the injury of the public? The restriction placed on the output of labour has done more to raise prices in this country than anything else.

Hon. Sir JAMES LOUGHEED: This Bill would reach a case of that kind. That would be unreasonable.

Hon. Mr. FOWLER: Where does reason begin?

Hon. Sir JAMES LOUGHEED: It is for the courts to decide that.

Hon. Mr. FOWLER: To-day they have regulations against the laying of more than 400 bricks a day.

Hon. Mr. SCHAFFNER: No, I think it is 1,000.

Hon. Mr. FOWLER: No, it is not so much as that.

Hon. Mr. SCHAFFNER: They could easily lay 1,500.

Hon. Mr. FOWLER: I have built a good many brick buildings, and I know that a man could easily lay 1,500 bricks; but to-day they do not lay 800, and that is their regulation.

Hon. Mr. SCHAFFNER: Why have section 34 at all?

Hon. Mr. DANDURAND: On the second reading of the Bill I had occasion to state that this clause, from the inception of this kind of legislation, from 1888 up to to-day, has been included, and I stated why I thought it was. I may have been in error, but I am convinced that in 1888, and for very many years afterwards, the labour organizations were striving to better their condition, were pleading that their wage was a starvation wage in many instances, and were forming themselves into associations in order to gather strength and obtain a living wage. It seemed natural, when the scale of wages was so low, that they should be allowed freedom of action to band together and strive for a better wage. To-day the situation is somewhat different.

Hon. Mr. FOWLER: Then, why not change the law?

Hon. Mr. DANDURAND: You still allow them to join together. You do not declare that the simple fact of claiming collective bargaining is ipso facto an illegal act, but you limit that action by declaring that it must be for their reasonable protection. It leaves the whole question open. I can understand why this provision has been carried from one statute to another.

Hon. Mr. FOWLER: But now the time has come when the boot is on the other foot, and the wage is really higher than industry can pay. Look at what men are getting in the United States—$18 a day, working a 9-hour day. It is a good deal worse there than it is here. The cost of construction is so great that it is impossible for people economically to build, and there begins the endless round. Since labour has got the upper hand, why should you put employees on a different plane? Why should they not get on the same platform as the poor employer, who to-day has to plead for mercy, suffering as he does because of labour? I do not ask for the employers any special legislation whatever; but why should you give the workmen special legislation when they do not ask for it, when they do not need it, when as a matter of justice, it should not be given? Give fair play to each.

Hon. Mr. DANDURAND: I do not see that this alters very much the situation of the labour union; it declares that they can form themselves into unions or associations.

Hon. Mr. FOWLER: Of course they can.

Hon. Mr. DANDURAND: Then, till they go one step further and do something that is unconscionable or unreasonable they are free to live their own lives in society. The same thing applies to the employer.

Hon. Mr. FOWLER: Why don't you say the same thing about the manufacturers?

Hon. Mr. DANDURAND: No one would think of assailing the manufacturers because they have formed the Canadian Manufacturers Association. So long as they are working for their general interests without operating at a certain moment to the detriment of the public by raising the price or reducing production they are free to act. They are free in their movements, just as labour organizations are in their unions.

Hon. Mr. FOWLER: Then why do you except the latter?

Hon. Mr. DANDURAND: Because their association was a manifest one: they were organizing, and it was said, if I might use the expression, that they were manifestly the under-dog thirty years ago, and twenty years ago.

Hon. Mr. FOWLER: Now they are the top-dog.

Hon. Mr. DANDURAND: That protection is there, so long as they use it in a reasonable way. I do not believe there is any harm in continuing that semblance of protection.

Hon. Mr. FOWLER: When they were the under-dog it was justifiable; but now that they are the top-dog it is not justified. Why not include the employers in that?

Hon. Mr. REID: I want to make an appeal on behalf of the producers. The interpretation clause of this Act refers to combines that are likely to operate against the interest of the public, whether producers, consumers, or others. That would take in the farmer. Then, section 34 is put in to except one particular class. If that section were not in, the Bill would apply to the class mentioned by the honourable member for Sussex.

Hon. Mr. DANDURAND: I think the word "reasonable" gives society sufficient protection.

Hon. Mr. McMEANS: I see that the leader of the Progressives is not in his seat, or probably he would ask the question I am going to ask. I understand that the Parliament of Canada passed an Act authorizing the western provinces to make a pool in grain, but it did not go through. In the event of the farmers of the West combining not to sell their grain until a certain time, would that be forming a pool to raise the price to the people?

Hon. Mr. DANDURAND: I think the intention of the Grain Growers of the West was very well put before us by another honourable representative of Manitoba in this Chamber on the second reading of this Bill last week. The pool is not for the purpose of enhancing the price, but for the purpose of allowing the grain to reach the market as the market needs it, and not glutting market and depreciating an article that has some value.

Hon. Mr. STANFIELD: Does this Bill cover the legal and medical fraternities?

Hon. Sir JAMES LOUGHEED: Oh, yes.

Hon. Mr. DANDURAND: I had that in mind while I was listening to my honourable friend from Sussex.

Right Hon. Sir GEORGE E. FOSTER: Better let this section stand.

Hon. Mr. McMEANS: I think my honourable friend said it would not affect a combination of farmers forming a pool to hold the grain, and not to sell it until a certain time.

Hon. Mr. DANDURAND: I do not like to substitute myself for the courts that may have to pass judgment on all those questions.

At six o'clock the Committee took recess.

The Committee resumed at 8 o'clock.

On section 34—trade unions not affected:

Hon. Mr. SCHAFFNER: I think this clause should be eliminated. My honourable friend the leader of the Government said something this afternoon which was very true; he said that the principle contained in this Bill had been recognized since the '80s.

Hon. Mr. DANDURAND: Since 1888.

Hon. Mr. SCHAFFNER: I think that recognition was justifiable at that time, and perhaps for many years afterwards, but I believe the time has come when conditions are such that the clause should be eliminated. I have always held that labour should be considered, and that they had an absolute right to their unions. I think so yet; I have no doubt that the union of labour has done a great deal for the progress of labour in this and other countries; but I think now that anyone who has had to employ labour during the past ten years, especially during the war and since, will feel with me that there is no particular reason why a clause like this should be retained in the

Bill. This is the feeling not only in this country, but in the United States. The price of labour has reached such a stage that it is reacting upon labour. It may be said that it is all right—that it will make labour more considerate; but we know that a great many people have gone from this country to the United States during the last year because of high wages.

I would like to call the attention of the House to an article from New York city, because it expresses much better than I can my opinion on this subject. It says:

> The demand for higher and ever higher wages is the monkey-wrench that has got into the machinery. The Board of Education of the city of New York had planned a building program involving upward of $36,000,000. This has now to a large extent been deferred. Masons were getting $10, and in many cases $12 per day, but decided that it was not enough, Thereupon the contractors threw up their hands, and, backed by the Board of Education, they resolved to close down, and do no more building until prices receded. Aside from the schools New York had a building programme in hand, in large work only, amounting to upward of $42,000,000 and this has been dropped until such time as there is a reasonable deflation in prices of both labor and materials. The New York Telephone Company was to have expended some $11,000,000, but have decided to postpone the work, while Columbia University has decided to defer a $10,000,000 building project.

All that work has been suspended because of what is believed to be an unfair rise in the price of wages and material. I give that as a proof that we should not make any special legislation to asist labour. I believe and always have believed that the labourer should be well paid. If I had my way I would even classify labour, as the man who should perhaps get the highest wages does not. I would give the man who goes into a sewer to work better pay than either the carpenter or the mason. That idea may not be general, but it is in my opinion the proper one. The article from which I have read closes with these words:

> If our labour leaders would let up on the wage business and preach production to their members we might get somewhere. High wages are by no means objectionable; in fact, they are very desirable; but with high wages should go economical and high production, both of which are now sadly lacking.

These are my sentiments. I honestly and sincerely believe that labour is not playing the game fairly. I have said that several times; but when they get good wages it is up to them to produce and give satisfactory results.

My own experience last summer was something like this. I was employing quite a number of men. All those men smoked cigarettes. I have no objection to that; they smoked from the time they started in the morning until they stopped at night. But they not only smoked cigarettes; they rolled their own, and all day they were either rolling cigarettes or smoking them. That is not fair.

We hear a great deal about capital and labour, but this is no time to enter on a discussion of that question. They should get good wages, but on the other hand they should produce something in return for those wages. Hence I think that this clause should be eliminated.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend has, I think, reserved two or three clauses which he is to take into consideration. Might it not be just as well to reserve this clause with the others? We can all think it over, and maybe some suggestion can be made to modify it to some extent without deleting it entirely? I simply make the suggestion that it be allowed to stand with that end in view.

Hon. Mr. DANDURAND: I have no objection to accepting the suggegstion of my right honourable friend. As he rose I was about to say that I did not think it was good policy for us to drop a clause that seemed to be very harmless. If the word "reasonable" were not in it, I would think an argument might be made for modifying if not dropping it; but in the form in which it has been on our Statute Book for the last 30 years, it seems to me that it can do no harm, because whenever the labour associations go beyond what is reasonable they except themselves from it. We are all striving to round the angles and bring about an understanding between capital and labour. If I were not convinced that the clause is practically harmless, I would not say that the Senate of Canada, with all it represents should abstain from touching it.

Hon. Mr. CASGRAIN: Before this clause is disposed of I would draw attention to the statement in some newspapers that there is talk of a gigantic combine of all the farmers in the provinces of Manitoba, Saskatchewan and Alberta in order to enhance the price of food. It is a voluntary pool—as I understand these combines, people go into them voluntarily—and the question arises whether we should not also exempt farmers when they want to make a combine. A combine in wheat is the most serious possible, for bread is the staff of life. Such a combine would raise the price of food to the poorest people in the community, for, as everyone knows, they use a much larger proportion of bread than any other article. The poorer

people are the more bread they eat, while wealthy people have a variety of food, and eat comparatively little bread. A combine of the farmers to raise the price of wheat would certainly raise the price of bread, and, according to some legal lights whom I consulted in Montreal to-day, such a combine would certainly come under the provisions of this Bill. There should therefore be a clause stating that the farmers, when they do combine to raise the price of food, and thus increase the cost of living, shall not be subject to prosecution. Honourable gentlemen who represent the farmers should certainly have a clause of that kind inserted in this Bill.

Hon. Mr. SCHAFFNER: I have never yet seen a combination of farmers to raise the price of wheat or bread or flour to the consumer. That has never been advocated by anybody in the western provinces. They desire only to get rid of the speculator—not to raise the price of bread.

Hon. Sir JAMES LOUGHEED: I think there is a misapprehension as to this section. I do not read it as an exemption, that is, an unqualified exemption of a combination of workingmen. The same principle is imported into this section that runs all through the Bill. The combination must be one for reasonable protection of workmen or employees. This exemption would apply to the manufacturer, and to every combination in Canada that is formed simply for reasonable protection. What is aimed at in the Bill is a combination for unreasonable purposes. Honourable gentlemen will observe that this section at the end of the Bill deals with reasonable protection:

> Nothing in this Act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees.

Instead of using the words, "workmen or employees," we might insert there, "manufacturers, merchants, any body of men, may form a combination for their reasonable protection." But when the combination becomes unreasonable so unreasonable as to be a machine for extorting unreasonable prices from the public—then it comes within the Act. In my judgment combinations of employees or workmen would be just as well protected under the Act if they were not mentioned here. I fancy that mention is made of workmen or employees for the purpose of removing any misapprehension in the minds of the working classes; but, as I say, without that specific mention they will be just as well protected.

Hon. Mr. CASGRAIN.

Hon. Mr. TURRIFF: On two or three occasions during this debate reference has been made to a proposed combination of farmers. I want to say that there is no idea or intention among farmers or wheat-growers to form any pool for the purpose of raising the price of wheat.

Hon. Sir JAMES LOUGHEED: If that were the case, this Bill would extend to them: it would cover any such combination as that.

Hon. Mr. TURRIFF: The farmers of the West, at all events, do not want any exemption in any shape or form. All they want to do is to prevent other combinations from reaping the whole or most of the benefit that they should derive from the wheat they grow. They want to prevent all the wheat, or a great deal of it, from being forced onto the market early in the fall by creditors of the farmers, who urge them to sell their wheat. Their idea is that if they have a wheat board, they can draw their wheat in, and get a certain amount of money on it, but that the wheat board will have full control, and not rush wheat on the market, and thus put the price away down as was done the year before last. As soon as the wheat got into the hands of the middlemen or speculators on that occasion, it went up 30, 35, 40 and even 45 cents more than it sold for in the months of October and November, when it was being delivered to the market. That is all that the farmers want, if they succeed in getting a wheat board that is workable. If they do not succeed in getting a wheat board they can form a pool among themselves, not for the purpose of raising the price of wheat, but for the one and only purpose of preventing it from being put on the market and the price pushed down below its value in the hands of speculators, causing consumers to pay a third or a quarter more than they would have to pay had the wheat been marketed in a quiet and orderly way, feeding the market as fast as it could take the grain. That plan worked well during the war under the War Measures Act, and I am sure that, if the farmers succeed in getting something of the same kind, it will be of benefit not only to themselves, but to the consumers all over the country.

Right Hon. Sir GEORGE E. FOSTER: Just a word with reference to the phase of the discussion which has come upon us at the moment. It strikes me, from my reading and consideration of the subject, that the farmers to-day in the United States and Canada are feeling their way along to the very best and most solid form of marketing their products. The farmer has suffered from

the middleman. Every consumer suffers from an overplus of distributors and middlemen, and we are paying a good proportion of the amount that we pay for our keep because they are too many men who are not producers, but who are taxing the people and burdening business for keeping them up in the process of distribution—an unnecessary distribution.

No man can walk through the streets of Ottawa and count the grocery stores or the drug shops, or can go to the city of Toronto, where these are probably even more in evidence, without coming to the conclusion that there is an overplus of distributors in those lines. Every distributor has a family and runs an establishment, and every bit of the expense is paid, not out of a certain thing that he produces, but out of his charges for intervening between the man who produces and the man who consumes. It would be an interesting thing to note the number of grocery stores, drug stores, fruit stores, and the like of that in this town, and then note the population of Ottawa, and reckon the cost per head of all those establishments for their upkeep, the upkeep of their families, their living expenses, their luxuries, and everything that pertains to life. What amount would that be when taxed upon the consumers of those products, according to the population which is in the city of Ottawa to-day?

I do not know that there is any way out of it, by legislation or otherwise, except through the growth of economic sense. I do not know any way by which you can say that there shall not be more than a certain number of grocery stores. But it is evident to anyone that if you had in this city 10 grocery shops—establishments properly distributed and well conducted on good business and economic principles, they could supply all the grocery needs for the whole of this population, and you would have only 10 shops to keep up, where perhaps you have now over a hundred, two hundred or three hundred establishments to keep up. This is one of the things that it is most difficult for us to meet in an economic way.

A man who produces something useful is a great boon to the country, while every man and every member of a family who does not do something in the way of absolute production, but lays himself or herself over on the producer and the consumer to keep them, and provide them with a business, and a remuneration for that business, is so much of a tax upon the ultimate consumer, and therefore adds to the cost of living.

It is most entertaining and instructive to watch the growth of co-operative business among primary producers in the United States of America. The farmer is reaching out in that direction. In the fruit industry, in all departments of the vegetable industry, and now in the grain industry as well, co-operative marketing is taking the place of the old plan of throwing everything into the hands of middlemen from the time that it leaves the granary of the farmer until it gets onto the consumer's table. By a wise system and business method of co-operation the producers are keeping those profits to themselves. I do not think that the result has been to increase the price of the product, yet it has brought to the farmer and the primary producer what is his right—the largest proportion possible as a profit to him who produces.

If the consumer could be right at hand with the primary producer, and directly take what he wants, without the intervention of a long line of middlemen, there would be less cost to the consumer. So I think that the farmers, having abandoned the plans they had at one time, of making the Government the medium of their transactions between themselves and the consumer, are going on a principle which, if they work it out with the same business ability in their organization from the first to the last, as farmers in the United States are doing in those productive industries, the effect will not be to add to the cost to consumers, but to increase to the farmer the profits which are naturally and rightfully his.

Now, with reference to the matter before the House, what the leader of the Opposition said is true, that the spirit of this Act being that a reasonable actor, whether employer or employee, shall be protected, it is of the essence of the Act, that as long as both are reasonable neither of them shall be attacked by it. But if reasonableness is of the basis and an essential part of the Act, why is it necessary to take out any one class and say that they shall not be proceeded against under this Act so long as their action is for their own reasonable benefit? Why should not the milkman be exempted in the same way in his arrangements for the production of milk and the distribution of it through the city; giving him no more than a reasonable return for his pail?

A Bill of this kind is going to be very difficult to work out with a whole class of businesses. Take the men who manufacture on a stated selling price: you get a store selling at a single price, and they fix the price. I have known of some investigations into that matter, and I have seen where a dis-

tribution of sugar by a system that prevailed five or six years ago, and also this fixed-price method with reference to certain articles, in the end, worked out absolutely to the benefit of the consumer himself. Somebody must fix the price. It is quite reasonable to think that the manufacturer who is working up his special line, and who wants to advertise it and make a custom for himself in it, will be just as wise and reasonable in fixing his selling price as will 20, 30, 100 or 1,000 retailers who are selling the article, one here and one there, and getting all they can for it, with different prices in different localities. Taking many articles sold in drug shops, and in many other ways, the fixed-price method for resale is one of the most economical ways of distributing the product, and in the interest of both producer and consumer.

I think that it is not necessary for us any longer to keep up these distinctions between classes. There is as much right to attack by this Act the trade unions, and working people who combine to force up prices beyond what is reasonable, as any other combine. The producer who reasonably puts a proper price on his goods and tries to work up his custom through that reasonable method, should not be attacked by this Act. But, if either of these classes is unreasonable, then they should be at the mercy of the Act. If both of them are reasonable, and if reasonableness is of the essential nature of the Act, the Act itself will be their best provision and safety.

Hon. G. D. ROBERTSON: Honourable gentlemen, I fear that some of us may perhaps be overlooking the fact that there is other legislation on the Statute Book of Canada that governs in a case where either an employer or a number of them, or employees in concert, seek to impose unfair conditions on the other; and, in view of the fact that another Act does govern these things, it may be the intent of previous legislation of this sort—because in at least two previous Acts this same clause has occurred—to make it clear that the other legislation should govern matters of wage disputes rather than that the Combines Act should. May I point out again, as I did on the second reading of this Bill, that there is nothing which workmen, by combination, can control except their own labour. They offer and sell the only thing they have to offer and sell, and from which they are able to support themselves and their dependents—that is, their own efforts, the labour that they offer to give in return for a day's pay. That is not in contemplation in this legislation. This legislation, as I understand it, proposes to prevent men or combinations of men from unfairly gathering together, through the investment of capital, the product of labour, whether it be of the farmer or the workman in the factory, and by obtaining control of the surplus product at a time when the supply exceeds the demand and putting it in storage until the demand exceeds the supply, and then wresting from the public an exorbitant price for it. It is to prevent an abuse of that kind in any line of endeavour that I understand this legislation is necessary. In my opinion, it is not applicable to relations between employers and workmen at all. But, as the right honourable member from Ottawa (Right Hon. Sir George E. Foster) and also the leader of this side of the House (Hon. Sir James Lougheed) have pointed out, if there is unreasonable combination on the part of workmen in such a way as has been pointed out in one or two instances this afternoon, it is within the scope of this measure to recognize it and take action. That being so, there can be no harm in leaving the clause just as it is. It will have this beneficial effect; it will not upset the minds of a million workers of this country, and will not afford an opportunity to those who wish to agitate their minds. It can do no harm to leave it, and I respectfully suggest, honourable gentlemen, that it is neither desirable nor proper for this House to take any step which will upset the equilibrium of the workmen when no good purpose can be served by so doing. There is a similar clause in the Act of 1919 and in the previous Act, and I respectfully suggest that it should be left in this Bill. It worked no harm in the previous Acts, and we all agree that to eliminate it from this Bill will not in any way alter the situation except to disturb the minds of workmen throughout the country and to afford an opportunity to those who desire to disturb them and bring about a feeling of dissatisfaction.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend has presented an argument which appeals to my mind. I have been impressed by what he has said as to this being made a handle for more trouble and more hard feeling than we have at the present time, when it is in the interest of all labourers and employers as well to get together on a common basis of reasonable co-operation, each being so absolutely necessary to the other for the best of production and the cheapest of consumption.

Section 34 was agreed to.

Sections 35 and 36 were agreed to.

Progress was reported.

FRENCH CONVENTION BILL

SECOND READING

The Senate resumed from May 23 the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 23, an Act respecting a certain Convention of Commerce between His Majesty and the President of the French Republic.

Hon. C. P. BEAUBIEN: Honourable gentlemen, I am free to confess that when I heard the speech delivered by the honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) on this very important matter, a good many of my hopes received a severe blow, and I wondered whether some of my endeavours in the past had not been spent to no avail. With the ability which has exercised its power over Parliament for more than 30 years, my right honourable friend in a vivid manner confronted our possible trade with France with the general trade of Canada, and I must confess that our trade with France looked so small that I wondered whether it was worth anybody's while to endeavour to increase it in the future. At the same time, however, I recollected what one of my honourable friend's colleagues told me in 1920. At that time I happened to be in Paris and the honourable gentleman was in Geneva acting as Minister of Finance for the League of Nations. No less, I believe, than some 50 nations had chosen him to direct the financial affairs of that League. Well, this colleague of his told me that the representatives of all nations after hearing Mr. Viviani, the great French parliamentarian and orator, had determined that no resolution henceforth would be taken up by the League of Nations immediately after discussion, because they who had heard Mr. Viviani felt they were not free agents, they were carried away by the power of his oratory, and would not perhaps give the decision which calm consideration would recommend. I think I can in a measure at least apply that to my right honourable friend. I felt that I should mistrust myself and that perhaps it would be wise to investigate these facts from another angle. I do not contest any of the figures submitted here by the right honourable gentleman, but I think I may say that there is plenty of room to differ with him in the angle from which the question can be approached.

If you contrast our trade with any foreign nation whatsoever with the total trade of Canada, you have a very sad picture. The reason is self-evident. Our total foreign trade is divided in the ratio of 46.7 per cent for the British Empire, 39.7 per cent for the United States, and 13.6 per cent for the rest of the world. It matters greatly, therefore, if you contrast our French trade with our trade with any other foreign nation instead of opposing it to the total foreign trade of Canada. But I presume it is self-evident that we gain by extending our trade to different nations, and that it is undesirable for us to have our foreign trade anchored too strongly across the line, and, perhaps, in a measure concentrated too much in the hands of two nations. I think everybody will admit, therefore, that it is of great advantage to Canada to extend her foreign trade amongst other nations.

What is the comparison to be made between our trade with France and our trade with France's greatest competitors on our markets? Here it is. I will take two years before the war, and three years afterwards. In 1913 our export trade with France was .62 per cent of our total exports; with Italy .09 per cent; with Sweden, Norway and Denmark, all put together, .41 per cent; with Spain .01 per cent; with New Zealand, which my honourable friend has mentioned, .44 per cent. Therefore, France then held the leading place amongst these nations in reference to our export trade.

In 1914 our trade with France was .78 per cent; with Italy, .11 per cent; with Sweden, Norway and Denmark, .36 per cent; with Spain, .014 per cent; with New Zealand, .42 per cent.

In 1920, with France, 4.75 per cent; with Italy, 1.32 per cent; with Sweden, Norway and Denmark, .94 per cent; with Spain, .08 per cent; with New Zealand, .54 per cent.

In 1921, France, 2.25 per cent; Italy, 4.77 per cent; Sweden, Norway and Denmark, .87 per cent; Spain, .42 per cent; New Zealand, .97 per cent.

In 1922, France, 1.07 per cent; Italy, 2.07 per cent; Sweden, Norway and Denmark, .97 per cent; Spain, .11 per cent; New Zealand, .52 per cent.

It is therefore evident that if you exclude Italy for the last two years, France will easily be at the head of the nations with whom we trade, with the exception of the United States. Everybody knows what has happened in Italy—that socialism and anarchism have practically held full sway. Everybody knows that up to the time Mr. Mussolini took power that in a great many centres the workmen had taken possession of the different industries and were conducting them themselves to the exclusion of the proprie-

tors; at all events, it is common knowledge that there was a great upheaval in Italy, and therefore an enormous diminution in the production of that country of both raw and manufactured products. That to my mind, is the explanation of why the exports of Canada to Italy were so large in 1921 and 1922. The figures for Italy for the 11 months ending February, 1923, are $11,812,000, having been considerably reduced, and are lower than our exports to France.

Hon. Mr. CASGRAIN: Did we not sell coal to Italy?

Hon. Mr. BEAUBIEN: I have not analyzed our exports to Italy; but I know we did export coal to Italy to a large amount.

May I at the same time draw the attention of this honorable House to two evident obstacles in the way of our trade with France, which, if removed, should lead us to hope for very much better results. The first results from the depreciation of the franc which now is one-third of its value. What are we discussing? We are considering whether or not we should grant to France certain reductions of duty, say from 1¼ per cent, to hardly more than 1¾ per cent on the value of the goods imported from France.

What is our position towards France? Why, the franc, which at par is worth practically five to the dollar, is now worth 15 francs to the dollar. When a Canadian producer sends his goods to France he is confronted with a duty—artificial if you like, but no less real—which is equivalent to a protection of 300 per cent. It really, matters very little, under what regime of protection, under what tariff, your goods are received in France now; what matters is the value of the franc.

What would you say, honourable gentlemen, if we surrounded this country with a protection wall of 300 per cent? Do you think many foreign goods would be sold on our market? That is the position, as far as France is concerned. That possition will not last long. I dare say that the signs now are clear that there must be a readjustment before long. The incident of the Ruhr has not been so importunate, after all, since Mr. Poincaré was able to announce to the House of Commons in Paris very recently that France was spending no more money in the Ruhr, than she was getting out of it. She is on the way to make it a paying enterprise. The German people know it. The French can foresee that the German people will settle; that they will make a reasonable, practical offer; and just as soon as this can be foreseen generally you will witness the price of the franc appreciating, and it will rise rapidly, and then it will be very much easier indeed for us to do business with France. Our exportations to France during the last year exceeded $14,000,000, which, after all, is practically 400 per cent, increase on our expert trade of 1914.

But there is another obstacle. The French people know nothing of our production. I think I can say that I am pretty familiar with the conditions out there. I have made a very sincere effort, and I have given what little ability I have to develop our trade relations with France. I have been appalled to find even people of learning there totally, absolutely ignorant of our products. May I give you an exemple? I was once at Grenoble, a large city which produces no less than 400,000 tons of paper a year, at a large banquet presided over by the President of the Chamber of Commerce; and that gentleman read a speech which was next day reproduced in the papers, and in which he said:

> For the first time, gentlemen, we hear that you produce wood pulp to make paper in Canada. Can you not arrange that some of it is sent to France?

Honourable gentlemen, you know what happened in regard to nickel. Prior to the war, when France wanted nickel where did she get it? She got a little from New Caledonia, but very little, and the rest of that nickel was bought in Germany but of course came from Canada, since we are responsible for over 90 per cent of the total production of the world. The same method applied to asbestos, and in the good old province of Quebec we produced 95 per cent of the best asbestos of the world; yet every time the French people wanted asbestos prior to the war they went to Berlin for it. Is it possible to expect that we can sell our goods in France if they are not known?

Now, may I give you an example of what can be produced when our goods are known? We are now selling a great deal of salmon in France. We did not sell so very much prior to the war, but what happened? It happened that there was a great deal of canned salmon amongst the stocks which were liquidated after the American army returned home. The French people got into the habit of using canned salmon; it got into their diet, practically in everyday use, and when those stocks ran out they looked for more. Here is a letter which I have already quoted to the Senate, but I will ask permission to read one paragraph or two which I think will explain very clearly the views which I hold on this subject. This is from the president of the British Columbia Canning Company. He writes:

During the war the American Government had shipped over in the stores for their Army enormous supplies of canned salmon in these grades, and at the close of the war these were thrown on the French market, at whatever price could be realized for them. The result was that everybody in France commenced to use canned salmon, and it became almost a standard article of food. These enormous army supplies that had been left in France and dumped on the market had all gone into consumption by the Spring of 1921, and the demand for it had become so strong that the French buyers immediately commenced to look around for the filling of this demand. They naturally applied to the three sources of production: the United States, Japan and British Columbia.

To a certain extent France had taken, prior to the war, some British Columbia Salmon, and most of the producers in Canada had acquired the habit of stamping the word Canada on the top of their cans so that on any purchase that went to France they could comply with the French law in that respect, rather than put a sticker on each can.

When the French buyers commenced to feel out the market, they of course found that the United States market and the Japanese market were lower than Canadian prices because of the cheap means of fishing that are allowed in the United States and are not allowed in Canada, and because of the larger production per unit. However, this was overcome entirely by the Preferential Treaty that we had with France, which gave us 25 francs per 100 kilos preference. The result was that not only this large surplus pack that we had on hand went into consumption very rapidly in France, but also we were able to pack considerable more of this grade of fish in 1921 and dispose of that also. As a result we are almost entirely cleaned up of this grade of fish at the present time, the industry starts out next year on a legitimate basis, and we are assured of a steady demand in France for the Canadian product.

He goes on to state that practically now they have chased the American and the Japanese salmon from the French market. Trerefore I say, honourable gentlemen, that what we have accomplished for salmon we could accomplish also for a great many other of our products. Why not for cereals? Are any people better placed than we are to make cereals out of wheat and oats? What about lumber products? What about asbestos, which I mentioned a moment ago? What about paper, and a great many other products for which we are in a specially privileged position to compete with other countries on the French market?

Therefore, notwithstanding the pessimistic impression cast upon me by the speech so eloquently delivered by the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster), I think I can still cherish my hopes, and believe there is for Canada a bright future in the French market, provided, of course, we take the trouble of making our goods known in that market, and provided the conditions of exchange allow us a fair and reasonable chance to compete in that market.

I desire now to refer to the Treaty of 1921. It has been said in another place that that Treaty had a great many defects, and that it was responsible for Canada being placed on a footing of inferiority to the United States in the French market. I would like to call the attention of my colleagues to the fact that Article III of that Treaty clearly states that the entire treaty of 1907-8 was continued in force—the entire treaty, save and except the items that I will mention in a moment. The Franch Government agrees, for the benefit of the Canadian products imported into France, to continue until the conclusion of the new commercial convention the application of the regime laid down in the Convention of 1907-8, with the modifications and additions provided for by the following Articles.

These Articles refer to two schedules. In one there is in fact a retrenchment of 14 articles. Under those 14 articles all together, prior to this Treaty and prior to the war, Canada did not export as much as $150,000 worth a year. Therefore I think I can say that the 14 items which were rejected, so to speak, from the list of the minimum tariff by the Treaty of 1921, were not of a great deal of importance; and, besides, most of them, as you can see, have still percentages of preference.

But there is Schedule 2. Well, if you take Schedule 2 you will find that all articles, with privileged treatment heretofore exclusively reserved to the United States, had reverted to Canada; so that after 1921 Canada enjoyed nearly every article of import in the American tariff which Canada should have possessed prior to 1921. It seems to me that there has been misapprehension as to the cause of our trouble after 1921. While this Treaty practically selected a certain number of items both of French and Canadian origin for preferential treatment, nothing therein is said as to the general tariff; nothing is said or done as to the items which are not so privileged. And what happened? It happened that France respected this treaty, but raised her general tariff, and therefore, without violating this treaty or the treaty of 1907-8, which was thereby continued, France really created a new class of privileged items for the United States, for the United States was in no way affected by the increase in the general tariff. In France it was stated that the Americans had not cancelled their treaty of 1910; that they had still the right to enjoy the maximum tariff that was laid down at that time; and so it came to pass that practically everything that was exported by the United States into France under the general tariff had an immense advantage over our own goods. This, I am glad to say, has not only disappeared by

the arrangement we are now considering, but provision has been made that no such trouble will ever come to Canada under the present treaty.

May I now look rapidly at the Treaty itself. What is the value of the Treaty for Canada? What did we get, and what did we give? I will endeavour to put it as shortly and concisely as I can. We have conceded fixed rates, and I have heard a great deal of criticism as to that, but for my part I fail to understand how it could be otherwise. The spread in the Canadian tariffs between the minimum and the intermediate is only 12½ per cent on the average. What would percentages in such a spread mean to France? Practically nothing. And to make this more plain, I will revert to what concessions Canada has made to France.

Under the Treaties of 1907 and 1921 there were 12 items which enjoyed fixed or specific rates. In 1922 these items were increased to the number of 31. We have conceded to France a certain number of concessions which no doubt will be very useful to France; but to what extent? The fixed rates which we have so conceded and which I have before me, are not very much lower than those France had before. For instance, of all items of export which exceed $100,000 in any one year I find only six. The reduction in the tariff rate has been small. Take, for instance, medicinal preparations: The tariff was 25 per cent; it is now 22½ per cent. Take perfumery, non-alcoholic: it was 32 per cent; it is now 25 per cent. Furs: it was 15 per cent; it is now 12½ per cent. Tableware, china: it was 27½ per cent; it is now 20 per cent. On feathers, it was 27½ per cent; it is now 22½ per cent. Granting these concessions, honourable gentlemen, what do they amount to so far as the trade of Canada is concerned?

I am taking now the major items of export of France to Canada. What do they represent? Take, for instance, our importations of cotton in which France shares. Her share is 1.71 per cent, and it is on that 1.71 per cent that a reduction will be made. Take silk: France's share in our importations of that product is 8.55 per cent; on paper and products of lumber, 2.15 per cent; chemical products, 4½ per cent; velvets, 9.76 per cent; furs, 8.69 per cent. So, if these reductions are material, honourable gentlemen can see that they can only bear to a very small extent, on our total importation of these products.

The concessions that we have given to France besides that bear on our intermediate tariff, on which we have granted 10 per cent discount on 91 items, and 15 per cent on 3 items. Will you reflect for one moment, honourable gentlemen, that 10 per cent practically means 10 per cent of 12½ per cent, which means that on 91 items we have really made a reduction to France of 1½ per cent of the value of the goods imported. What is that worth? As to the 3 items that remain, we have granted a reduction of 15 per cent on the intermediate rates, which also means 15 per cent of 12½ per cent, or practically 1¾ per cent. There are in this Chamber manufacturers, and I know that if you told them, as an inducement to send their goods to another country that the tariff of that country would be brought down to the extent of from 1½ to 1¾ per cent of the value of the goods to be shipped, they would not be very much interested; they would certainly expect a much larger reduction.

Now, what have we obtained? We have obtained certain advantages, and I am bound to say we have made certain losses. In 1907 we had 152 items which enjoyed the minimum tariff; in 1921 that number was raised to 161 items; in 1922 there was a serious drop, and we had only 144 items. We have made a serious loss. These are matters of importance to the Canadian producer. It is true that France's present minimum is worth more to Canada than the minimum which she had in 1921, and the reason is easy to explain. The spread between the minimum and the maximum in 1921 was about 150 per cent; now it goes up to 400 per cent, and the average is close to that figure. So it is quite apparent that so far as the other nations who compete with us but who do not enjoy the most favoured nation treatment, are concerned, Canada is in an infinitely better position than she was under similar treatment in 1921.

We have lost 17 items of the minimum tariff; but we must bear in mind that of the 144 items now enjoying the minimum tariff, 44 will receive lower rates than they received in 1921. This, in my opinion, is a very valuable concession. Amongst those items are some of very great importance to us. For instance, we have building material, we have furniture, we have machine tools, electrical incandescent lamps, glassware, buckles, aluminium, common wood, apricots and prunes. All these commodities the Americans are now exporting in large quantities to France. We have therefore a minimum tariff for the commodities which I have mentioned, 144 in number, and we have besides percentages on 418 items. Some of these items are to my mind problematical—200 are for chemicals. What Canada can accomplish in the export of chemicals in the future I am

absolutely unable to say. There is, however, a new field opened to us, and it is quite possible, for the Canadian has as much initiative as his neighbour to the south, that we may find some means of gaining an important advantage from these concessions.

The important factor, however, is that our main current of trade has not been disturbed; the duty as to the main bulk of our exports in the past has not been disturbed, but as a matter of fact has been improved by the increase which France has made in her maximum tariff. On the other hand, there are a few items on which the import taxation will bear very much more heavily than it did in 1921. I cannot help regretting that tires, for instance, which constituted a very promising item of our trade with France, have been stopped, I am afraid, by an increase of duty of some 50 per cent. Not more than a month ago, in the city of Toronto, I met the manager of a very large tire factory, who told me they had shipped to Bordeaux in fulfilment of one order, no less than 10,000 tires. I am very much afraid that this trade will suffer.

Hon. Mr. DANDURAND: It is the same rate as that given to the United States.

Hon. Mr. BEAUBIEN: It is. But we badly needed preferential treatment to support our export trade in that commodity, as the Americans produce in much larger quantities.

On the other hand, we have some substantial reductions on goods which the United States exported in large quantities to France. The items are numerous and I think are important. There is a long list of them, some of which I have mentioned. It is quite possible that we shall reap profits from these concessions in the future.

One of the main advantages of the Treaty is the fact that the general tariff of 1910 has been stabilized; it cannot be changed; and therefore in the future we shall be on absolutely the same footing as the United States with regard to our export trade to France. Further, there are minor advantages. We enjoy the most favoured nation clause in regard to exports to the French colonies. In Saint-Pierre and Miquelon we enjoy the minimum tariff, whether it is conceded to other nations or not, on the items appearing in schedule C, which are practically all foodstuffs. The same is true of the West Indies and Guiana.

In conclusion, I think our concessions to France have been substantial. They are not very great individually, but I think they will help her export trade to Canada more especially because the French franc is now only at one-third of its par value, which allows the French people to lay down their goods in Canada at a much better price than they otherwise could. Our main trade routes have not been seriously affected. We have suffered in our secondary trade, but we have had new opportunities opened up to us, and we shall not be at a disadvantage with the United States. In many cases we have a preference over them, and should be able to use it to some profit.

I would like to refer briefly to what has been said in reference to the right which France has exacted to make special treaties with the countries that surround her and countries with which she has been at war. I have always been surprised that France should be expected to deal with Canada, as she has done, when she has been forced to share every advantage conceded to her with a number of nations which were her greatest competitors. When any advantage is offered to France, she immediately sees Switzerland and Japan and Spain coming in, without having shared in the negotiations or made any sacrifices whatever, and benefitting as a result of the negotiations. It is surprising, therefore, that France, knowing that concessions, when given to her, are also passed over to her competitors, should exact for herself some measure of freedom. Let me give a rather striking example of what has happened in the past, and what must necessarily happen in the future. France exports here $889,000 worth of cotton; Switzerland comes in and exports over $1,589,000; Japan comes in to the extent of $220,000. Then, take silk. When we think of France, we think of the country that dominates such industry. France exports to our market $1,883,000 worth of silk; immediately Japan comes in with $4,424,000 worth, and Switzerland with $5,174,000. Take watches and clocks and the like: France exports to us $233,000 worth; Switzerland $865,000 worth. Take velvets and silk fabrics of all kinds: France exports to us $1,366,000 worth; Japan $4,039,000 worth, and Switzerland $4,435,000 worth. France exports braids to us to the extent of $46,000; Switzerland $112,000. Brushes—France exports to us $42,000 worth; Switzerland $114,000 worth. Buttons—France, $11,000; Japan, $107,000. Electrical appliances—France, $1,200; Japan, $18,000. Embroideries—France, $17,000; Switzerland, $100,000. Handkerchiefs—France, $5,000; Switzerland, $225,000; Japan, $77,000 worth.

Is it surprising, honourable gentlemen, in view of past experience, when Canada goes to France and offers concessions which must be divided in such a way that the major

part of the benefits go to the natural competitors of France, that she should want a little leeway, a little liberty for the purpose of making some sort of arrangement with neighbouring countries. There is no doubt that we have lost certain advantages that we had before; on the other hand, we have made material gains; our major trade routes have not been interfered with, and we have a good chance of maintaining our present status, when in the past we had no such certainty at all.

Therefore, after much hesitation, and for the reasons I have given, I will vote for the Treaty.

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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 23, an Act respecting a certain Convention of Commerce between His Majesty and the President of the French Republic.

Hon. Mr. Taylor in the Chair.

Sections 1 to 8 inclusive were agreed to.

The Schedules, the title, and the preamble were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

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

THE SENATE

Wednesday, May 30, 1923

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Bill M5, an Act for the relief of Thomas Benjamin Brown.—Hon. Mr. Bennett.

Bill N5, an Act for the relief of Elva Burnside.—Hon. Mr. Ratz.

Bill O5, an Act for the relief of Alfred Thomas Candy.—Hon. Mr. Ratz.

Hon. Mr. BEAUBIEN.

CANADIAN NATIONAL RAILWAYS

GROSS RECEIPTS AND EXPENDITURES—INQUIRY

Hon. Mr. CASGRAIN inquired of the Government:

1. What were approximately the gross receipts per mile on the Canadian National Railway lines in each province during the last fiscal year of the Railway.
2. What were approximately the gross expenditures per mile on the Canadian National Railway lines in each province including everything during the last fiscal year of the railways.

Hon. Mr. DANDURAND: The Management report that railway accounting methods of the Canadian National System do not make it possible to give the gross receipts and gross expenditure per mile of line within the boundaries of each Province.

CANADA TEMPERANCE BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 43, an Act to amend the Canada Temperance Act.

He said: The object of this Bill is, and its effect would be, to prohibit the importation of liquor by private individuals and by export houses in provinces having Government control. When I was about to move the second reading of this Bill last week, I was asked if I could not produce a letter of the Attorney-General of the province of British Columbia, Mr. Manson, which was referred to in a return which had been made in the House of Commons. It just happened that I was about to quote from that letter, in order to give reasons, legal, constitutional and administrative, in explanation and support of this measure.

I felt, and still feel, that my sole aim is to establish before this Chamber the necessity for this measure. I confess that I had hardly time, as I explained at that moment, to decide whether the document from which I had taken excerpts was a private or a public one. I was not aware of the return which had been made in the Commons. I did notice that the letter covered more ground than I needed. Outside of the legal argument, and the basis of the reasons operating in favour of this measure, it contained a personal and pressing appeal to the Solicitor General of Canada to give expression to the will of the Legislature of British Columbia in bringing again before Parliament a measure that had been defeated last Session.

I intended leaving aside everything which at first sight smacked of party politics, because if there is a forum where legislation must be approached in a dispassionate manner,

it is the Senate of Canada, which was specially created for that purpose. This letter was deemed private by the Department of the Solicitor General, because the writer states that if some Conservatives are disposed to object to this measure for party reasons, the Liberal party should have a single eye to the welfare of the province and to the reputation of the Liberal Government of British Columbia. It is a plea to a friend not to allow his party friends to suffer in reputation through the notorious work of the bootlegger in that province. Mr. Manson seems obsessed with the idea that sinister influences are at work to block this legislation. He wants the Solicitor General to assist against a powerful lobby which will be directed by prominent Federal Liberals, just as it was carried on last year. Surely this would stamp such a letter as a private one. But at the same time it bespeaks, on the face of it, absolute sincerity on the part of its writer.

When Mr. Manson suggests that there was lobbying against this measure last year by prominent Federal Liberals, my conviction is that he could possibly only refer to attorneys, Liberals or Conservatives, having been retained by private interests to defend those interests from their point of view. I saw no sign last year of a lobby of any kind carried on around this Chamber. I do not even remember that I was approached in this Chamber by a Liberal attorney, or an attorney of any view, although it may be that such was the case—that attorneys did come and make representations on behalf of some parties. I remember more especially that in connection with the Saskatchewan part of the Bill attorneys were somewhat active in asking for delay in the bringing into force of that legislation.

Having examined the document itself after I left this Chamber, I found that it was a personal document, a private one, and I suggested that a telegram should be sent to the Attorney-General, Mr. Manson, asking him to allow me to bring this matter before the Senate, and I was handed this telegram from him:

I have no objection to production of all correspondence, including personal correspondence.

This being my authorization to bring this letter before the Senate, I will do so, and a large part of it which I was to have read last week if I had not been stopped, will contain formidable arguments, I believe, in favour of the legislation which I am now promoting before you. It is dated January 16, 1923, and is as follows:

January 16th, 1923.

Dear Mr. Mackenzie:

Re "Canada Temperance Act"

Last Session the Federal Government, through yourself, was good enough to introduce into the House an amendment to the "Canada Temperance Act" largely at the solicitation of the Government of this Province. The amendment, as you will remember, was known as Bill Number 132. The Bill passed the House of Commons unanimously. It passed the first and second readdings in the Senate. In Committee of the Senate an attempt was made to strike out Section 3 of the Bill which contained that part which is vital to this Province and to Quebec. The motion to strike out was defeated by a substantial majority and the Bill was ordered for third reading in the Senate. Unfortunately the third reading did not come up until a day or two before the House prorogued. Then, with twenty-eight Senators absent, the Conservative Senators from this Province instigated a motion to amend on third reading by striking out Section 3. The motion to strike out carried by six votes. I wired the Prime Minister and several others begging that the utmost possible be done to prevent the deletion of Section 3. A conference of a Committee of both Houses was arranged. Senator Barnard and Mr. A. W. Neill from this Province were members of the Committee. As a last resort I suggested a compromise to the Prime Minister. Barnard refused to compromise and the Committee disagreed. Thereupon the Senate, with thirty-three Senators absent, by a majority of five, deleted on third reading Section 3 of the Bill. I recite the foregoing so that your memory may be refreshed as to exactly what took place.

At this Session of the Legislature I moved, seconded by the Honourable the Premier, a resolution praying that the Federal Parliament at its next Session enact legislation providing for the prohibition of the importation of intoxicating liquor into Britsh Columbia except by the Provincial Government in effect for the enactment as an amendment of the "Canada Temperance Act" of Section 3 of Bill 132 of last Session. The motion carried by a vote of thirty to fourteen. Major Burde was the only member absent and he assured me that had he been present he would have voted for the resolution. Every Independent in the House and all the Government Members supported the resolution. Bowser, after considerable trouble and a good deal of insistency I am told, was able to line up his thirteen followers in opposition to the resolution.

I cannot find language strong enough to emphasize the necessity for the legislation asked for. It will be conceded by any sane person that the liquor trafic is like a high explosive, extremely dangerous and difficult to handle, and where it is handled by a Government the very life of the Government, regardless of its political complexion, is jeopardized. In the interests of the public and in the interests of the Government it is desirable, therefore, that the liquor business be handled with the utmost caution and surrounded with every possible safeguard. The reasons for seeking this legislation may be briefly summed up as follows:

(1) The people by plebiscite decided in favour of Government Control as against Prohibition.

(2) The decision in favour of Government Control meant that the people were unwilling that the business should be left longer in private hands where the element of private gain would intervene.

(3) Private importation under the existing Federal law precludes a complete system of Government Control.

(4) Private stocks within the Province inevitably result, despite every endeavour to prevent it, in the re-vending of liquor by other than the Government and the consequent undoing of the Act.

(5) Sale by illicit dealers (private importers) results in:

(a) No guarantee of quality;
(b) Excessive purchases;
(c) Public drunkenness, demoralization of home conditions, and financial ruin to many.

(6) Private importation increases greatly the cost of liquor law enforcement.

(7) The export house manifestly exists for illegal purposes, namely:

(a) Shipping into Prohibition Provinces;
(b) Shipping into the Prohibition United States;
(c) And in actuality sells largely to a string of smaller illicit dealers.

By way of illustration of (c), in July or August last our officers seized the whole stock of two export concerns at Fernie and kept the stocks under seizure for a couple of weeks with the result that the sales in our Government Liquor Store at Fernie increased by 136% and in our Store at Michel, a neighbouring village, by 114%.

(8) The Dominion has already approved Provincial autonomy in the matter of liquor legislation by supplementing Provincial legislation so that liquor cannot be imported into Prohibition Provinces when the Prohibition Provinces so request. The Privy Council has held that prohibitory and restrictive laws with regard to liquor are for the Provinces and carrying out the spirit of these decisions the Dominion has said that they will pass supplementary legislation in order to make the control in Prohibition Provinces full and complete. Logical reasoning dictates that the Dominion's attitude with regard to Prohibition Provinces should be extended to Government Control Provinces because Government Control is simply a modified form of Prohibition and just as much a sumptuary law.

Objections raised against our request:

(1) That the people of the Province had not been consulted—that this was not contemplated by the plebiscite.

Ans: Two questions were submitted to the people:

(a) The question of Prohibition;
(b) The question of Government Control.

The conclusion from the plebiscites is that people have an honest desire to have the business carried on in the safest way possible without depriving the people entirely of the privilege of obtaining liquor. Giving effect to this wish they voted for Government Control. Government Control and private importation are contemporaneously impossible. The people emphatically voted against private importation.

(2) That the tax provisions of our Provincial Act with regard to private importations sanction the legality of it.

Ans: They do nothing of the sort. They were inserted in our legislation under the realization that we could not prohibit private importation and with a view to doing the next best thing, namely, putting all the stumbling blocks possible in the way to discourage private importation.

(3) That if the Government would supply good liquor at a fair price illicit dealing would cease.

Ans: This Government supplies the very best liquor produced. No-one seriously contends otherwise in this Province. The price in this Province compares very favourably with the price in Quebec and it is generally conceded that the prices charged are fair and reasonable. They were reduced very materially on September 1st last, decreased to the extent that the revenue from liquor this year will be $400,000.00 less at least than it was a year ago.

(4) That the proposed legislation will take away one more privilege from the people of British Columbia.

Ans: The people of British Columbia themselves by an overwhelming majority said: "We want the Government to interfere with one of our ancient privileges in the matter of obtaining liquor. We disapprove of the private handling of the business. We believe in Government Control. We surrender our old privileges for the greater good of the people of the Province."

(5) That British Columbia alone asked for the legislation.

I might say that I am perhaps responsible for that statement, which was made because I had not under my hand any correspondence or information furnished me showing that the province of Quebec was in alliance with British Columbia in supporting this demand.

Ans: This is not so. The Prime Minister of Quebec, after very mature consideration with his Colleagues, under date of April 4th, 1922, wrote me as follows:

"Such a provision in the Federal laws would complete our Temperance legislation as it would leave the entire control of the distribution of intoxicating liquors to the Government or Commission through which the Government acts, thus preventing to a great extent the gravest danger to which Government Control is exposed, the illicit sale of liquor. Viewing your suggestion from this standpoint, it meets with our entire approval.

"In what manner the Federal authorities will meet this proposal we are yet unable to state; but it seems to us that if our two provinces were to insist upon the adoption of this suggestion it should be favourably received as, with the proviso that the enactment would operate only upon the request of an interested province, the measure would simply contribute to ensure the adoption of a province's desires in connection with the sale of intoxicating liquors."

Generally, the Conservative party of this province, apart from the vote in the House in December last, when Mr. Bowser gave as his reason for voting against my resolution that he did not trust this Government to handle the liquor business, which is a purely absurd and political reason, is committed to the legislation this Government seeks. I quote from a Conservative pamphlet entitled "Misrule of the Oliver-Farris Government" where in paragraph 14 the following language is used:

It seems as though it were a document issued before the last provincial elections in British Columbia.

"This new Government (Conservative) will also use every effort with the Dominion Government, under whose jurisdiction the matter lies, to see that legislation is passed at Ottawa which will stop the importation of liquor into this Province by private parties so that all liquor purchased and sold in British Columbia will be absolutely under Government control."

This paragraph was inserted in the pamphlet prior to the last Federal election. Possibly the change at Ottawa explains Mr. Bowser's change.

That the export houses are in the habit of clearing liquor for export, taking it beyond the three mile limit and reshipping it into British Columbia without paying the duty to the Federal Government is incontrovertibly true. It is a fact that we have known from the beginning of Government Control, but unfortunately one that we have not been able to successfully deal with. We pick up occasional cargoes of liquor within the three mile limit, but what we get is a mere fraction of what is actually handled in that way. I attach herewith a clipping from the "Vancouver Sun" of January 14th, which is in point.

Bootleggers Find Plan to Beat Duty on Export Liquor

How can bootleggers retail whisky at $5 a bottle? This is a question that has been puzzling many people during the past few months. The government price is only a few cents less and the government runs no risk.

Here is the answer, according to a rumor that has been floating about town recently.

It is said that large quantities of whisky, hundreds of thousands of dollars worth every month, leaves this port for foreign parts, and it is likewise no secret that by some means or other the most of it finds its way into the United States. Liquor passing through Canada in that way pays no duty. It enters in bond and is released from bond without payment only when leaving for a foregn port under customs supervision.

Presumably the Canadian bootlegger is paying the usual duty of $21 a case, but actually, report has it he is not. According to the story that is told there is a cache not far from Vancouver, where many a rum runner puts in during the middle of the night and unloads a sufficient portion of her spirituous cargo to supply B.C. customers in the bootleg trade.

Later this whisky in small quantities is brought back to town and disposed of to the bootleg trade at prices much lower than would be possible if the duty were paid.

Whisky costing $16 or $19 a case, f.o.b. Vancouver, can be sold very profitably at $5 a bottle. Whisky costing $18 a case and paying a duty of $21 a case could not be sold at $5 a bottle.

It is understood the authorities have got wind of this method of smuggling Canadian whisky into Canada but never actually taking it out, and that efforts are being made to discover the hiding place, which is believed to be on an island somewhere this side of the American border.

The letter continues:

A tremendous lobby will be carried on against this legislation. That lobby will be this year, as it was last, in the hands of Liberals, probably in the hands of conspicuous Federal Liberals. Very liberal sums of money will be made available for the debauching of members of both sides of the House. Very substantial contributions will be offered to the campaign funds of all parties.

Hon. Sir JAMES LOUGHEED: Does my honourable friend adopt this language as an argument—that the members of both Houses are to be debauched? Does my honourable friend adopt that language?

Hon. Mr. DANDURAND: Does not my honourable friend remember that he insisted on having this letter?

Hon. Sir JAMES LOUGHEED: My honourable friend is making use of this as an argument.

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: My honourable friend said this was an argument why this legislation should pass. I ask him now does he make use of this language.

Hon. Mr. DANDURAND: No. This is the part of the letter that I did not intend to read. If my honourable friend will read my remarks of last week he will find that I took—

Hon. Sir JAMES LOUGHEED: Then my honourable friend should have resented the language before using it in the Senate.

Hon. Mr. DANDURAND: I did so, and I intend to resent it when I am through. I said the honourable gentleman seemed obsessed with the idea that there were deep plans to carry on a formidable lobbying, namely, through Liberal agencies, and I explained that that did not seem to work last Session, since there was no effect, apparently, and because when the vote came all the members of this Chamber voted in favour of the amendment, so there again the statement is in direct contradiction to that affirmation. I am reading this letter not of my own volition. Last week I was stopped by my right honourable friend, and I was told that this letter had to be made public because it was mentioned in the return. I said that I had only taken from it the legal and constitutional arguments which would support my contention that this legislation should be passed.

Hon. Sir JAMES LOUGHEED: My honourable friend is mistaken. A statement was made to the Commons under the signature of the Secretary of State that all the correspondence had been placed upon the Table of that House, and we asked that the correspondence in this case should be placed upon the Table of the Senate. My honourable friend refused to do so, and we insisted that it be done. My honourable friend, before reading a statement of that kind, should certainly have vindicated the Senate against any such statement. I further say that the letter is a falsification of facts almost from beginning to end; it is on a par with the statement just made by the writer.

Hon. Mr. DANDURAND: I have given the arguments which I intended to give, taking them from the lips of the Attorney General himself who has asked for this measure. I was limiting my argument to what I thought was necessary to convince the Senate of the necessity of this measure when I was told that, because there was a reference in the report to the Commons to another letter, I should produce this letter.

Hon. Mr. BEIQUE: And the date of the letter was mentioned.

Hon. Mr. DANDURAND: The date of the letter was mentioned. This is the letter of the 16th of January referred to in the letter and in the report. If my honourable friend thinks I should stop—

Hon. Mr. ROBERTSON: Go ahead.

Hon. Mr. DANDURAND: And retrace my steps when I come to this paragraph, I will do so.

Hon. Sir JAMES LOUGHEED: It is rather late to do it.

Hon. Mr. DANDURAND: I am at the disposal of my honourable friends.

Right Hon. Sir GEORGE E. FOSTER: Go on.

Some Hon. SENATORS: Go on.

Right Hon. Sir GEORGE E. FOSTER: What he says will not kill anybody.

Hon. Mr. FOWLER: Finish the letter, and we will talk about it afterwards.

Hon. Mr. DANDURAND: All right. I would draw the attention of this Chamber to the fact that this letter was treated as a private letter by the Department, and that it was simply on the insistent demand of some members of this Chamber that I obtained from Mr. Manson the authorization to read it to this Chamber, because he had nothing to hide.

Hon. Mr. GREEN: May I ask whether the communication is marked confidential or private?

Hon. Mr. DANDURAND: The copy I have, because it is only a copy which was sent to me, as I stated last week, does not bear any such term.

Hon. Mr. POPE: All right, go ahead.

Hon. Mr. DANDURAND: My honourable friends should have still in their ears the remark that I did not want to ruffle the feelings of anybody in this Chamber, and should remember that the honourable gentleman from Sussex (Hon. Mr. Fowler) said: "Well, we can stand it."

Hon. Mr. FOWLER: We can stand it. We will pay our respects to Mr. Manson later.

Hon. Mr. DANDURAND: And I may say that this paragraph is directed against Liberals mainly.

Hon. Mr. FOWLER: That does not make any difference.

Hon. Mr. DANDURAND: That does not make any difference. I expressed my opinion—

Hon. Mr. FOWLER: It is an insult to the Senate.

Hon. Mr. DANDURAND: It is not addressed to the Senate, but to Parliament:

> A tremendous lobby will be carried on against this legislation. That lobby will be this year, as it was last, in the hands of Liberals, probably in the hands of conspicuous Federal Liberals. Very liberal sums of money will be made available for the debauching of members of both sides of the House.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: That is addressed to a member of the House of Commons, and does not seem to be addressed to us.

> Very substantial contributions will be offered to the campaign funds of all parties.

Hon. Mr. CASGRAIN: All parties.

Hon Mr. LYNCH-STAUNTON: Do you promise that?

Right Hon. Sir GEORGE E. FOSTER: How about the Progressives?

Hon. Mr. ROBERTSON: How is it divided?

Hon. Mr. DANDURAND: Shall I continue?

Hon. Sir JAMES LOUGHEED: Before my honourable friend continues, I would ask him whether upon reading this communication from Attorney General Manson he repudiated it on behalf of his fellow Senators.

Hon. Mr. DANDURAND: Perhaps my honourable friend will wait until I am through. I have a few notes on this point.

Hon. Mr. BENNETT: $10 notes?

Hon. Mr. DANDURAND: I will not qualify the value of my own arguments. I think it was a friend talking to a friend:

> You in the Federal field are faced with this question —you depend for your continuance in office to a very considerable extent upon the success of the Party in the Provincial field and the continuance in office of Provincial Liberal Governments. You need a Liberal British Columbia, and you need it very badly. If the Liberal Government in British Columbia is to be maintained in office it must maintain its good name. Its good name is vulnerable at no point as it is in connection with the liquor traffic. It is quite immaterial that the unsatisfactory conditions that prevail as the result of private importation are beyond Provincial control. The people do not look at that. If liquor conditions are unsatisfactory as a result of private importation then the good name of this Government inevitably will suffer and the life of the Govenment will to that extent be jeopardized. From a purely political standpoint then it behooves our Federal friends to put through this legislation. It is extremely important to them I shauld say that this legislation should be passed. This Session will probably see the Conservatives in the House of Commons split upon the question. It has been intimated to me that they will not be unanimous as a result of Mr. Bowser's solicitations. Nothing would suit him better than to see our Provincial Liberal Government wrecked upon the reef of liquor administration. Nevertheless, there are Conservatives in this Province, notably Mr. L. J. Ladner, who will support this legislation and speak in behalf of it.
>
> I am satisfied that if the Government puts its weight behind this legislation it can carry it in the Commons and in the Senate and make it law. In doing so it will be doing a splendid service for the Provinces of B.C. and Quebec and such other Provinces as adopt Government Control, and politically it will be taking an extremely wise course. The Prime Minister in re-

ceiving a Prohibition deputation last Spring committed himself definitely to the policy of supplementing Provincial legislation with regard to liquor by Dominion legslation. Our Legislature has spoken emphatically as to what its wishes are. It remains for the Dominion Parliament to give effect to those wishes, following the pronounced policy of the Prime Minister of Canada in that respect. The legislation should be introduced, if I may say so, very early in the Session. It would be extremely unfortunate if we were again caught as we were last year with a successful filibuster at the close of Parliament. I beg you personally as I beg all our political friends at Ottawa to assist our Province, to assist our Government, to assist me, and to assist themselves in this respect.

Yours faithfully,

A. M. Manson.

P.S.—I attach a copy of my remarks in the House in speaking to the resolution in favour of Federal prohibition of private importation of liquor into the Province.

I have perused the remarks of that gentleman in the legislature of British Columbia. He made an extended statement, more argumentative and more complete than the arguments which are contained in this letter. I am not speaking of the political reasons, but of the legal, constitutional, and social necessity for the bettering of conditions of morality in British Columbia. I quite realize that the reading of some passages from this letter will hurt the feelings of members of this House. I absolve the Attorney General of responsibility for making this document public. As it was treated as a private document on the face of it, I supposed it would be admitted by every member of this Chamber that it is a private and personal letter; but when asked to produce it, coupled with the statement of my honourable friend that there seemed to be something very mysterious about the letter, the Attorney General did what any other man in his place would have done, and said: "I have nothing to hide."

Hon. Mr. FOWLER: Was this letter brought down in the other House?

Hon. Mr. DANDURAND: It was not. It was a letter of the 26th, I think, or following date, which was in the return I now have.

Right Hon. Sir GEORGE E. FOSTER: And referred to there?

Hon. Mr. DANDURAND: It referred to a letter sent on the 16th which was not published, and this was what brought members of this Chamber to ask: "What about the letter of the 16th?" It just happened that I had part of it in hand, because I had taken excerpts from the first page, but the day was not on the excerpts.

Hon. Mr. GIRROIR: Might I ask the honourable leader of the Government to whom this letter is addressed?

Hon. Mr. DANDURAND: It is addressed to Mr. D. D. McKenzie, late Solicitor General in the Federal Government.

Hon. Sir JAMES LOUGHEED: and the date again?

Hon. Mr. DANDURAND: 16th January.

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend in what way he claims this letter should not have been placed upon the Table in the Commons, in view of the fact that the Attorney General of British Columbia adopted it as a public letter in which he says:

With further reference to the above matter and my letter to you of the 16th, I should perhaps add, in case the question is raised, that in the event of the legislation being passed which is desired, the Government of this Province will not deal harshly with existing export liquor concerns. We shall give them time to dispose of their stocks and shall endeavour to be reasonable with them in all respects as the circumstances of the situation will permit.

My honourable friend will notice in this sessional paper—

Hon. Mr. DANDURAND: What was the date of the sessional paper?

Hon. Sir JAMES LOUGHEED: The date is not given, but it is No. 136, and the first statement by the Secretary of State is that it is a

Return to an Order of the House of Commons, dated March 12, 1923, showing:

A copy of all correspondence exchanged between the Attorney General Honourable Alex. Manson of British Columbia and the Solicitor General in reference to the proposed amendment to the Canada Temperance Act, together with copies of resolution, etc.

Then below that the Attorney General himself refers to this letter of the 16th to Mr. McKenzie, the Solicitor General, and deals with it as if it were a public document of which the Parliament of Canada had been fully apprised. So that my honourable friend must not assume that we were asking for anything unreasonable, in view of the fact that it is treated in this sessional paper as a public document.

Hon. Mr. DANDURAND: I am not ready to accept the conclusion of my honourable friend. There is a reference in the letter of the Attorney General of British Columbia to his letter of the 16th, but when the documents were asked for I am not ready to say who took the responsibility of stamping it as a private or semi-private communication, or in part a private communication, because I do not know whether it was the late Solicitor General himself or the acting Solicitor General—since none has been appointed—who stamped it so.

Hon. Sir JAMES LOUGHEED: But who would have the right to mark it?

Right Hon. Sir GEORGE E. FOSTER: Is there any stamp on the document itself which marks it as private?

Hon. Mr. DANDURAND: I have not seen the original: all I have is the copy that was sent to me, and there is nothing stamped on it. That copy came direct from the Attorney General.

Hon. Sir JAMES LOUGHEED: Surely the Attorney General is sufficiently wise in his day and generation to mark it "personal and private" if he wanted it to be so treated.

Hon. Mr. DANDURAND: I do not know.

Hon. Mr. BEIQUE: I suppose we have not to pass on the action of the Government in the House of Commons—as to whether it was the duty of the Government to lay this letter before the House of Commons; we have to deal with the honourable leader of the Government in this House.

Hon. Sir JAMES LOUGHEED: Precisely; but what I do object to is that my honourable friend, the leader of the Government in this House, should castigate this side of the House because they have asked for a public document referred to in a sessional paper brought down by the Government.

Hon. Mr. DANDURAND: I am castigating nobody; I am resisting an assault. It is my honourable friend who jumped up and asked if I took the responsibility for what was in that letter. Certainly not.

Hon. Sir JAMES LOUGHEED: You brought the assault down on your own head.

Hon. Mr. BARNARD: If my honourable friend would pardon me for a moment, I think I could throw some light on the question whether this was intended to be a confidential document or a public document. I will do it now, or do it later.

Hon. Mr. DANDURAND: I would ask my honourable friend to do it later, otherwise it would break the line of my argument. I may say I was shocked at the statement made by the Attorney General that large sums of money would be employed. Of course, that does not mean that it would have any influence; but the simple fact was stated that a lobby would be carried on around Parliament. He did not say the Senate: he said the House, and he was addressing himself to a member of the House; so that it would perhaps concern the House of Commons; but I think I carry the general consensus of opinion in this Chamber when I stand up to defend the honour of both branches of this Parliament.

Hon. Sir JAMES LOUGHEED: We have not seen any money: we would like to know who got it.

Hon. Mr. WATSON: The Progressives, I guess.

Hon. Mr. DANDURAND: I may add that I have now been a quarter of a century a member of this House; I have not the honour of ever having sat in the House of Commons; I have seen attorneys representing private interests explaining in the lobby their point of view, but suspicion has never been cast upon any member of this Chamber, nor has it ever passed through my mind that any member could be influenced by anything but arguments that appeal to reason. When Mr. Manson comes to the Federal Parliament, if he is ever sent by a constituency in British Columbia, he will not be long in finding that in Ottawa, among the members of both Houses, there is a high standard of honour which would dispel any idea of any such nefarious influence being carried on through the lobbies of this Parliament.

I have seen legislation initiated in the other Chamber, or in this one, passing through the various stages of Parliament but never have I felt that there was the least deviation or modification in that legislation through any shady means. I sometimes thought that legislators were perhaps sometimes influenced by party bias, but that would be the only occasion when I would feel that our reason —and I include myself—would be blurred by anything but the best interest of the country.

This letter is, in some of its passages, apparently intended to be read by a friend. That appeal to a brother Liberal not to allow legislation in British Columbia to fall into disrepute, and the Government with it, is a personal appeal to a personal friend which surely Mr. Manson had not the idea of making public. He was giving all the arguments that he felt were necessary to convince his friend, the Solicitor General, and adding those personal ones in order to make his case as strong as possible, so as to bring the Solicitor General to accept his views and to present again this legislation. That is what I see in the document, and in the extravagant language that we find in some of these paragraphs. We all know that private letters indicate the thought behind the words—the in-

nermost feelings of the writer—and I believe that if it indicates indiscretion in terms, it bespeaks also sincerity and earnestness.

I desire to stress a few points which are at the threshold of this discussion. Is this Bill necessary to abolish export houses and bootlegging in British Columbia, and in other provinces where the same system prevails? My answer is in the affirmative.

Hon. Mr. BARNARD: Is this a further statement of the Attorney General?

Hon. Mr. DANDURAND: No, I am now proceeding to discuss the Bill. Export houses exist by virtue of the general laws of the country, the Federal laws more especially. They come under the right of people to trade, which is Federal jurisdiction. I cite the Customs Act, so that we may have a clear understanding of the status of these export houses. In the Interpretation Act, clause 2, subsection k:

"Warehouse" means any place, whether house, shed, yard, dock, pond or other place in which goods imported may be lodged, kept and secured without payment of duty.

Then, section 27:

Unless the goods are to be warehoused in the manner by this Act provided, the importer shall, at the time of entry pay down, or cause to be so paid, all duties upon all goods entered inwards; and the collector or other proper officer shall, immediately thereupon, grant his warrant for the unlading of such goods, and grant a permit for the conveyance of such goods further into Canada, if so required by the importer.

Then, section 81:

The importer of any goods imported into Canada may, subject to such rules and regulations as are from time to time prescribed by the Governor in Council in that behalf enter the goods for exportation or for warehouse.

Then, section 286, subsection g, says, in reference to authorizing the appointment:

The Governor in Council may from time to time and in the manner hereinafter provided, in addition to the other purposes and matters in this Act mentioned, make regulations for or relating to the following purposes and matters:—(g) Authorizing the appointment of warehouses, and regulating the security which shall be taken from warehouse keepers, the forms and conditions subject to which goods are to be warehoused, and mode of keeping goods in warehouse, and of removing goods therefrom, and the amount of warehouse rent or license fees.

So that it will appear clearly that one has a right to import any goods, liquor included, at a port, pay the duty at that port, and ship inward; or receive the goods in bond, transfer them from one bond warehouse to another, or from one place to another, in bond, pay the duty when he withdraws them from bond, or from the warehouse, or withdraw them for export in bond and pay no duty.

Hon. Mr. GRIESBACH: Is that actually done in British Columbia?

Hon. Mr. DANDURAND: Yes, that is what actually is done in British Columbia. Now, I affirm that no province has the right to prevent the opening and existence of an exporting house. The only thing a province can do is to regulate to such an extent as not to make the business prohibitive. In British Columbia regulations have been so stiffened that while a year ago there were 33 export concerns there are to-day but 9. My authority is the Attorney General of that Province.

Hon. Sir JAMES LOUGHEED: If the number of export houses has been reduced in the way indicated, notwithstanding the importation clause being on the Statute Book, then why is the number not further reduced? Why are the export houses not reduced to the lowest minimum?

Hon. Mr. DANDURAND: Have we reached the lowest minimum. There comes a moment when a further turn of the screw may be tantamount to prohibition, and there the provincial authorities enact beyond their jurisdiction.

Hon. Sir JAMES LOUGHEED: It is a matter of legal right on the part of the province.

Hon. Mr. DANDURAND: In support of this affirmation of law I read the statement of the Department of Justice in answer to my query. This is signed by W. Stuart Edwards, Assistant Deputy Minister, and approved by Mr. E. W. Newcombe, his initials as approving being on the letter:

Re Canada Temperance Act. Referring to your letter of the 23rd inst to the Minister of Justice, I am of opinion that in view of the provisions of sections 81, 2 (k), 27 and 286 (g)—

Which are the provisions I read a moment ago of the Customs Act—

—neither the Government of British Columbia nor this Government has power to prohibit the establishment or maintenance of export liquor warehouses. Importers have the right under section 81 to enter the imported goods "for warehouse", subject only to such rules and regulations as are from time to time prescribed by the Governor in Council in that behalf. It is clear that under this statute the Government has power to regulate and control such warehouses, but not to prohibit them. The suggestion that the Government could bring about the abolishment of these warehouses by refusing to license them does not appear to be in point, as I am unable to find any provision of the law providing for the licensing of such warehouses. They have their existence by virtue of the statute and not by license of the Government.

This Bill excepts, in effect, intoxicating liquor from section 81, which I have read, as the result of amending section 81 so far as

export houses are concerned. It is the Federal authority which has passed this Customs Act, and section 81 is the law, and this law will stand so long as it is not amended. We could propose an amendment to section 81 of the Customs Act, modifying it or withdrawing it. We are doing it under another form with respect to provinces that have government control.

Hon. Mr. LYNCH-STAUNTON: Is it the intention that this legislation shall apply only to provinces in which there is government control?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. LYNCH-STAUNTON: That is the full intention of the Act?

Hon. Mr. DANDURAND: That is the full intention of the Act.

Hon. Mr. LYNCH-STAUNTON: I suppose my honourable friend would object to it being amended so as to make it clear that it so applies?

Hon. Mr. DANDURAND: I would not object. I know such question has arisen in the minds of some persons in Ontario, for instance, and I would have no objection to modifying that in order to make it clear.

Hon. Mr. WATSON: Then any province adopting government control would have the same privilege?

Hon. Mr. DANDURAND: Exactly the same privilege. We mention British Columbia, because that province has been moving specially in the matter but it would cover the province of Quebec, which just now is on the same plane.

Hon. Mr. WATSON: And Manitoba, if it carries it?

Hon. Mr. DANDURAND: Manitoba, if it carries Government control, and Alberta, if it carries Government control at the next plebiscite. It has been alleged—and I think my honourable friend has just given an echo of that contention—that the province could withhold a license, because the provinces have, by their own statutes, granted a license. I want first to say that that license is to me somewhat of a misnomer, because it is simply a receipt for a tax imposed. In the Liquor Control Act of the province of British Columbia, 1921—which I would advise my honourable friends on both sides of this House to read, because it is a most interesting document, and seems very complete—under the taxation provisions, it is said in section 54:

Hon. Mr. DANDURAND.

Every person engaged in or carrying on the business of importing liquor into the province, or of exporting liquor out of the province, or of keeping liquor for export from the province shall in each year apply to the Board for a separate licence in respect of each warehouse or place of business within the province occupied or used by him for the purposes of his business, for which license he shall pay to the Board, for the use of His Majesty in right of the province, a licence fee of three thousand dollars.

I believe that since 1921 that figure has been increased. I do not know whether anyone could give the present figure.

Right Hon. Sir GEORGE E. FOSTER: $10,000, I think.

Hon. Mr. DANDURAND: That would perhaps explain why a certain number have gone out of business.

Hon. Sir JAMES LOUGHEED: Does my honourable friend consider the right of import to carry with it the right to export?

Hon. Mr. DANDURAND: Yes, absolutely. If my honourable friend will again read clause 81 of the Customs Act—

Hon. Sir JAMES LOUGHEED: I am speaking of the Canada Temperance Act—of the right of an individual to import liquor for his own use.

Hon. Mr. DANDURAND: He can do so, I think, outside of clause 81; but clause 81 is a statutory provision.

Hon. Sir JAMES LOUGHEED: It has nothing to do with the Canada Temperance Act.

Hon. Mr. DANDURAND: No, but the Canada Temperance Act can vary any of the powers contained in the Customs Act or any other Act if it is so specifically stated.

It has been said that if the province could grant a license, it could refuse a license. I have stated the opinion of the Department of Justice, which is that the province can regulate the trade of an export warehouse, but not to the extent of prohibiting. The argument has been made that, if the province simply assumed an autocratic attitude and said, "We will not grant a license," under the Act as passed they would not collect any taxation. If they want to reach these houses they require some legal enactment. In this instance they reach them by imposing a tax of $3,000, which they have increased to $10,000. If they refused a license to the owner of the export warehouse, it has been said that he could not take out a mandamus against the Attorney General—it is contended that he would need a fiat; he would offer his taxation and carry on his trade until he was attacked; then he would defend himself.

The Attorney General, as appears from his letter of the 16th of January, wanted the Bill to be so framed as to wipe out export houses, but he feared that he would not be given that power completely; and we see in a subsequent letter contained in the return to the House of Commons that he says: "If you will give me power to extinguish the export warehouses I will see that they are allowed a certain time to dispose of their goods and go away." That is absolutely in accord with the present legislation.

Strong objection was taken in another place to power being given the Attorney General in British Columbia or elsewhere to control the export warehouses and to say when and how they should go out of business. The Minister of Justice said, "Suppose we eliminate them ourselves," and once he had made the resolution to wipe out that eyesore in British Columbia, all opposition ceased, and I think I am within the truth when I say that the Bill then passed the other House without any objection—at all events, without a division and apparently unanimously.

Right Hon. Sir GEORGE E. FOSTER: May I ask my honourable friend a question? Does the Bill as presented to the House of Commons represent the wish of the Government of British Columbia as to the legislation which they desired to have passed?

Hon. Mr. DANDURAND: I can only speak of the desire of the legislature as evidenced by the resolution which we have before us in that famous report to the House of Commons.

Right Hon. Sir GEORGE E. FOSTER: I know what the resolutions are; but I had the idea, and still have it, if it is not disposed of by a negative, that the form of legislation was practically foreshadowed and placed in manuscript form by the Attorney General of British Columbia himself.

Hon. Mr. DANDURAND: I cannot answer my right honourable friend; but I believe that the Bill as presented in the House of Commons gives full authority to the Attorney General of the province to ask for prohibition of the export warehouses as well as of private importation by Order in Council. So the Bill as introduced last Session seemed to give them authority to reach the end they had in view. I have a statement from the Attorney General on this matter in which he controverts the statement of the Minister of Justice, who said that the Province of British Columbia desired the legislation in the form in which it was introduced. He gives an explanation based I think, upon correspondence with the Attorney General of the Province of Quebec, explaining that he gave way as to the form of the Bill as presented in the House of Commons, but that his original suggestion was the Bill as we now have it before the Senate.

Hon. Sir JAMES LOUGHEED: Will my honourable friend say again how many export warehouses there are in British Columbia? Did I understand him to say nine?

Hon. Mr. DANDURAND: Nine, yes.

Hon. Sir JAMES LOUGHEED: In view of the provisions of the Bill, particularly paragraph c and subsection 3 of section 163, making provision for the carrying on of business by dealers in intoxicating liquors in British Columbia, how many warehouses would be required for the brewers and distillers of Canada who carry on business in that province.

Hon. Mr. DANDURAND: I may say that when the Minister of Justice amended clause c, doing away with the export houses, he did not notice that there was another paragraph which mentioned export houses; and I received from Mr. Manson a request to have this clause amended to bring it into harmony with the new section; he even suggested that the word "brewer" should be struck out, because he did not see from his own experience that the brewer needed to have, either for blending of flavouring—

Hon. Sir JAMES LOUGHEED: The warehouses will continue. My honourable friend does not contend, I presume, that this Bill will absolutely wipe out all warehouses. Export warehouses have to be maintained, as all the distillers of Canada may be authorized to do business in British Columbia. The Bill does not contemplate in any way interfering with their right to maintain export warehouses.

Hon. Mr DANDURAND: I draw my honourable friend's attention to subsection 2. Who are the parties who will be able to import liquor into Briitsh Columbia, and in virtue of what authority? I will read the clause:

Subject to the provisions of subsection 2 of this sectoin, and notwithstanding the provisions of this or any other Act to the contrary, no person shall import, send, take or transport into any province in which the prohibitions of these subsection are in force any intoxcating liquor.

2. The provisions of subsection 1 of this section shall not apply to:

(a) Intoxicating liquor which has been purchased by or on behalf of, and which is consigned to His Majesty of the Executive Government of the province into which

it is being imported, sent, taken or transported; or any board, commission, officer, or other Governmental agency which, by the laws of the province, is vested with the right of selling intoxicating liquors.

That means that the Government and its creation, the Liquor Board, are excepted.

(b) The carriage or transportation of intoxicating liquor into and through a province by means only of a common carrier by water or by railway if, during the time the intoxicating liquor is being so carried or transported, the package or vessel containing the intoxicating liquor is not opened or broken or any of the intoxicating liquor drunk or used therefrom.

This is for the carrier. The carrier under certain conditions may pass through the province and do so legally, but he cannot stop therein or discharge his cargo.

c. The importation of intoxicating liquor into a province by any person duly licensed by the Government of Canada to carry on the business or trade of a distiller or brewer where the intoxicating liquor so imported is imported solely for the purpose of being used for blending with or flavouring the products of the business or trade of a distiller or brewer carried on by him in the province, and while kept by him in the province is kept in a place or warehouse which conforms in all respects to the requirements of the law governing such places or warehouses, and is used solely for blending with or flavouring the products of his said business or trade as a distiller or brewer.

Consequently I say this Act will henceforth leave, in British Columbia and Quebec, which have the same regime, the sole right to import to the Government agency, to the carrier who will be passing through the province, and to brewers and distillers for the purpose of blending and flavouring only. There will be no other warehouses, and the eyesores of which we have heard so much will disappear completely from those provinces.

Hon. Mr. REID: Before the honourable gentleman leaves that point, I would like to ask a question about these export warehouses. As I understand the honourable gentleman's argument, he quoted the Customs Act, and said that, according to that Act and the decision of Mr. Newcombe of the Department of Justice, and also of the Department of Justice itself, when any private individual asks for a license for a customs warehouse they are compelled to grant it.

Hon. Mr. DANDURAND: No.

Hon. Mr. REID: I have understood the law in reference to bonded warehouses in this way: that where it is necessary to carry on trade, whether it is the liquor trade or any other, in any part of the Dominion of Canada, under the Customs Act, bonded warehouses shall be provided. That has been done for many years; but the key was always in the hands of the Customs Department through its officials.

Hon. Mr. DANDURAND: A double key.

Hon. Mr. REID: Yes, and the goods were under the control of the Government. In the past, when a warehouse was granted to a private individual, it was still under the lock and key of the Customs Department; but under what was known as the Doherty Act it was agreed and understood that whenever any province wished to pass a law to promote prohibition, the Dominion Government would assist it. With reference to the bonded warehouses, while no law was passed, when anyone applied to the Customs Department for a license for a bonded warehouse in connection with his business, the reply from the Dominion Government was that it would not be granted unless it had the endorsation of the Provincial Government or of the liquor commission that was acting under the authority of that Government. The result was that in every province that I know of every license for a bonded warehouse was cancelled, and licenses were only renewed when the applicants produced the authority of the local Government. I understood that to-day there is not a private bonded warehouse in any province of the Dominion of Canada except in British Columbia. I remeber, when I was administering the Customs Department, we had only a few bonded warehouses in British Columbia.

Hon. Mr. DANDURAND: I thought my honuorable friend wanted to put to me a question.

Hon. Mr. REID: What I want to know is whether any of the bonded warehouses in British Columbia had the authorization of the provincial Government, and whether the provinces cannot now, under the instructions that have been sent out, cancel the license of every bonded warehouse and leave it in the hands of the Dominion Government.

Hon. Mr. DANDURAND: I may tell my honourable friend that I have not the data as to the number of bonded warehouses in existence just now in British Columbia, and how many have been owned with the consent of the province, and how many without. My honourable friend says that in virtue of an Order in Council no license would be granted for a bonded warehouse from Ottawa except with the consent

of the province; but I draw the attention of my honourable friend to the fact that an export house need not be a warehouse under the Customs Act. It will have a bond if it needs one, and its goods will be there without the warehouse, ready for export. An export house is only needed when one wants to delay paying duty; then he asks for a bond. If he pays the duty as the goods come into port he is free to ship those goods wherever he pleases, under section 81; so that if he enters them for export until he decides to do so he has the right to retain them and he pays no duty.

Hon. Mr. REID: But they are under the lock and key of the Dominion Government.

Hon. Mr. DANDURAND: Yes, they would be.

Hon. Mr. REID: The goods are shipped to the warehouse in British Columbia, and they are still under the control of the Dominion Government, and cannot go out until the duties are paid.

Hon. Mr. LYNCH-STAUNTON: I would like to understand how warehouses were abolished in Saskatchewan. I understand there is some legislation by which the Saskatchewan Government found it possible to do away entirely with warehouses, which are the things I object to.

Hon. Mr. DANDURAND: Last Session we passed special legislation to enable the province of Saskatchewan to rid itself of liquor that was in that province, mostly not in bond. It had been there before the Prohibition Act came into force, it was there legally and could be exported legally, but the owners were waiting their chance: they could not export except by violating the law of Manitoba or of Alberta or of the United States, and the province asked for legislation to prevent exportation, so that once they were prevented from exporting their raison d'être was at an end.

Hon. Mr. LYNCH-STAUNTON: Why cannot we pass legislation to prevent exportation from British Columbia? Many members object to legislation preventing importation for private use, but why cannot we legislate to produce the same result there as in Saskatchewan?

Hon. Mr. DANDURAND: My honourable friend can do that if he will under this Act, by an amendment. The exception to the prohibition to import in British Columbia is in favour of the Government, the public carrier, the distiller, and the brewer; these are the four parties referred to in the Act. My honourable friend can add the words "private individuals" if he wants to. They will have the right to import if we except them from the prohibition. Then the export houses alone will disappear—that is, they will not be there.

Hon. Mr. FOWLER: We will all agree on that.

Hon. Mr. DANDURAND: I do not claim I have enough power to influence my honourable friend; but perhaps, when the argument is over, he will agree to go one step further and do what the provinces are asking for, namely, give complete control to the Government in the distribution of liquor.

Hon. Mr. LYNCH-STAUNTON: Not distribution; importation.

Hon. Mr. DANDURAND: Well, importation and distribution.

Hon. Sir JAMES LOUGHEED: That is this Bill?

Hon. Mr. DANDURAND: That is this Bill.

Hon. Sir JAMES LOUGHEED: Will my honourable friend say whether there are any export houses in Quebec outside of those controlled by the Provincial Government?

Hon. Mr. CASGRAIN: No; the Commission has every thing.

Hon. Mr. DANDURAND: I cannot answer that, but I will get the information.

Hon. Sir JAMES LOUGHEED: I do not think there are. Would my honourable friend at the same time point out the distinction between the law of Quebec and that of British Columbia whereby the latter cannot wipe out export warehouses while Quebec, where the right of importation obtains, has wiped them out.

Hon. Mr. DANDURAND: Yes. I may inform my honourable friend that the province of Quebec has passed an Act which prohibits the transportation of liquor in the province.

Hon. Sir JAMES LOUGHEED: Is there anything to prevent the province of British Columbia from doing similarly?

Hon. Mr. DANDURAND: Yes, there is—the aggressiveness of the members of the Bar from British Columbia, so I am told.

Hon. Mr. FOWLER: Which bar?

Hon. Sir JAMES LOUGHEED: Apparently Attorney-General Manson has control of the Provincial Legislature.

Hon. Mr. DANDURAND: He has control of the Provincial Legislature by the will of the people.

Hon. Mr. BARNARD: Does the honourable gentleman suggest that the Quebec Liquor Transportation Act is intra vires of the province?

Hon. Mr. DANDURAND: I would not like to express an opinion on that Act; I would rather leave the courts to pass upon its value.

Hon. Mr. BARNARD: But if my honourable friend is of opinion that it is ultra vires, that is no reason for closing the Customs warehouses in the province of Quebec. A moment ago he gave it as a reason, but if the Act is bad it is a very poor foundation on which to close those excise warehouses.

Hon. Mr. DANDURAND: But very likely the province of Quebec would feel far more secure if this Act passed and the export houses were prevented from operating in the province of Quebec.

Hon. Sir JAMES LOUGHEED: They have not shown very much interest in it.

Hon. Mr. DANDURAND: And if it were made clear by this Act that private individuals have no right to import. Of course, the province of Quebec has an Act. The Attorney-General of British Columbia has his own views on the division of powers between Ottawa and the provinces, and he does not feel that he has the right to entangle the province in costly law suits, and he puts this question to us: "You want me to utilize doubtful powers that I may not have; why not utilize your own that are sure?" Here we are; it is up to us; we have the power, the undoubted power, and now we are asking ourselves if British Columbia could not do as the province of Quebec has done, and utilize the powers that are very questionable, constitutionally speaking.

Now, we have, in many provinces, absolute prohibition. There is no question that a respectable minority in number and in quality is smarting under the law of the majority, yet must accept that law; and the federal power has come in and sanctioned the rule of the majority. Why should not private importers be happy with the advantage of living in a province like British Columbia or Quebec, where users of alcoholic liquors are able to have them at hand, and relinquish the right to buy directly outside or in Europe? It has been alleged that there is a state of things in British Columbia which makes it difficult for the private individual to buy. He is taxed to an amount equal to the profits that the Commission would make, and perhaps more.

Hon. Mr. TAYLOR: Ten per cent more.

Hon. Mr. DANDURAND: In order to discourage him from purchasing liquor outside.

Hon. Mr. FOWLER: Would it not be possible if he had the corresponding advantage, which is to his mind greater than the extra tax he has to pay, of getting a much better quality of liquor, when he imported it himself from the old country than by buying it from the Provincial Government? I am not a user of liquor myself, but I understand it is notorious in the provinces of Quebec and British Columbia that the quality of liquor handled is not extra.

Hon. Mr. CASGRAIN: In Quebec you can import any brand, any kind, anything you like, but you must have it consigned to the Liquor Commission, and they take a big rake-off before you get it.

Hon. Mr. REID: That is what you want to do now with this.

Hon. Mr. DANDURAND: Any private individual in the province of Quebec can apply to the Liquor Commission for the goods he desires, and they will be procured for him. But now, on the written authority of the Attorney General of British Columbia—

Hon. Mr. BARNARD: That is no good.

Hon. Mr. DANDURAND: For the time being it is—I am informed that some regulation permits connoisseurs of good wines and liquors to get the quality they desire. It is under the same conditions which apply to the general public as to payment. I will lay on the Table of the House a statement to that effect from the Attorney General.

In the course of my remarks I stated that the Attorney General of British Columbia was suggesting that if this Bill reached the Committee it would possibly be advantageous for the good administration of the liquor business in British Columbia that the word "brewer" should be deleted from the clause. I was asked also to strike out subsection 3, after the word "accused" in the fifth line, and substitute the following. I mention this because my right honourable friend has given notice of an amendment, and he may judge whether this suggested amendment would be preferable to his own:

And where the person accused is a person duly licensed by the Government of Canada to carry on the business or trade of a distiller the burden shall also be on him of proving that all intoxicating liquor imported by him is imported solely for the purpose of being used for blending with or flavouring the products of the business or trade of a distiller carried on by him in the Province and that all intoxicating liquor imported and kept by him in the Province is kept in a place or warehouse which conforms in all respects to the requirements of the law governing such places or warehouses and that all intoxicating liquor imported by him is used solely for blending with or flavouring the products of his said business or trade.

This eliminates the reference to export houses. The reason is obvious, because if the Bill passes the importation will be confined to the Crown, the liquor in transit to the distiller and brewer—if we leave the word "brewer"—for blending and flavouring purposes.

Now I desire to cite one opinion clipped from the American press, as to the effect of these export houses in British Columbia. This appeared in the Ottawa Citizen of yesterday, I think:

The Portland Oregonian, one of the most reputable American papers on the Pacific coast, in a leading editorial headed "Canada Fosters Lawlessness," has this to say: "Canada maintains at Vancouver a thriving and extensive business in smuggling alcoholic liquors into the United States in flat violation of the law of this country, and the Dominion government profits by it and is knowingly a party to it. The principal part of the business of the large export houses in Vancouver is done with men who smuggle liquor into the United States. It is done contrary to Canadian law and for the purpose of breaking American law. That government is the first link in the chain of which the last link is the bootleggers who retail liquor among the rich tipplers of Portland. This is the conduct of a bad neighbour. Canada prides herself on the strict enforcement of her laws, on severe punishment of criminals, on the reign of British justice. Its people at times make unfavourable comparisons with conditions in that respect on this side of the line. When it maintains a headquarters for violation of American law by Canadians and Americans who conspire together its boasts and taunts react against it. Evil example is infectious. A government which fosters infraction of its nieghbour's law breaks down respect for its own."

I think we in this Chamber are all agreed that it is important that those export houses that thrive upon illegal business in British Columbia should be wiped out. This Bill does that, and I am sure that to that extent it will meet with the unanimous approval of this Chamber. This Bill goes one step further. It prevents the private individual from purchasing his liquor from any other party or source than the provincial Liquor Commission; and I think that all those who are interested in seeing good order maintained in the Province, should favour the request which is made in this legislation for placing the control and monopoly in the hands of the provincial Board, which is entrusted with the operation of the provincial Act. If you allow any private individual to import apparently for his own use you allow him to buy in far larger quantity than he would buy at home. He may be absolutely honest in his desire to provide his family and his friends who visit him with the liquor that he prefers, but if you give that right to the citizens at large, you will necessarily have quite a large number of citizens buying with other designs, such as money making, and you open the door to a great deal of illegal selling through bootleggers.

The province of British Columbia, the province of Quebec, and nearly all the Attorneys General whose telegrams I have under my hand, favour this legislation. British Columbia and the province of Quebec have not gone the full extent of prohibiting liquor; they have said, "We will control it." That is their right, and I am under the impression that a large majority in this Chamber favour that system, and prefer it to complete prohibition. If a majority of this Chamber favours that system, why not give it a fair chance of being administered in an honest way? I am told: "But you limit the liberty of the subject." We limit it very little indeed when this legislation is compared to complete prohibition. A majority of one may force a population of 2,000,000 of people to accept a prohibitory law and go without their wine or beer or Scotch, if it is their habit occasionally to have a glass of liquor. This is considered to be a hardship in British Columbia and in the province of Quebec. Those provinces felt that there should be Government control and when the province of British Columbia voted by a majority of about 35,000 in favour of Government control—

Hon. Mr. PLANTA: With the right of purchase by the private individual.

Hon. Mr. DANDURAND: Was that question put to the people?

Hon. Mr. PLANTA: It was absolutely understood.

Hon. Mr. DANDURAND: I defy my honourable friend—I know nothing about it, but I will take that risk—to cite a newspaper that said so during the campaign. I have seen the argument—and it was most explicitly made in form and matter—that when the elector of British Columbia was asked, "Do you favour government control, or prohibition?" instead of voting for prohibition, he said "Government control," but knew that he was retaining the right to buy for himself outside of the province. I say that this is an after-

thought, a special pleading by a very good lawyer, for only a constitutional lawyer or a lawyer having some knowledge of the general law of this country could ever have that in his mind.

Hon. Mr. REID: Why was not the vote taken for straight prohibition?

Hon. Sir JAMES LOUGHEED: My honourable friend will surely concede the fact that Government control meant Government control as defined by the Statute; and that gave the right of private importation.

Hon. Mr. DANDURAND: I see by the return which we all have in our hands that the question put was: "Which do you prefer? (1) the present Prohibition Act, or (2) an Act to provide for Government control and sale in sealed packages of spirituous and malt liquors?" By a majority of 30,000 odd they preferred the second alternative. They gave their preference not to the Prohibition Act, which deprived them of the right to buy.

Hon. Mr. BARNARD: No, no; the right to import was specially preserved in the Prohibition Act.

Hon. Mr. DANDURAND: At all events, the electors were facing these two alternatives, whatever they mean; and I recognize that if there was a Prohibition Act, it was the Act which was before them. It was a question of whether they favoured "the present Prohibition Act," or "an Act to provide for Government control and sale in sealed packages of spirituous and malt liquors." They declared their option by a very large majority in favour of Government control. Why did they do that? They did that because they wanted to eliminate private sale, because they wanted the Government to have in its hands the control and sale of liquor.

The Act was passed, and I draw attention to the framing of it. It struck me as a clear, well-prepared piece of legislation. If the people, when they went to the poll and voted for Government control, saying, "it will be Government control in part," I can imagine the farmer on his farm and the man on the street saying: "Oh well, I can continue to write to Bordeaux and get my red wine, or to write to Dewar & Sons or some other house in Glasgow or Edinburgh and get my Scotch direct."

Hon. Mr. BARNARD: That is what they did, though.

Hon. Mr. FOWLER: Why not?

Hon. Mr. DANDURAND: Because they had never done it before.

Hon. Mr. FOWLER: Oh, yes. I can give my honourable friend the reason for this: because the Government of British Columbia wants to make money out of it. That is the reason why.

Hon. Mr. DANDURAND: But my honourable friend should come back to the point when the electors were being called to the poll. They were free men, and as between prohibition, which they had and apparently disliked, and Government control, they favoured Government control. When they voted for Government control I say they wanted it as Government control.

Hon. Sir JAMES LOUGHEED: Will my honourable friend say they voted against their own right to import liquor as they had it under the statute?

Hon. Mr. DANDURAND: Yes, I say that they voted against their right to purchase liquor from any other source than the Government or under Government control.

Hon. Mr. TAYLOR: If the honourable gentleman will permit me, as an elector of British Columbia, I should like to say that he is absolutely wrong—that the British Columbia electors voted as between sale by doctors' prescriptions, a system which was so abused that there were queues half a block long in front of the dispensaries, and it had become a public scandal; and we in British Columbia said: "Let us substitute sale by Government vendor stores in place of this humbug of prescriptions." I would like to point out to my honourable friend that so clearly was this recognized by the legislature that when they passed along the request to Parliament pursuant to the vote on this question, they put this in:

> That the Federal Parliament be requested at its next sittings to enact legislation providing for the importation of intoxicating liquor into British Columbia for use therein—

—without saying anything about distributing the trade of British Columbia with the countries overseas with which we have trade at present.

Hon. Mr. DANDURAND: The honourable gentleman does not make his point. "For use therein" they were leaving aside the export houses because they thought they could not attack the export houses. They asked that importation "for use therein" should be prohibited; and if importation "for use therein" was prohibited, except through the Government, then the private importer

was being wiped out. I think if my honourable friend reads that document again he will find that it covers private importation.

Now, we have the Legislature voting recently by a large majority in favour of the total prohibition of the importation or sale of liquor except by the Government. So it seems to me logical that the provinces that have obtained provincial control through the mandate should ask that that Government control should be effective. Surely this Chamber, in view of the danger of those private importers enjoying the right of importing as much as they please, with the possible advantage of distributing it overnight to bootleggers, will hesitate to refuse the request of that Legislature, when by a two-thirds vote it asks that power be given to it. Where is the argument against it? We have voted complete prohibition and have imposed it upon large minorities in other provinces. Did we stop and say: "Those people have rights; we are restricting the liberty of the subject?" No; we said: "This is the will of the province."

Hon. Mr. BARNARD: My honourable friend is mistaken. What we said was: "We will let you vote on this question."

Hon. Mr. DANDURAND: British Columbia voted on this question and gave a majority of 35,000 in favour of Government control. That Government said: "We will establish and maintain Government control, and we will see that it is effectively maintained if we have Government control; but we have not Government control if anyone can go and buy elsewhere."

I may say that private importation is looked upon with considerable disfavour by the provinces of Alberta and Saskatchewan. They know that these private warehouses are feeders of bootleggers and that liquor comes across the line.

Hon. Mr. FOWLER: I do not agree with you.

Hon. Mr. DANDURAND: Why should not that power be given?

Hon. Mr. POPE: Where do the bootleggers in the Province of Quebec get their stuff to export to the United States? They buy it from your Commission.

Hon. Mr. DANDURAND: My honourable friend told us the other day that moonshining was being carried on in quite a number of farms in Quebec.

Hon. Mr. POPE: That is true. That is for consumption in Quebec—not for export. They export real liquor from your Commission.

Hon. Mr. DANDURAND: The honourable gentleman from Ottawa has an amendment to propose. I have not examined it thoroughly, but there may be enough virtue in it to protect the United States.

Right Hon. Sir GEORGE E. FOSTER: I should like to ask my honourable friend a question. He said he had telegrams from the Governments of other provinces giving reasons why they favoured the legislation that he is proposing. I think it would be interesting to spread those on the record.

Hon. Mr. DANDURAND: I will give those telegrams to my honourable friend. My friend to my right (Hon. Mr. Watson) hands me a telegram addressed to him from R. W. Craig, Attorney-General of Manitoba:

Manitoba Government favours passage of Bill 43 amending Canada Temperance Act as precautionary measure and would respectfully and earnestly request your support.

Hon. Mr. FOWLER: How does it affect Manitoba?

Hon. Mr. WATSON: They are going to vote on it in a few days.

Hon. Mr. BARNARD: All they have to do is to put the question in the referendum that they are going to take in the coming month.

Hon. Mr. DANDURAND: I have a telegram from the Deputy Attorney-General of Quebec:

Your letter addressed to Prime Minister concerning Canada Temperance Act received. Attorney-General adheres to this Bill. He has already expressed his opinion to the Minister of Justice, whom you can see in connection with it.

Here is a telegram from the Attorney-General of Manitoba addressed to the solicitor for the Province of British Columbia:

You are authorized to say Manitoba Government favours passage of Bill forty-three. R. W. Craig, Attorney-General.

Hon. Mr. TAYLOR: May I ask who is the solicitor for British Columbia?

Hon. Mr. DANDURAND: Messrs. Smith and Johnson, Barristers, Ottawa.

Mr. Cross, Attorney-General of Saskatchewan, says:

Have received wire from Attorney-General of British Columbia relating amendment Canada Temperance Act prohibiting export warehouses stop. You may state to Committee that Saskatchewan Government supports British Columbia point of view. J. A. Cross, Attorney-General.

I have a telegram from Mr. Raney, the Attorney-General of Ontario:

Understand you are acting as agent for British Columbia in matter of Bill now before Senate for prohibition of private importation of liquor into Government controlled provinces. This Bill will assist law enforcement not only in Government controlled provinces but in provinces having prohibitory legislation. For these reasons it has approval of Government of Ontario. W. E. Raney, Attorney-General.

I have also a telegram from the Attorney-General of Nova Scotia:

Have following from Byrne, Attorney-General New Brunswick. "Authorized by Premier Veniot to say that Government New Brunswick endorse principle non-importation liquor as advocated by British Columbia and Quebec." A. M. Manson. Export house question not an acute problem in this province. Therefore would not require any Federal Legislation to deal with a local situation. If proposed amendment will have tendency to assist better enforcement of our provincial temperance legislation emphatically endorse same. W. J. Ohearn, Attorney-General for Nova Scotia.

I may say also that the Attorney-General of Alberta has expressed his opinion in favour of the Bill. I had the statement under my hand, but I cannot find it at the moment. I think honourable gentlemen will take my word for it.

With these few remarks, I will express my thanks to my honourable friends for their patience and courtesy in listening to the statement which I have made. I confess that when it is read in Hansard it will be seen that I had quite a number of—

Hon. Mr. CASGRAIN: Interruptions.

Hon. Mr. DANDURAND: No. collaborateurs.

Hon. Mr. CASGRAIN: Helpers.

Hon. Mr. DANDURAND: Therefore I move, seconded by Hon. Mr. Watson, that the Bill be now read the second time.

Hon. H. C. BARNARD: Honourable gentlemen, I must congratulate the leader of the Government for the good-natured way in which he has dealt with this matter this afternoon, and also upon the impassioned eloquence with which he advocated a cause with which I know he is not in sympathy.

Hon. Mr. CASGRAIN: Order. You cannot impute motives.

Hon. Mr. DANDURAND: I may tell my honourable friend that he is absolutely mistaken. I feel that this is very good legislation.

Hon. Mr. BARNARD: I of course accept the statement of the honourable gentleman. I am sorry that he did not see fit, on the occasion when this Bill was first presented for second reading, to complete the reading of the letter of the Attorney-General of British Columbia, because I would have liked to have taken up the arguments and statements in detail. However, I hope to be able to deal with them in any event, although I may not be able to do so in the order in which they appear in the letter. In regard to that letter I just want to say a word. The honourable gentleman was good enough, in the kindness of his heart, and I suppose possibly out of consideration for the feelings of a political ally, to give him absolution for making public a statement in the letter which was undoubtedly a serious reflection upon the honour of this body.

Hon. Mr. BELCOURT: But he said he had no contrition: how can you give him absolution?

Hon. Sir JAMES LOUGHEED: The contrition will come afterwards.

Hon. Mr. BARNARD: Of course, my honourable friend is better informed on questions of absolution than I am; I have to get along in the world without it. But the honourable gentleman need not have worried about having to make public the contents of this letter, because the gentleman who wrote the letter had already taken a somewhat contemptible method of making public the same statement. I am informed—and I hesitated to believe it until I heard the letter to-day —that there was a copy of this letter in the office of the Citizen in Ottawa. Since I have heard the letter read, I am absolutely convinced of it, and I think when I have read a few words of an article that appeared in that paper on the 20th of April last, honourable gentlemen of this House will agree with me that the Attorney General of British Columbia sent this letter down here with the idea that the charges and insinuations, miserable and contemptible as they are, should be made public in the press of the city of Ottawa. This article reads as follows, in part:

It is well known that the exporting liquor concerns are doing a huge business and making, it has been estimated a profit of over a million dollars a year—probably two million. They are bringing every possible influence to bear to prevent the passing of House of Commons Bill No. 43. The opinion has been expressed, in a memorandum to the Dominion solicitor general, by the man who is best qualified to advise on the situation in British Columbia, that the liquor interests will use money in an extremely liberal fashion to prevent the passing of the bill which is intended to close the private importing and exporting warehouses.

There is a repetition of the statement made in the letter of the Attorney General to the Solicitor General of Canada. It goes on:

The purveyors to bootlegging and rum-running succeeded in getting an exemption last session. A last-

minute party move of Conservative senators served the purposes of the law-breaking element in British Columbia, after the House of Commons had legislated to put them out of business. The people of Canada will want to know whether Conservative and Liberal party workers—

He joins the two, the same as the Attorney General did—

—in the liquor business, with money to spend in influencing legislation, can go on undermining the credit of Canada through the instrumentality of party opportunism in the Senate. Public opinion is behind the request of the government of British Columbia, endorsed as it is by all parties in the province, to be allowed to suppress the private liquor warehouses.

So I do not think my honourable friend need worry about making public that letter, because it has already been done for him. I am very glad the letter has been read today, because it will give honourable gentlemen of this House an idea of the kind of man the Attorney General of British Columbia is.

Now, dealing with the Bill, this Act as passed by the House of Commons is very different from what it was when introduced. As it stands now, the export warehouses are cut out. I am extremely doubtful as to how far that amendment is going to be acceptable to the Attorney General of British Columbia, because I am perfectly satisfied in my own mind that his object in introducing this legislation, was not so much prohibition of the importation by private bodies as it was to get absolute control of the export warehouses.

Hon. Mr. BELCOURT: May I ask my honourable friend his opinion of the constitutional provisions as regards exporting? Has he considered that?

Hon. Mr. BARNARD: No, I have not given that any great amount of consideration. The Bill as introduced had aparently a two-fold object—to prohibit importation for private use, and to continue the present system of export warehouses subject to the control of the local government.

Dealing first with the question of private importation, so far as I am concerned the objections I have to the Bill are precisely the same as I had last year. I affirm unhesitatingly—and I was in British Columbia at the time—that the leader of the Government is absolutely in error when he states that the people of that province were under the impression that they were interfering with the right of importation when that plebescite was taken. I have had no occasion to change my mind since the action of the Senate last year; and when he says that those people, in voting for Government control, intended thereby to give up the right of private importation, he is mistaken. I do not believe that he would find any number of people in British Columbia who would agree with the Attorney General of that province.

Right Hon. Sir GEORGE E. FOSTER: May I ask my honourable friend a question just there? On page 3 of that return, where the two questions are set forth: "Which do you prefer, the present prohibition Act, or"—is that the Prohibition Act which affirmed the right of importation by private parties?

Hon. Mr. BARNARD: Yes.

Hon. Mr. BELCOURT: I think that appears in the question. My honourable friend did not read the whole of it. The whole question reads—

Right Hon. Sir GEORGE E. FOSTER: I had no necessity for reading the whole question, because I wished to ascertain the fact as to the first question. I wanted to know whether the first question referred to a prohibition law which affirmed the right of private importation. My honourable friend says it did.

Hon. Mr. BARNARD: That is absolutely correct.

Right Hon. Sir GEORGE E. FOSTER: That is all I was after. My honourable friend may be after something else.

Hon. Mr. BELCOURT: There can be no bother about it, because it was part of the question. It is stronger than my honourable friend puts it.

Right Hon. Sir GEORGE E. FOSTER: I was trying to understand one half of the question; that is as much as I can do at once.

Hon. Mr. BARNARD: In the new Act, which was passed as a result of the plebiscite, the right of importation was still recognized, and the province put a duty upon the liquor imported by private individuals; but the right was still there, and it was never in the contemplation of the voters, when they voted on that question, that that right—which was a right by law existing at that time—was to be interfered with.

Hon. Mr. BELCOURT: As a question of fact, has it or has it not been interfered with?

Hon. Mr. BARNARD: This legislation will interfere with it.

Hon. Mr. BELCOURT: Has the right of importation for private use since been interfered with, or has it been recognized by the province?

Hon. Mr. BARNARD: It is recognized by the province, because the province says "if you do not import you shall pay duty." That is the provision in the new Act—the one passed subsequent to the plebescite.

Hon. Mr. BELCOURT: But the right would exist anyway, under Dominion legislation?

Hon. Mr. BARNARD: No, the provincial courts say not. I disagree with them, but the matter has never gone beyond the provincial courts. They put a special tax on it, and the Court of Appeal, in a test case that was made, concerning a case of Canadian-made rye whiskey, held that that was a valid tax.

Now, if a province decided in favour of prohibition, this Parliament would not take the right of private importation away without a plebiscite. In the event of the people of a province voting that they want the use of liquor for beverage purposes, surely it has no right to say: "We will take away the right of private importation without giving you a chance to say whether you want it or not." Therefore I say that if this Act is to become law at all, there should be a provision in it that it shall only become operative in any province which adopts it by a plebiscite.

Another reason why this Act is objectionable is that any monopoly in the hands of a Government or anyone else is an undesirable proposition. What happened after the Senate's action of last year? The first thing that happened was that, although we were met with a fusilade from the Provincial Government of—well, severe criticism, I will put it that way—for our action, one of our defences being that their prices were too high, one of the first things they did was to reduce prices. Of course, they said they were going to do it anyway, but we did not take much stock in that. Let me give you an idea of the results of monopoly. We were paying for Walker's Club whiskey $6 for the imperial quart, which was obtainable in Ontario for $4.60. We paid for an Imperial quart of Old Tom Gin $6.37½ as against $4.25 in Ontario. Dewar's Special Liqueur Whiskey cost us $7.50 as against $5.60 in Ontario.

Right Hon. Sir GEORGE E. FOSTER: Does that include the provincial tax?

Hon. Mr. BARNARD: There is no provincial tax. Some more of the prices we were paying were: Sandy Macdonald, Imperial quart, $7.50 in British Columbia as against $5.40 in Ontario. Hennessey's Three Star brandy, $8.25 in British Columbia as against $5.75 in Ontario. Martell's Three Star, Imperial quart, $8.25 in British Columbia as against $5.75 in Ontario. Those are some of the prices we were met with under Government monopoly in British Columbia.

Hon. Mr. FOWLER: That is prohibition by indirection.

Hon. Mr. DANDURAND: I suppose you were drinking less.

Right Hon. Sir GEORGE E. FOSTER: And feeling better.

Hon. Mr. BARNARD: The next thing that happened was this. The Attorney General had made no attempt so far to regulate any of his export warehouses. What did he do? On the 27th of July, after we got home, following the Senate action of last year, he established for the first time a series of regulations regarding those export warehouses, making them take stock once a month and make returns to him showing exactly where their goods had gone, so that he could keep check of them. The point of that is this, that his first duty was, not to come to this Parliament and further prohibit the people of British Columbia from doing something that they had a legal right, and, as the majority thought, a conscientious right, to do. Instead of coming down here and asking for prohibition, his first duty was to see what he could do by regulations at home, and by his own prices. He did not do it; he came down here and told a hard-luck story about the way he had been treated by the Senate, and then went home to make these regulations, and he told the legislature of British Columbia that the result of those very regulations—which he did not pass till long after the Senate action of last year—had resulted in reducing the illegal business of the export warehouses by 75 per cent.

With regard to those export warehouses, I am very much surprised to find the opinion which has been given to the honourable gentleman by the Department of Justice, for the simple reason that I have a directly contrary answer from some department of the Government in regard to the same question.

In order to understand this export warehouse business, I want to explain that there are a certain number of export warehouses in what the Attorney General calls Eastern British Columbia, that is to say, Fernie, Cranbrook, Grand Forks and Greenwood, the first two being in the Crow's Nest Pass, and the others in the Boundary Creek country, just north of the American boundary. By no possibility can any of those warehouses do a legitimate trade. The only market they have

for their goods is the United States or the province of Alberta or Saskatchewan. Every one of those warehouses has been kept up with the consent of the Attorney General of British Columbia. The reason I say they cannot do any export business is that the local freight rate from any one of those points to the coast is higher than the total freight rate from Montreal to Vancouver; so that it is an absurdity for them to suggest or say that it would be possible for those warehouses to do an export business, which can only be done through the seaports Victoria and Vancouver, to any country other than the United States. Therefore those warehouses were in Eastern British Columbia for bootlegging purposes and nothing else, and they were there established by the consent of the Attorney General of British Columbia, either past or present, and they have been maintained with the consent of the present Attorney General ever since he occupied that office.

When you hear the voice of the Attorney General of British Columbia when he addresses the provincial legislature on this question, you would think his heart was bleeding for the United States and for the provinces of Alberta and Saskatchewan on account of the bootlegging business in those provinces and in that country. He says:

I take exception to the export house too. What is the export warehouse? It is a concern supposedly carrying on the business of exporting liquor to places without the province of British Columbia. What are those places? For the most part they are our sister prohibition provinces, Alberta, Saskatchewan and Manitoba, and our sister prohibition country, the United States.

The export warehouse carries on trade and commerce and as such its business cannot be interfered with by this province. We licence such concerns, and we attempt to regulate them, and recently we have been quite successful in the latter endeavour, but we have absolutely no power to refuse them a licence. Any refusal on our part, I am satisfied, will be met with an instant application to the court for a mandamus to compel us to licence.

There has been a wide misapprehension in this regard. This Government has no control in the matter of licencing export liquor warehouses. I have pointed out that a very great portion of their business, for that matter I suppose 90 per cent of their nominal business is with prohibition provinces and prohibition States.

But I have also pointed out that their actual business is an illicit business right within our own province, as is well illustrated by what happened at Fernie. Because of the illicit business they carry on, which brings our Act into serious jeopardy, and because we do not care to have this province made the seat of illicit shipment of liquor into friendly provinces and States about us, I am of the opinion, and I think every honourable member in this house will agree with me, that the export liquor warehouse must go.

He practically makes his whole effort on the question of the export liquor warehouse, and very lightly touches on the question of prohibition of private importation.

With regard to the statement that those warehouses have been established with his consent, in an answer to a question found in the Hansard of the House of Commons, in column 1311, find this—that there was a licensed warehouse, Customs bonded warehouse, granted for Fernie, to Consolidated Exporters Corporation on the 22nd January, 1923. Mr. Manson's appointment was the 28th January, 1922; so that was one of his. The provincial authority giving consent was the Attorney General. Another was granted for Fernie for the 26th June, 1922, with the consent of the Attorney General. Another was granted for Cranbrook on the 11th May, 1922, by the Attorney General. Another was granted for the city of Grand Forks on the 7th of February, 1923, by the Attorney General. In addition to these, after he had asked this Government for this legislation, he gave his consent in the month of March this year, to the granting of another for the city of Greenwood, in the Kettle Valley country. The city of Greenwood and the city of Grand Forks, two places where he has granted licensed warehouses, are strategic points for the bootleggers. They are situated on the Kettle Valley Railway, which runs along the International boundary and crosses it half a dozen times within a very few miles. You can imagine what opportunities for export warehouses so situated would have.

An Hon. SENATOR: What is the population of Greenwood?

Hon. Mr. BARNARD: The population of Greenwood is about 350 people, and that of Grand Forks is about 1,500; and they are situated within 10 miles of each other. There is not the slightest possibility of either of these warehouses doing anything but a bootlegging business. I made the statement a moment ago that these warehouses were there with his consent.

Hon. Mr. SCHAFFNER: Could they be placed there without the Attorney General's consent?

Hon. Mr. BARNARD: No. At page 317 of the Senate Hansard I find the following questions and answers:

1. Is there any regulation requiring or does the policy of the Government require the consent of Provincial authorities before granting licenses for bonded warehouses or excise warehouses for the storing of intoxicating liquors in Provinces where the sale of liquor by private individulas is prohibited?

2. What is the date of such regulation or inception of such policy?

3. Is there any Order in Council dealing with the question, if so, what is the date thereof?

4. Is the Government compellable by mandamus or other process of law to issue such licenses in such Provinces without the consent of Provincial authorities?

5. Is the Provincial authority having jurisdiction in the premises compellable by mandamus or other process of law to give such consent or is the giving of such consent wholly discretionary with the Provincial authorities?

1. The policy of the Government requires unconditional consent of Provincial authorities before granting a Customs warehouse for storage of intoxicating liquors in bond or before granting a license for an Excise bonded warehouse for storage of intoxicating liquors, in all Provinces where the sale of intoxicating liquors is prohibited under Provincial law.

2. As to Customs—31st December, 1916. As to Excise—March, 1918.

3. No.

4. No.

5. No information. Matter is one to be dealt with by Provincial authorities.

Hon. Mr. TURRIFF: Are exporting warehouses the same as the warehouses referred to in those sections as excise and storage warehouses?

Hon. Mr. BARNARD: There are two kinds of warehouses. The export warehouse is a customs warehouse dealing only with imported goods held in bond; the excise warehouse is for the storage of Canadian made goods, but the business is done by the Customs. The excise warehouses are only about four in number, and are held by the Canadian Pacific Ocean Steamship Service and the provincial Government. They do not amount to anything in connection with this discussion.

Hon. Mr. TURRIFF: Are they the same? Do they cover what you refer to as exporting warehouses?

Hon. Mr. BARNARD: An excise warehouse is for the storage of Canadian made goods which have to pay an excise tax.

Hon. Mr. TURRIFF: Are they the same?

Hon. Mr. BARNARD: It is a bonded Customs warehouse which is there for this purpose.

Right Hon. GEORGE E. FOSTER: It does for both purposes.

Hon. Mr. BARNARD: Then the goods arrive in the country they are put into a bonded warehouse, and if they are exported legitimately out of the country there is no duty paid at all; on the other hand, if they are sold within the country, as soon as they are released from the warehouse duty is payable.

Another very important question was put in the House of Commons on the 18th of April:

1. How many licenses for bonded warehouses for storage of intoxicating liquors in bond are in force in the province of British Columbia?

The answer was:

There are at the present in the province of British Columbia 25 Customs warehouses for storage of intoxicating liquor in bond, nine of which, however, are inactive.

There are three licenses for excise bonded liquor warehouses in force at present.

That information does not tally with that given to my honourable friend by the Attorney General.

The question goes on:

What is the duration of such licenses, and has the Government power to cancel or revoke same, and if so, for what reason?

I would call the attention of the honourable gentlemen to this answer:

A Customs bonded warehouse for the storage of intoxicating liquor is only granted upon unconditional consent of provincial authorities and remains in force until cancelled by the Minister for cause or withdrawal of provincial consent.

There is the policy laid down by the Government; there is the construction of it by the Customs Department; and notwithstanding the opinion given by the Department of Justice to my honourable friend, I challenge him or the Department of Justice, or the Attorney General of British Columbia to show that they have ever attempted to refuse a single one of these licenses. Surely, if the Attorney General were in earnest in his desire to shut out these export warehouses, he would make one refusal and have a test case. We do not usually find that the provincial Government in British Columbia have any hesitation in taking their citizens into the law courts; on the contrary, they are very much the other way, and there is not a shadow of doubt that if the Attorney General were sincere in the statement he has made, he would at least have attempted to test the question, which he has never done.

The Attorney General made a statement the other day with which I want to deal. It was just about as accurate and reliable as the statement about debauching the members of the House. As it will take me some little time to deal with it, if honourable gentlemen will permit me, I would like to call it six o'clock.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

Hon. Mr. BARNARD: Honourable gentlemen, when the House rose at 6 o'clock I was about to discuss the statement issued by Hon. Mr. Manson, the Attorney General of the province of British Columbia, just subsequent to the debate on this Bill in the House of Commons. I trust the House will pardon me if I refer to this statement at some length, because as a sample of unparalleled and impudent mendacity it is hard to find its equal, unless it be in the letter which we heard read this afternoon by the honourable gentleman who leads the Government. I may say, in passing, that this statement appeard in the Ottawa Citizen, which is apparently kept in close touch with all the thoughts and ruminations of the Attorney General upon this particular question. The statement reads as follows:

Victoria, B.C., May 3.—Declaring that the Senate of Canada alone is responsible for the border liquor running out of British Columbia because of its failure to give the provincial government power to prohibit as well as regulate the traffic. Attorney General A. M. Manson issued a statement last night, replying to the charges made against him in the House of Commons yesterday by H. H. Stevens, Conservative, Vancouver.

Mr. Manson said: "The bitterness of Mr. Stevens' political animus toward me seems to unbalance his judgment and eliminate sense of honesty. He throws his avowed prohibition views to the wind in his desire to malign a political opponent. I have confidence that others in his party may rise above mere party malice. The occasion surely warrants non-partisan thought.

"Three export liquor houses were established in Fernie long before I came into office. This province could not prevent their establishment—

The same old story.

It was a matter of trade and commerce—purely a federal matter. I sought at Ottawa legislation to prohibit private importation of liquor into the province, which would have, if passed, put an end to the export houses. Conservative senators defeated the legislation. They should have realized that sooner or later various crimes would ensue from rum-running from British Columbia to Alberta. They probably did not think of murder, but it has happened and it would not have happened had the amendment sought in Ottawa been passed.

You can see, honourable gentlemen, that this statesman adds to his suggestion that the Senate of Canada are capable of being debauched—I think that is the expression—the suggestion that they were responsible for the murder and hanging which recently took place in connection with some rum-running transaction in Alberta with goods out of a warehouse which he had the power to close at any time that he chose to withdraw his consent. The article goes on:

The responsibility must rest with the Senate. There has been no new establishment of export houses in eastern British Columbia since I have been in office. The houses have been cut from a half dozen last year to one this year; from thirty odd in the province last year to ten this year. This is as a result of stiffer regulations—regulations as stiff as we dared make. We can regulate; we cannot prohibit.

That statement is full of inaccuracies, to put it mildly. For example, he says: "Three export warehouses were established in Fernie long before I came into office. This province could not prevent their establishment: it was a matter of trade and commerce—purely a federal matter." Now, the answer to a question in the House of Commons shows that a license was granted for Fernie on the 22nd of January, 1923, one year after Mr. Manson came into office. Another was granted for Fernie on the 26th of June, 1922, six months after he came into office. Another was granted for Cranbrook on May 11th, 1922, three months after he came into office. Another was granted for Grand Forks on February 7th, 1923, a year after he came into office.

He went on to say: "There has been no new-established export house in eastern British Columbia since I have been in office." As a matter of fact, in the month or March this year, at the very time these questions were on the Order Paper in the House, he had given his consent to the granting of a license for an additional warehouse in the town of Greenwood, which is situated on the Kettle Valley Railway and is one of the finest stratgetic points for bootlegging in British Columbia, being at least 250 to 300 miles from the coast, where the only market for export could be the state of Washington.

In substantiation of this statement I read a letter from Mr. Farrow, Commissioner of Customs, dated April 20, 1923:

I acknowledge receipt of your communication of the 19th instant, requesting to be advised whether a license has been granted for a bonded warehouse for the storage of intoxicating liquor at Greenwood, B.C., and if so, whether the consent of the provincial government was previously obtained.

In reply you are informed that a Customs bonding warehouse license was granted last month at Greenwood, B.C., with the written consent of the provincial authorities.

Then he states that it was purely a matter of trade and commerce. He says:

I sought at Ottawa legislation to prohibit the private importation of liquor into the province, which would have, if passed, put an end to the export houses.

He did not. He sought last year, and again this year, a Bill from which he expressly excepted such warehouses. Clause c of the Bill as introduced last year expressly provided:

Where the intoxicating liquor so imported is imported solely for the purpose of his export business and while kept by him in that province, is kept in a liquor warehouse which conforms in all respects to the requirements of the law governing such warehouses, and when sold or disposed of by him is actually exported from that province.

That exception was in the Bill of last year, which was the Bill asked for by the resolution of the Legislature of British Columbia, and was in the Bill which was introduced this Session.

Hon. Mr. DANDURAND: Of course, that is not the Bill which is before us.

Hon. Mr. BARNARD: I am dealing with the statement of the Attorney General, who is trying to cozen the people of British Columbia that he is in earnest in trying to do away with export warehouses. The other statements as to the number of houses that are in existence in the province, and how, they have been cut down, I do not propose to go into in detail. All I propose to say is that his statement and that of the Department at Ottawa are wholly at variance, and I take it that he is about as accurate in that regard as he has been in other statements made by him in connection with this matter.

Now, I am wondering who in the province of British Columbia besides this gentleman himself, and possibly his associates in the provincial Government, wants this Bill.

Hon. Mr. DANDURAND: That is two-thirds of the Legislature.

Hon. Mr. BARNARD: I am not particularly concerned with that. I will say to my honourable friend that the Moderationists, the people who were largely responsible for the carriage of the present liquor Bill, do not want it. They have been agitating for the past two years for an increase in the liberty of sale rather than for further restrictions. The prohibitionists do not want it; and I will prove that statement to my honourable friend. They are on record as being opposed to it.

Hon. Mr. DANDURAND: I have evidence to the contrary from the Rev. Mr. Cook and the Rev. Mr. Peck.

Hon. Mr. BARNARD: I will try to give my honourable friend a little better evidence than that. The Rev. Mr. Cook, against whom I do not wish to say anything, is pretty well known as a political parson who has a great deal to say on matters with which he is not very conversant. I am going to read a resolution passed by the provincial Prohibition Association, which I think is possibly more authoritative on that point than the statement of the Rev. Mr. Cook or any other private individual. This resolution is contained in an open letter written to the Premier of British Columbia by William Savage, Chairman of the Law Committee of the British Columbia Prohibition Association. It reads as follows:

> This association declares that it cannot take any part in assisting the fact or principle of Government sale nor can this association take any steps which would add to the Government monopoly in the liquor business. This association, however, instructs its committee to ascertain if possible whether such legislation is contemplated or promised by the Dominion Government, and if such legislation is contemplated to urge upon the Dominion Government that the legislation be extended to apply to a condition of provincial prohibition in the event that a Prohibition Act shall succeed the Government Liquor Act.

That is a straight declaration of the Prohibition Association that they are opposed to this legislation.

I will also quote from a letter appearing in the Prohibition Bulletin, of Vancouver, written by an even higher authority in prohibition circles than the Rev. Mr. Cook—I refer to the Rev. Ben. H. Spence, Secretary of the Dominion Alliance, whom I have no doubt all prohibitionists will recognize as one who speaks with a certain amount of authority as to the wishes of prohibitionists in Canada. This is a letter to Mr. G. O. Buchanan, 328 Fogers Building, Vancouver, B.C. It says:

> Dear Mr. Buchanan:
>
> The Dominion Government's proposition to give the British Columbia Government a monopoly could not by any stretch of imagination be called a temperance measure. It was a financial one. I don't think that it is up to us in the slightest to help the Governments of British Columbia and Quebec make their liquor sales more profitable by tightening their monopolies.

So I think I am right when I say that, so far as the people of that province are concerned, the only persons who want this legislation are the honourable the Attorney General and, possibly, his associates in the Legislature. Certainly the great bulk of the people of the province are opposed to it.

Right Hon. Sir GEORGE E. FOSTER: What are the dates of those letters?

Hon. Mr. BARNARD: The last one is undated; the first one is dated September 21.

I do not propose, honourable gentlemen, to discuss this matter further to-night. In view of the fact that I have shown that the people of the province—the prohibitionists and moderationists, and, if my honourable friend wants me to put it that way, the Conservatives—are all opposed to this legislation, I am content to leave it to the judgment of this House as to whether it feels disposed to act upon the representations of a man who would make the statements that have been made in support of this legislation by the Attorney General of British Columbia.

Hon. R. F. GREEN: Honourable gentlemen, before this Bill is voted upon I propose to say a few words in connection with it. I will not keep the House very long. I think that the House should be seized of the situation so far as the people of British Columbia are concerned. While it is true that the province of Quebec is said to be interested in this Bill, at the same time the House in Quebec has taken no action in connection with it; and the legislation is aimed, first, last, and, may I say, all the time, at the province of British Columbia. British Columbia is a province many miles away from here on the far confines of this Dominion. In local matters we have faith enough in our own judgment to think that we can deal with these matters in the best interests of our province and of Canada as a whole. It has been demonstrated in the speech of the honourable gentleman from Victoria (Hon. Mr. Barnard) that this young gentleman— I say young gentleman advisedly— the Attorney General of the province of British Columbia, has all the time had the power that he is now asking this House to give him to stop these warehouses. True, he has not had the power to stop personal importation, but he has had the power to regulate it; because the moment any individual attempts to import more than he would generally be supposed to use for his own purposes, he could step in and have that importation stopped—at least, he could take care that whoever made the importation did not turn around and sell it to the people of British Columbia or elsewhere.

We had prohibition in the province of British Columbia, and while we had it we also had the right of personal importation. The people were asked to vote on the question whether they wanted that or Government control. They voted, and, as the leader of the Government stated to-day, gave a majority of 35,000 odd in favour of Government control. It is true that the question of private importation was not raised. It is also true that we had the right of private importation at that time, and that many of the citizens of the province were of the opinion that if they put the control of liquor in the hands of the provincial Government they would be retaining to themselves that right.

I have no brief for the warehouses; I care nothing for them; but I do care for the good name of the province of British Columbia and for the way in which things are managed in that province; and I say without any hesitation that they have not been managed by the present outfit in power in a way that is good for the province.

This gentleman who writes so eloquently asking us to pass legislation that is not necessary has had the power over and over again to prevent export warehouses from getting licenses. He did not come before us last year with the same Bill that is presented this year. He then wanted what? He wanted the right to determine who should have export houses. It would have been a nice proposition. This gentleman may try to say that he is not responsible, but that his immediate predecessor was responsible; and for what? For seeing to it that nobody but his particular friends or the friends of his Government secured these licenses. Why, a member of the local Legislature supporting this honourable gentleman in that House—he and his firm—were employed by some gentlemen to secure for them a license of this description. These gentlemen had tried to get a license in other ways, but were not able to secure it. They secured the services of this firm, one member of which is to-day a member of that Legislature, and they got a license; but before they got that license they had paid into that firm $3,000. The money apparently was there, and nobody was saying anything about it until it was discovered by somebody that it cost $3,000 in addition to the license fee to secure a permit of this kind. This gentleman did not deny having done that, but he came back with the explanation—I am not going to mention his name, or say anything about the matter except to read two letters which are published in the Victoria Daily Times of Tuesday, November 1st. This is the first letter:

Dear Sir:

Upon returning to the office today—

That is, his own office—

Hon. Mr. MITCHELL: You propose to give the name if you read the letter.

Hon. Mr. GREEN: If you want it I will give it.

Hon. Mr. MITCHELL: You must give the name if you read the letter.

Hon. Mr. GREEN: The gentleman who writes is Ian Mackenzie, a member of the local House, and the letter is addressed to R. T. Colquhon, one of the partners in Lloyd and Son, Limited. It is as follows:

Dear Sir:

Upon returning to the office to-day, after an absence of ten weeks at Victoria attending the session, I find that my firm did some legal work for you by way of making application to the proper Department of the provincial and Federal Governments for a bonded warehouse in your name. Although I understand the

firm gave the best part of a week entirely to this work, I consider the fee charged in excess of the ordinary legal fee. I find that half this fee was deposited to my credit in the Bank of Montreal.

In order that there may be no question at all about the propriety of this matter, and no suggestion of the exercise of influence on my part in any capacity as a member of the Provincial House, I enclose herewith my cheque for $1,500, being the amount placed to my credit. I have further caused to be executed an agreement between myself and my firm to the effect that I shall not be entitled in whole or in part to any fees accruing to the firm, either directly or indirectly, from Government sources.

Trusting you will understand my motives in writing this letter, I remain,

Yours very truly.

Hon. Mr. LYNCH-STAUNTON: Had the matter become public before he wrote the letter?

Hon. Mr. GREEN: Oh, yes, it had become public, because there had been an investigation in the House.

On May 21st last, Captain Mackenzie wrote Mr. Colquhon again:

Adverting to my letter addressed to you under date of April 16, 1921, enclosing my personal cheque for $1,500, I find from my bank that this cheque has not yet been cashed. I would therefore ask you to cash this cheque by noon to-day or return same to me, in which latter case I shall hand it over to the G.W.V.A. Relief Fund.

Captain Mackenzie added that on the same day he wrote the Provincial President of the G.W.V.A. a letter saying that he would turn this cheque over to them.

What I say is that this gentleman, who is so innocent, and so anxious that we at this end of the country should do something that he has the power to do himself, is in the same boat with his predecessor, they having been quite ready to allow their friends, certain firms of solicitors, to secure from the public certain moneys for the purpose of getting licenses that he said he would be compelled to give if asked for it, as shown in the statement read here to-day in this House. This is the gentleman who is asking us to do these things, and I say that he does not represent the people of British Columbia, who are quite competent to look after their own interests. All I ask of this Chamber to-night is that they see to it that we are left in that position. My honourable friend the leader of the Government quoted from an article from the Oregonian. That article is quoted somewhere else under a signed statement by this same gentleman, Mr. Manson. In the particular article quoted to-day he tells us about the unfavourable conditions, and the impression we are making on the Americans. Incidentally he says:

The Portland Oregonian, one of the most reputable American papers on the Pacific coast—

That is his certificate of character to the Oregonian. I have another clipping from the Oregonian that I intend to read. This was published on April 11th of this year. In this particular interview, which must be correct because it is contained in his special pride, the Portland Oregonian, Mr. Manson says:

Legalized bootlegging and piratical high-jacking alike both heard the death knell of their activities in Canadian United States waters by the announcement of A. M. Manson, British Columbia's Attorney General, who said yesterday that the co-operation of the Dominion Government had been obtained at last and that clearances hereafter would be refused by the Dominion customs officials to vessels leaving port for "deep sea" with cargoes of liquor. This completely destroys the business of the scores of small craft that have been supplying Washington and Oregon with their liquor.

In the past Dominion and Provincial Governments have been at odds and the bootleggers have flourished. The liquor laws are provincial, while it is the Dominion which governs imports and exports of liquor and all else. The province was able to forbid the private sale of liquor but it could not prevent import and export houses, sanctioned by the Dominion, from doing business.

The Dominion, unmindful of the province's troubles, was interested only in seeing that duty was paid on all the liquor brought in. Liquor consequently has been pouring into British Columbia in great quantities from England. The duty has been paid, and the export houses then have been able to dispose of it as they wished with no interference from the Dominion. Small vessels have loaded every day, entered their cargoes with the customs officials, consigned to fictitious people in Seattle, Portland and other foreign points, and have cleared for deep sea like fishing vessels.

As the duty was paid, the customs officials cared nothing for the nature or the disposal of the cargoes, and when the vessels returned empty no questions were asked. It was no offence against Dominion law to take duty-paid liquor to any point on earth. From the Dominion standpoint, the activities of these boats were perfectly legal. Where the liquor went, of course, was an open secret. American boats were met a few miles from port, the cargoes transferred and the Canadian craft returned for new loads. Some Victoria vessels have made as many as three of these deep sea voyages in a single day.

With Mr. Manson's announcement yesterday, this comes to an end. A new government, of the same complexion as British Columbia's was elected in the Dominion a year ago. The province has now succeeded in getting sympathetic treatment from the Federal authorities, who have instructed the customs authorities of British Columbia ports to refuse clearance to deep sea of vessels carrying liquor cargoes except in the case of real fishing vessels, which will be allowed to carry a sufficient amount of liquor for medicinal use.

Bootlegging under the new conditions will be impossible. The only source of liquor, save from the government stores, is the export houses. The latter can export only. If they cannot account at all times for the disposal of their stocks, as they have been able to do heretofore through these deep sea trips, their licenses would be cancelled by the provincial government.

That is Mr. Manson's statement to the Portland Oregonian, his particular pet.

Last year in this House the statement was made that it was impossible to get decent liquors at reasonable prices in the province of British Columbia from Government sources. We had an investigation into that situation

late last fall before a special Committee of the local Legislature. I will give you one sample of what was found. They have a Commissioner who buys liquors, and it was proven that he bought liquors of a very low grade from particular friends at a greater price than he would have had to pay the manufacturers or their agents. It was also proven that he bought Scotch whiskey that was too poor to sell to the people of British Columbia, that was not fit for consumption, and that they had a gentleman in their warehouse who cured this kind of thing; and he admitted under oath that this liquor was taken out of the bottles and put into a cask or casks, that some prune juice and other stuff was added to it, and that it was then re-bottled and sold as Government draft whisky. This Mr. Attorney General Manson is the gentleman who is in charge of all this liquor business, and he is the gentleman who is asking us to-day to give him further power to deal with all the liquor affairs in the province of British Columbia.

I am going to say a few words in closing about that gentleman. Unfortunately, so far as the public and the press of the country are concerned, he happens to be Attorney General and represents our province. This gentleman says in one breath that he has not the right to exclude those warehouses, and in the next breath he says that he has the right, but does not do it, thus trying, as we say in the West, to pass the buck to this House instead of doing this thing himself. This gentleman has for weeks and months past tried to dragoon this House through his friend, the editor of the Citizen, and through the public press of this country. He has been saying things about people who are perhaps better than himself; saying things about members of this House and members of the other Chamber that he has no right to say; saying things that this House should resent; and I ask honourable gentlemen if we are going to sit here to-night and allow propaganda of that kind. Are we going to sit here to-night and allow that gentleman to dragoon us into passing this Bill, as he has done up to its present stage?

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, after the House rose at 6 o'clock I felt a sense of humilitation that charges should be made against members of the Parliament of Canada, particularly against members of this Chamber, by the present Attorney General of British Columbia, as these have been set out in his letter of the 16th January to the Solicitor General of Canada, which letter was read before this Chamber this afternoon by the leader of the Government in this House.

I am satisfied that no honourable gentleman in this Chamber would resent the imputations which have been cast upon this Chamber more than my honourable friend the leader of the Government. I felt, when those charges were read, that the duty fell upon this Chamber of vindicating its honour by protesting against the charges contained in that letter of the 16th January.

I have been in public life for many years; I have followed fairly closely the doings and the practice of Parliament; but never during my time have I heard read, in Parliament or elsewhere such a letter, or heard charges made by the Attorney General or any other Minister of any province of this Dominion such as have been read in this Chamber to-day.

We cannot sit still and accept imputations upon our public honour such as have been made by the Attorney General of British Columbia. I am satisfied that if this letter had been placed upon the Table of the House of Commons at the time this Bill was under discussion, the Bill would never have reached this Chamber. If I understand aright the spirit of the House of Commons, no public assembly would so quickly have resented the charges that were made against that House as well as against this Chamber, than the House of Commons itself.

This letter not having been laid upon the Table of the House of Commons, the duty falls upon this Chamber of protecting the honour of Parliament. I therefore propose moving an amendment which I hope every honourable gentleman in this Chamber will support, as I think that every honourable gentleman owes it to himself to do. The amendment which I beg to propose is as follows:

That all the words after "That" to the end of the question be left out and the following words added instead thereof:

"the second reading of the said Bill be postponed until an opportunity be given the present Attorney General of British Columbia to establish his serious imputations against Members of the Senate and House of Commons, as set out in the letter of the 16th January last addressed to the Solicitor General of Canada, and read in the Senate this day by the Leader of the Government in this Chamber, or until he has an opportunity to withdraw the said charges and apologizes therefor.

The contents of this resolution can be at once communicated to the Attorney General of British Columbia, and if he has a sense of honour he will comply with the demand which has been made in this resolution—either to establish the charges which he has

made against members of Parliament in both Houses, or withdraw and apologize for the very serious imputations which he has cast upon the Parliament of Canada.

I therefore beg to move this amendment to my honourable friend's motion, seconded by the Hon. Mr. Blain.

The Hon. The SPEAKER: Are you ready for the question?

Hon. Mr. DANDURAND: I have just sent for the letter in question in order that I may be able to answer the remarks of my honourable friend.

Hon. Mr. FOWLER: We have heard enough of that letter, I should think. Did you not read it all before?

Hon. Sir JAMES LOUGHEED: I do not think it will improve with further reading.

Hon. Mr. FOWLER: Is there not a postscript?

Hon. Mr. DANDURAND: There was a postscript; there was the whole speech the honourable gentleman made in the legislature. I could have read it, because he called it part of the letter. I was surprised that the curiosity of my honourable friends opposite was so absolutely satisfied that they did not ask for the postscript to be read. It contained 5 or 6 pages.

Hon. Mr. LYNCH-STAUNTON: It is such a mouthful already that we do not want any more.

Hon. Mr. CASGRAIN: Honourable gentlemen, while we are waiting for this unfortunate letter to come, may I be allowed to say in defence of my revered leader that while he did read the letter, he was solicited to do so. For instance, my right honourable friend (Right Hon. Sir George E. Foster) said:

I do not want to discuss the letter here; this is not the place to discuss it. I simply asked for information of my honourable friend. It does appear to me, however, that this is the fundamental letter of the whole correspondence, and I do not see why it should be censored.

Later on the leader of the Opposition said, after there had been considerable discussion:

That makes us more curious than ever.

Still later the honourable member for Sussex (Hon. Mr. Fowler) said:

We will make an effort to ruffle that gentleman's feelings too.

Hon. Mr. FOWLER: We are going to do it, too.

Hon. Mr. CASGRAIN: Now is the time to do it.

Hon. Sir JAMES LOUGHEED: My honourable friend is under a misapprehension, for he thinks we are attacking the leader of the Government. Not at all; this in no way reflects upon him, because the letter was produced on the expressed wish of the House It is fortunate that it was, and we feel a sense of indebtedness to the leader of the Government for producing it.

Hon. Mr. CASGRAIN: I only wanted to stand by my leader.

Hon. Sir JAMES LOUGHEED: We all stand by him in that regard.

Hon. Mr. CASGRAIN: Evidently this letter was not intended for public notoriety.

Hon. Mr. FOWLER: It was published in the Citizen newspaper.

Hon. Sir JAMES LOUGHEED: The Attorney General telegraphed his authorization to make it public.

Hon. Mr. CASGRAIN: Perhaps he had not read it.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CASGRAIN: I am sure, if there is anything disagreeable to Parliament in the letter, it was only with great reluctance that my leader stood in this House and said that he would only read certain parts, and would leave out the disagreeable things.

Hon. Mr. SCHAFFNER: You are doing first rate; you are making it worse.

Hon. Mr. CASGRAIN: The right honourable member for Ottawa said:

Read it all. Give it to us.

And then the honourable gentleman from Sussex said:

Is it not a rule of the House that if a letter is read in part the whole letter must be laid on the Table?

Well, we have had the whole letter. Then the honourable member from Sussex goes on:

Then, what are you quibbling about? Let us have the letter.

I think, honourable gentlemen, it is a tempest in a teapot. After all, here is the Attorney General of British Columbia simply writing to a political friend and telling him of the good that might be done if such a course were followed. That is all there was to it. When he said there was going to be money spent, it was the bootleggers who were going to spend the money; and I am sure we have no sympathy with them. This afternoon it was stated there were some of these

warehouses right on the line, established there for the sole purpose of exporting intoxicating liquors to the adjoining republic.

Hon. Mr. PLANTA: By consent of the same Attorney General.

Hon. Mr. CASGRAIN: I ask the honourable gentleman, does he approve of those warehouses being built there?

Hon. Mr. PLANTA: I do not.

Hon. Mr. CASGRAIN: Then, why not vote for the Bill?

Hon. Mr. McMEANS: May I ask the honourable gentleman if he is now apologizing on behalf of the Attorney General of British Columbia?

Hon. Mr. CASGRAIN: Not at all.

Hon. Sir JAMES LOUGHEED: That apology won't do.

Hon. Mr. CASGRAIN: The Attorney General wrote a letter to the then Solicitor General explaining that if certain parties had their way there would simply be a debauchery of the law.

There are two sides to this question. I am one of those who would like to be allowed to import from the Old Country any brand of champagne or claret or Scotch or anything else; but I realize that, if I were allowed to do so, although I might not abuse the privilege and might keep the liquor for my own use—that if everybody were allowed to import, Government control of the liquor traffic would be absolutely impossible. I do not think there is a man in this House who can deny that. In our province you can import anything you like and bring it as far as the Customs House, but when it gets to the Customs House the Liquor Commission steps in and says: "We will take charge of this."

Hon. Sir JAMES LOUGHEED: Let them do that in British Columbia.

Hon. Mr. CASGRAIN: And they take charge of it and pay the duties, and then, although the liquor is yours, they will charge you just as much profit on it as they would make if they imported it themselves. But you will get one bottle at a time. They will not let you have the whole of it. It will be put in a certain store, and you can go there and get one bottle at a time.

Some Hon. SENATORS: Question.

Hon. Mr. BEIQUE: Honourable gentlemen, I rise to a point of order. I submit that the motion in amendment is not in order. We are dealing with a public Bill, and the progress of this Bill does not depend upon the act of any individual. I submit that there is no connection at all between the amendment to the motion and the Bill itself. If this gentleman has offended Parliament, there is a way to deal with him.

Hon. Mr. FOWLER: We are going to deal with him now.

Hon. Mr. BEIQUE: I hope the honourable gentleman will have some patience, so that I may be allowed to raise the point of order. He will be allowed to answer it if he desires to do so. I hope he will not interrupt me.

Hon. Mr. FOWLER: Go to it.

Hon. Mr. BEIQUE: I say that the progress of a public Bill should not be delayed because of the action of any individual in the community. There must be some reason based on the Bill itself why progress should not be made with it, and it is not because A or B may have offended the feelings of this honourable House, or of the other branch of Parliament, that the progress of a public Bill should be delayed. I therefore submit to the honourable the Speaker that the amendment is out of order.

Hon. Mr. FOWLER: The honourable gentleman who has just spoken has shown a very small knowledge of the rules of order. He has talked for some minutes, during which he took time to administer a reprimand to me, but he has failed to state any point of order at all. A point of order only affects the wording or the character of the amendment. The motives that actuate the moving of the amendment have nothing whatever to do with a point of order, if the motion itself is within the rules of the House. Surely the six months' hoist, as it is called, is in order. Then, where does the point of order arise? Only in the disordered imagination of the honourable gentleman who has raised it. That is exactly how the matter stands at the present time. There is no point of order; the honourable gentleman has shown no point of order, so the amendment stands as made.

Hon. Sir JAMES LOUGHEED: I may say to my honourable friend that there is excellent authority for this, and it will be found in May. My honourable friend is under a misapprehension in saying that a private individual has anything to do with this. A private individual has nothing to do with it. A good reason suggests itself to Parliament why the second reading of this Bill should be postponed. For instance, I could move that this Bill be not now read a second time, but that it be read a second time this day six months.

Instead of that, I move that the Bill be not now read a second time, but be postponed until a certain condition occurs, an imputation having been cast upon members of Parliament by a law officer of the Crown who seeks particularly the passage of this Bill. In fact, the only person of whom we have heard as requiring the passage of this Bill is the Attorney General of British Columbia. Will the honourable gentleman from De Salaberry (Hon. Mr. Béique) say that if a Bill comes before us for consideration, based upon certain facts which may turn upon the representations made by an individual, we have not a right to postpone the further consideration of that Bill to inquire whether those facts are true or not? The postponement is based entirely upon the ascertainment of a certain condition of facts. I am sure, if there is no precedent for it, the House is prepared to make a precedent.

Hon. Mr. BEIQUE: If no other honourable gentleman wishes to say anything, may I remark that I did not refer to the motives of the honourable gentleman who moved the amendment: I referred to the reason assigned in the motion to amend. The reason assigned in the motion to amend is the offence given by this gentleman to this honourable House. I say that is no reason for stopping the progress of the Bill. Of course, I do not deny that it is open to any honourable gentleman to move the six months hoist. That is absolutely denying the progress of the Bill; but the motion to amend does not deny the progress of the Bill, but merely stops it until a certain gentleman has done such and such an act.

Hon. Mr. FOWLER: The six months' hoist does the same thing.

Hon. Mr. BEIQUE: It is perfectly well known that the six months' hoist is in order; but it is in order because it is acknowledge to be a motion relevant to the Bill; it is a way of expressing the opinion of the House that the Bill should not be passed. Here we are asked to wait before proceeding with a public Bill, to see what action Mr. Manson will take—whether he will offer an apology to this honourable House or will do another thing. I submit in full confidence that such a motion is not in order.

Hon. Mr. GORDON: Honourable gentlemen, I must say that I am sincerely in favour of the principle of this Bill; but when the Attorney General of the province of British Columbia makes such a serious charge not only against the members of this House, but against the members of the House of Commons, I think it is time that a halt was called. Therefore the motion of the leader of this side of the House is very timely. If I were sitting on the other side of the House I would not rest until the Attorney General of British Columbia was brought before the Bar of this House and proved his charges. If the charges which he has made were directed against the members on this side of the House—but I understand from the letter that they were not—they might more easily be passed by, because we would assume with some certainty that he was talking about something with which he was not familiar. But his charge is directed against men with whom, no doubt, he has been associated for some time, men whom he should know; and I say that this House should not rest until the Attorney General of British Columbia is brought before the Bar of the House to prove the charges he has made.

Hon. Mr. MITCHELL: Do you feel guilty?

Hon. Mr. GORDON: No, I do not. I think it is a very serious matter, and I therefore say again that I think the motion which our leader has brought in is most timely.

Hon. Mr. PARDEE: Honourable gentlemen, I have listened to the discussion that has gone on here all afternoon, and I have listened also to the letter read by the honourable leader of the Government, which has come from Mr. Manson, the Attorney General of British Columbia. I think it is too bad that from those in high places should come such accusations as have been made in that letter.

There is one thing that has always appealed to me, and it appeals to me now—and I would ask your indulgence, as a very young member of the Senate, for saying this—that there is always a tendency on the part of the public to belittle what men in public positions do and to question their motives for doing it. Therefore it does appear to me doubly too bad that a man in the position of the Attorney General of British Columbia, the Government of which has the confidence of the people, a man who himself, to hold that position, must be looked up to with considerable confidence, should have written such a letter as that which has been read to us to-day. It only goes to show that, men in high places, and possessing the confidence of the public, should be most particular and most careful in what they say regarding men who are supposed to be carrying on the affairs of this country, and are men in whom, to all appearance, the country has confidence.

The Hon. the SPEAKER: I do not wish to interrupt the honourable gentleman, but I think he ought to adress himself to the point of order before the House.

Hon. Mr. PARDEE: I was just going on. With regard to that letter, let me say, in response to your demand, Sir, that it does not appear to me, that Mr. Manson should be dignified to such an extent as to think that the Senate of the Dominion of Canada would put off the discussion of this Bill, and the rights or the wrongs of it, by reason of the fact that he has written a most irresponsible letter.

There are two questions insolved in this Bill: whether you shall have prohibition or whether you shall not have prohibition; whether you shall have the right to import liquor one by one, or whether it shall be under Government supervision. It appears to me that it would be entirely infra dig on the part of this body to pay such attention to the letter that the Hon. Mr. Manson has written, and to so dignify Mr. Manson, that he would have a chance to think that by reason of this letter he had influenced the Senate of the Dominion of Canada to put off the discussion of this Bill on its merits.

I have only this to say about the Bill, and I hold myself subject to correction, that I cannot understand how the people of the province of British Columbia, after having passed on the question by a majority of 30,000 or 35,000 could be content to allow every man and every woman in that province to import liquor of all kinds, at their own pleasure, and still think they had prohibition. To my mind that is an absolute impossibility.

Hon. Mr. DANIEL: What about the point of order?

Hon. Mr. PARDEE: I think I have discussed that; and may I crave the indulgence of this House to speak my mind upon the Bill while I am here? I want to reiterate that, although there may be great merit in the motion of the honourable leader of the Opposition, to whose judgment I pay very great respect, I do not think this House should so degrade itself, if I may say so, as to take up a letter of a man who has in that letter made imputations which are absolutely irresponsible, and should put off the discussion of the merits or demerits of the Bill now before us.

Hon. Mr. LYNCH-STAUNTON: I heard with a great deal of interest and sympathy the opening remarks of the honourable gentleman who has just sat down, but I was extremely disappointed with his conclusion. Like myself, he is a member of the Bar, and knows that we regard an Attorney General as the head of the profession in his province, and the people regard him as the mouthpiece of the law of the province in which he lives and in which he has his election. To my mind it is of great importance that the people should have confidence in the integrity of Parliament as well as in the integrity of the judiciary; and we know, as the honourable gentleman just said, that men are prone to believe every idle charge which is made against the honour and integrity of their fellow men, particularly when they are made by the highest legal authority in the country.

I quite disagree with the honourable gentleman when he says that we should allow this statement of the Attorney General to pass by as an idle falsehood and libel on this House. That gentleman not only sent the letter to the Solicitor General, but so far as we know he did not mark it private. He had meant that that letter should be on the public files of this country as a charge against the integrity of the representatives of the people of this country. He not only did that, but apparently he sent a copy of it to a newspaper in the capital of Canada, to be there disseminated throughout this Dominion against the integrity and honesty of this legislature. If we pass by these things, the newspapers which have disseminated it throughout Canada will be read by all the people, those in sympathy with prohibition and those against prohibition; and if we do not resent it as the honourable leader of the Opposition says we should, if we do not publicly and clearly resent it, they will all agree, that ye have been purchased to oppose this legislation. I therefore trust that this vote will not be partizan, but will be unanimous against those charges. It will not prevent the discussion of this Bill, but will only postpone it until this man either disavows his intention or apologizes for his cowardly conduct in attacking the honesty of this House.

Hon. Mr. WATSON: Honourable gentlemen, I would like to ask those lawyers across the floor of the House what becomes of the Attorney General of Manitoba. He asked for this Legislation. Simply because a gentleman in British Columbia has written a letter at which honourable gentlemen take offence, should the Dominion of Canada be thwarted because they want an apology? I have a telegram from Mr. Craig, Attorney General of Manitoba, and he wants this Bill passed.

Hon. Mr. LYNCH-STAUNTON: He did not know about his brother Attorney General then.

Hon. Mr. WATSON: I am not a lawyer, but this seems to my mind childish. I am reminded of the old story we used to hear about Sir John Macdonald, which seems appropriate on this occasion. He told about a thunderstorm that came up after a Jew had had a little bit of pork, and he said it was a hell of a row about a little bit of pork. It seems to me very like this letter of the Attorney General's. I would like to carry out the wishes of the province of Manitoba, who unanimously support and wish for this legislation.

Hon. Mr. FOWLER: Will you tell us how it affects Manitoba?

Hon. Mr. GREEN: I would like to ask the honourable gentleman if this letter or telegram that he has is not exactly on a par with those of the other Attorneys General of the various provinces that were sought for, and that came in answer to a request of the Attorney General of British Columbia.

Hon. Mr. WATSON: I do not know; I have no explanation of that kind at all. I simply got a telegram from Mr. R. W. Craig, Attorney General of Manitoba, requesting that this legislation be passed, and asking my support.

Hon. Mr. McMEANS: The telegram that the honourable gentleman has just received, if he will read it, says "as a precautionary measure."

Hon. Mr. WATSON: Yes.

Hon. Mr. McMEANS: That is, the Attorney General of Manitoba would like this Bill passed so that, in the event of something happening in the future in Manitoba, he could come and ask for similar legislation, that is all. He is not particularly interested in the present Bill, but if the plebiscite to be taken in Manitoba next month should carry, and the Government should have control of liquor in that province, he might come down here at the next Session or the Session following and ask for legislation similar to what British Columbia had.

Hon. Mr. WATSON: I asked that question of the leader of the Government to-day, and he said that if Manitoba should carry the vote in favour of Government control, it would get the benefit of this legislation.

Hon. Mr. McMEANS: It would have to be a special Act.

Hon. Mr. WATSON: No, a general Act affecting the whole Dominion of Canada.

The Hon. the SPEAKER: Honourable gentlemen, the point of order has been raised by the honourable gentleman from De Salaberry (Hon. Mr. Béique), that the amendment moved by the honourable gentleman from Calgary (Hon. Sir James Lougheed) is not relevant to the motion before the House. I have not had much time to examine into this question, but I find in May, at page 357:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a Bill, to move, as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the Bill, or expressing opinions as to any circumstances connected with its introduction or prosecution.

It would seem to me, without having had time to examine the matter further, that the point of order is not well taken.

Hon. Mr. DANDURAND: When my honourable friend who sits opposite moved the amendment which is now under discussion I sent for the letter of the Attorney General of British Columbia which I had read to this Chamber. Unfortunately it has gone to the printing office, and has not been returned to me. The matter that I wanted to be sure of was the exact ground upon which the amendment was based. I surmise that the ground is that passage of the letter which says that a formidable lobby will be instituted to resist this legislation, and that large sums of money will be available, apparently from the export houses and other parties interested in resisting it.

Hon. Mr. LYNCH-STAUNTON: Is that all it said, that the money would only be available?

Hon. Sir JAMES LOUGHEED: It stated how it would be spent among members of Parliament.

Hon. Mr. DANDURAND: It would be spent in an effort to debauch, but to debauch whom?

Hon. Mr. LYNCH-STAUNTON: Us.

Hon. Mr. DANDURAND: I beg pardon.

Hon. Mr. LYNCH-STAUNTON: You.

Hon. Mr. DANDURAND: No. One must not forget that this letter is addressed to the Solicitor General, who sits in the House of Commons, for he says, "the House." He was speaking to a gentleman who was sitting in the House of Commons, and it was not the Senate of Canada.

Hon. Mr. FOWLER: We resent it for the House.

Hon. Mr. DANDURAND: I said, when I was reading the document, that it struck me that it was not addressed to us—that it was addressed to the House of Commons if it was addressed to anyone.

Hon. Mr. FOWLER: We resent it for the House of Commons.

Hon. Mr. DANDURAND: My honourable friend says, "We resent it for the House of Commons." Now, everything may hinge on the phraseology which was used by this gentleman in expressing his view that considerable interests would be agitated about resisting this measure, and would make an effort to organize opposition to it. I doubt very much if the writer had in his mind that that lobby, with the forces of money behind it, would affect a member of this House. It was the House of Commons of which he was speaking, since he was addressing a member of that House. I draw the attention of honourable gentlemen of this Chamber to the fact that the letter was, in part, a public document addressed to the Solicitor General, and in another part a private letter addressed to a political friend. I think that any member of this Chamber who will read it will come to the conclusion that the Department that brought down to the House of Commons the return of the correspondence between the Attorney General and the Solicitor General truly interpreted the views of any ordinary man when they took for granted that this was not a public letter.

Hon. Mr. FOWLER: I would ask the honourable gentleman what he has to say of the publication of the gist of that letter, that is, the scurrilous part, in the Citizen newspaper.

Hon. Mr. DANDURAND: Well, suppose that that letter which has appeared in a newspaper of Ottawa, had been found under another form, in a form similar to this letter, would my honourable friend move the amendment which has been moved—to stop this legislation until the party who had inspired that correspondence or that writing in the Citizen had been brought to the Bar, or had apologized for inspiring the newspaper?

Hon. Mr. FOWLER: No, but it proves that the man who wrote that letter sent a copy to the newspaper, because they are exactly alike.

Hon. Mr. DANDURAND: That is a surmise. Now, I desire to come to this point: I am not disposed to accept this amendment of my honourable friend, because we are dealing with a public Bill which has for its object the cure of an evil that every member of this House realizes to be an evil. I have not yet heard a member of this Chamber, since this debate has opened, argue that those export houses in British Columbia should continue to operate. The only divergence of opinion is as to the authority that has the power to suppress them. My honourable friend from Victoria (Hon. Mr. Barnard) claims that full power is vested in the provincial authorities. I take issue with my honourable friend. The Department of Justice takes issue with him. I take issue with him because he does not make a distinction between an export house and a bonded warehouse. That difference is essential. A warehouse, according to the statement of the Minister of Customs, needs the acquiescense of the Department of the Attorney General of the province of British Columbia; but an export house which is not a bonded warehouse need not have a license, nor need not have the authorization of the Attorney General of British Columbia. So that an export house may continue to exist in any part of British Columbia without any license from the provincial authorities of British Columbia.

Hon. Mr. BARNARD: Can the honourable gentleman tell us of any export warehouse which is not a bonded warehouse?

Hon. Mr. DANDURAND: Yes, I am informed that there have been two concerns carrying on as export houses at Cranbrook last year without a Customs bond. I say that an export liquor house need not be a warehouse.

Hon. Mr. LYNCH-STAUNTON: How long did they carry on?

Hon. Mr. DANDURAND: They will carry on as long as they have money to pay for the liquor which they have imported, and the duty on that liquor. Such houses have existed in British Columbia; such houses, I dare say, exist to-day, and will continue to exist; and the argument that we present to this Chamber is this. We are all agreed that the export houses in British Columbia are an eyesore; that they furnish bootleggers; that they furnish liquor for export to the prohibition province of Alberta; that they furnish liquor for export to the United States.

Hon. Mr. BARNARD: I take issue to a certain extent with my honourable friend on that point. There are certain firms that have been in the liquor business at the coast in

the province of British Columbia for years past, who have just as high a standing as any business concerns in the province or anywhere else in the Dominion of Canada. Now, the export of liquor or the sale of liquor is not against the consciences of the people of British Columbia, and, as long as those export houses carry on their business in a proper way, and facilities are not given to export houses in the interior who cannot export according to law, that is all the protection that is required for the purpose of the business.

Hon. Mr. DANDURAND: I will put a question to my honourable friend. Does he admit that if we pass this legislation, we would do away with the export houses, and the warehouses in British Columbia for export?

Hon. Mr. BARNARD: If the Bill goes through as it is now, I think you would. But my point is that you could do it anyway. What the Attorney General is doing is making all this fuss in order to tie up the question of private importation in such a way as to give him an absolute monopoly.

Hon. Mr. DANDURAND: If that is the true position, and if my honourable friend admits that there is virtue in 50 per cent of this Bill, I say it is his duty to allow it to go to Committee. Of course, he says: "I maintain that the province has the power to do away with this vice, which would be accomplished in fact by this Bill." But the province says it has not that authority, and the Department of Justice says it has not that authority. One thing is sure: we are facing the question, whether we shall, in virtue of our power, refuse to cure the evil which every member of this Chamber admits to exist, or whether we shall say that a certain gentleman has seemed to be obsessed with the idea that powerful influences would try to block this legislation. Will that be accepted as a sufficient reason for postponing the day when an evil, which we all recognize exists, will disappear from our body politic? I say no. Enlarging upon the idea thrown out a moment ago by my honourable friend from Sarnia (Hon. Mr. Pardee), I say it is our duty to proceed to legislate for the good of this country, treating with contempt certain expressions which would seem to throw a slur or a possible doubt upon the virtue of the parliamentarians at Ottawa. I will not await a certificate of character, whether it comes from the Atlantic of from the Pacific. Let us do our duty here; and when we have done that fully, we may walk out of this building with head erect, satisfied that we have earned the respect of the people whom we serve. For this reason I will vote against the amendment.

Right Hon. Sir GEORGE E. FOSTER: Honourable gentleman, the situation that has arisen is unique in my experience in parliamentary procedure. The particular kind of procedure that is recommended now has come upon the Senate in a moment without having given the members any opportunity for reflection as to what would be the result of such action. I am discussing now more particularly the motion which is directly before us; but in discussing that one can hardly avoid having something to say with regard to the general situation.

I have been more than 40 years in public life, the most of that time in the House of Commons, and the rest of it in this Chamber. During those 40 years I have not only consorted with members of Parliament of both Houses, but I think I have had a very fair acquaintance, in a great many other associations of enterprise and activity in our Dominion—in church circles, in benevolent societies, in different associations—with men of every profession and every kind; and I have no hesitation in saying, as I have said before, that, taking them on the whole, and on an average, the members of the Dominion Parliament are as honourable and straightforward and honest and conscientious a class of men as can be found amongst all the professions and enterprises of whatever kind they may be that are going on in our country. When a man outside makes these unfounded assertions, whilst I think it is a bad thing to do, and the more reprehensible in a man occupying a position in public affairs because of the larger influence it has, at the same time it does not operate so far with me as to cause me to say that I will fling up my duties or will deviate one single iota from the business in hand which it is my duty to pursue. It does not seem to me—I speak just from the impression of the moment—that this is the best action that could be taken by this body, and I will give some reasons for saying so.

Here is a public Bill which comes to us for our consideration from the House of Commons, where it was unanimously agreed to. It is an important Bill in more respects than one. It is a Bill which affects provincial interests and Dominion interests as well. It is a Bill which carries in its train moral as well as trade and financial consequences. Suppose we adopt this resolution and postpone this Bill on the plea that we shall make no further effort in consideration of the Bill until the charges that have been made are

substantiated or an apology has been received. What does it mean? At this day of the Session it means that the Bill gets no further consideration in this House and at the hands of this Parliament. If anyone thinks that is an extreme assertion, I leave it for him to judge. It means that the prospect of the Bill being considered further is very much diminished, and that the possibilities of its being taken up again are very small. If we do not pass upon this legislation no relief of the condition as it presents itself to us is possible for another year and more. Therefore, presuming that important issues are involved in this measure—and I believe that very important issues are involved in it—we take the responsibility, for the reason which has been alleged, of allowing a continuation of those errors and difficulties, the confusion of interests, the flouting of law and order, the offences against good neighbourhood with other nations and other provinces, and the inevitable consequences which to-day are more serious maybe than we think. The result may be a breaking down of respect for law and order in portions of our community, which will be impelled by greed and the expectation of great gain which is inherent in these operations of rum-running, to smuggle and get these alcoholic liquors into markets where great profits can be got. I think that as a legislature, or a part of the legislature, we are bound to take that into consideration. Is it not a better plan for us to go directly along with our duty in the consideration of a public Bill of this moment, and to take every means that is open to us to repel the insult and bring to book the man who would insult us? That, to my mind, is the more dignified course to take; that, to my mind, is the politic course to take; and I believe it is the constitutional course to take.

Suppose that on every Bill that comes up some irresponsible person outside of this Chamber and outside of the House of Commons were to prefer a charge as lightly as did Attorney General Manson, are we to say that our dignity is ruffled, our honour is impeached, our honesty is insulted, and therefore we must stop public business, and must not undertake to carry on this branch of it until the charges are proven or there comes an apology? Pass this motion, and what is the position of the Senate? Suppose the Attorney General takes no notice of it; suppose he neither apologizes nor attempts to prove the insinuation that he has made. Then, if we are consistent with the spirit of this motion, we sit here all this Session and we sit here next Session, and under the obligation of that motion we are pledged to do nothing along the line of considering a public matter. Where would our operative power land in the end if we did that whenever there were such allusions? They are numerous: they come to us from the newspapers, from men in society, from different quarters; and there is not a week or a month in which there is not some such implication as that upon the honour of legislators. I think we would be over-sensitive and absolutely ridiculous if we stopped the wheels of legislation on every such occasion. That is why I am not disposed to vote for this motion; that is why I ask honourable members of this House carefully to consider the matter before they put the Senate in such a position.

Hon. Mr. POPE: It will be carried.

Right Hon. Sir GEORGE E. FOSTER: That may be true.

Hon. Mr. POPE: Yes, that may be true.

Right Hon. Sir GEORGE E. FOSTER: Generally speaking, I like to listen to people when they are speaking, and pay them the courtesy of listening carefully; and I like to be treated in the same manner.

Some Hon. SENATORS: Hear, hear.

Right Hon. Sir GEORGE E. FOSTER: And I think it becomes the dignity and the efficacy of this House that we should conduct our business along those lines. I am willing to take repartee and to give it; I am willing to make statements and to answer questions; but at the same time I think that we can carry these things on without in any way interrupting the current of thought.

Hon. Mr. POPE: Are you looking at me? You are talking too long.

Right Hon. Sir GEORGE E. FOSTER: Well, that is a frank statement.

Hon. Mr. POPE: One frank statement deserves another.

Right Hon. Sir GEORGE E. FOSTER: That is a fair and frank statement to be made. At the same time, each individual member of this House must be his own judge as to when he talks and how long he talks.

Hon. Mr. POPE: And the other fellow too.

Right Hon. Sir GEORGE E. FOSTER: And the rest of us will try to listen to him with as much equanimity as we possibly can.

Hon. Mr. POPE: Good.

Right Hon. Sir GEORGE E. FOSTER: I do not know that on this point I have anything more to say than I have said. I would ask the members of the Senate very carefully to consider their vote on this question. For my own part I make my decision in a little time, but I make it. I do not think this is a wise move of procedure, and I shall vote against it.

Hon. Mr. BENNETT: Two weeks ago this House sat behind closed doors to consider whether or not, on account of inuendoes contained in a newspaper published in this city, the House would summon before the Bar the editor of that paper. It was then considered that the honour of the House was at stake. However, the better counsel prevailed, that too much importance should not be attached to it.

To-night we are face to face with a different matter. We have been told from both sides of the House that the Senate of Canada is being slandered and vilified in the most arrant manner by the Attorney General of British Columbia, and we are asked to turn the other cheek, when we know that if we proceed with this Bill the Attorney General will say: "The coon came down; I frightened them out."

Hon. Mr. WATSON: No, no.

Hon. Mr. BENNETT: That will be the story, and it will go to the press of this country that the Senate has been impaled by a man in authority who was in possession of the facts, and that they did not dare to call him into court and question what he said.

Hon. Mr. CASGRAIN: Proceed with the Bill.

Hon. Mr. BENNETT: Proceed with the Bill? Had the remarks made by the honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) been made by the leader of the House, this thing would have been at an end. Had he appealed to the House, he would have stood on his feet and would have said: "Let us be practical about the matter: this House is not going to adjourn for two weeks." The House knows there is telegraphic communication between here and British Columbia, and the leader of the House knows that before this time to-morrow he will have from the Attorney General of British Columbia a most abject apology for what he said in that letter. Let us have a little respect for ourselves, because these attacks that are made on public men in this country are making the people believe that the public men have very little respect for themselves; and I do not think they should have if they are not prepared to bring a man like this to book. I am going to appeal to the common sense of the leader of the House; I am going to ask him now, in defence of the members of the House of Commons, and the members of this House, why not wire at once to the Attorney General of British Columbia? The honourable gentleman himself says that in his opinion the statements are slanderous. Then, why should he not appeal to the Attorney General of British Columbia and ask him either to retract the statements or to say that he is prepared to come here and substantiate them? What will be the position if this Bill does not pass? From one end of the country to the other the report will go forth that the Senate has been bought out—that the statement is true that there was a large hush fund available for the purpose of defeating the Bill. Now, let us be a little bit practical, and, with the best of good nature—because all who have spoken have been good-natured—I ask the leader of the Government to wire to the Attorney General at once asking him to withdraw all the insinuations, inuendoes and charges he has made in his telegram, and then let us go on with the Bill.

Hon. Mr. LYNCH-STAUNTON: In view of the suggestion of the right honourable member for Ottawa, that the passing of this amendment as it stands might prevent our ever considering the Bill on its merits, might I suggest that it be amended so as to give the Attorney General the opportunity of doing so-and-so, instead of using the word "until." We may then consider it in a few days if we hear nothing from him.

Hon. Mr. McLENNAN: Put a time limit on it.

Hon. Sir JAMES LOUGHEED: I see no reason why I should not accept that suggestion; then it will be for the Attorney General of British Columbia to avail himself of the opportunity.

The Hon. the SPEAKER: Honourable gentlemen, I would like to point out to the House that, as I read the amendment moved by the honourable member from Calgary, the effect of adopting it would be that the discussion on the Bill would be now postponed, but it would be competent for the leader of the House to move to consider the Bill two days from now. The effect of the amendment would be simply to postpone the discussion on the Bill at the present time.

Hon. Sir JAMES LOUGHEED: The object of the amendment is to mark the disapproval by this House of the letter which has been read by the leader of the House, coming from the Attorney General of British Columbia.

Right Hon. Sir GEORGE E. FOSTER: No man desires more than myself to mark that disapproval of a letter the like of which I have never seen or heard in my parliamentary experience; but my objection was to throwing up all our business until he had either apologized or proved his statement. I have no objection to taking the matter into consideration for a short postponement in order to communicate with the Attorney General, when, if he is a man at all, he will either make his apology or prove his assertion.

Hon. Mr. TURRIFF: I find myself in rather a peculiar position, hardly knowing what to do. I am strongly in favour of the legislation that is before the House, and I also strongly resent the insinuations made by the Attorney General of British Columbia. However, I do not think the two ought to be joined together. I think we ought to deal with the legislation that is before the House, and deal with the Attorney General's letter in a separate manner. Therefore, as we will seem more or less up in the air over this matter, I think we would discuss it a great deal better after we had slept on it for a night, and I will take the liberty of moving the adjournment of the debate.

Hon. Mr. L'ESPERANCE: I would like to second that motion, for I feel in the same position as the honourable gentleman who moved it. I am strongly in favour of the principle of this Bill. I voted for a similar Bill last year, and I intend to vote for the Bill this year again. On the other hand, I strongly resent, as I am sure every other gentleman in the House does, the remarks of the Attorney General of British Columbia. If the amendment presented by the honourable leader of this side of the House goes through, I will have to vote for the amendment, which is simply to postpone discussion until the Attorney General has disavowed or apologized for his remarks. I believe that would meet with the views of the House.

Hon. Mr. DANDURAND: I am surprised to have heard some opposition to the suggestion made by the honourable gentleman from Assiniboia, who is moving the adjournment of the debate until to-morrow afternoon, with the idea that sufficient time would be given for more light to come from the West.

Hon. Sir JAMES LOUGHEED: It will shorten the time for the Attorney General to make his apology.

Hon. Mr. LYNCH-STAUNTON: Might I suggest that it be adjourned until next Wednesday?

Hon. Mr. DANDURAND: I thought we were all bent upon disposing of the legislation which is before us; so let us adjourn this Bill until to-morrow afternoon at 3 o'clock.

Hon. Sir JAMES LOUGHEED: No; my honourable friend will at once appreciate the false position in which we would be placed by postponing it until to-morrow. The intention is to resent at once the imputations cast upon this Chamber by the Attorney General of British Columbia; not to trifle with him.

Hon. Mr. DANDURAND: But my honourable friend is absolutely in error when he speaks of imputations made against this Chamber. I am repeating for the third time that there is no imputation against this Chamber. Of course, I have not the text of the letter before me, but my recollection is clear, because I said: "This letter is not addressed to us; it is addressed to a Commoner".

Hon. Mr. ROBERTSON: But my honourable friend surely remembers that the imputations referred to the Senate of Canada, and it was in the press three weeks ago.

Hon. Sir JAMES LOUGHEED: And to the Conservatives in the Senate.

Hon. Mr. DANDURAND: But I thought the Liberal section of the country was receiving its share of laudation.

Hon. Mr. BEIQUE: What is the objection to the debate being continued? It is not doing away with the motion in amendment. It is merely an ordinary motion, made at 10 o'clock, that the debate be adjourned until to-morrow. The House may to-morrow act upon this motion in amendment, or there may be a further adjournment.

Hon. Sir JAMES LOUGHEED: The House is better prepared to deal with the matter now than it will be to-morrow or at any later date.

The motion of Hon. Mr. Turriff to adjourn the debate was negatived.

The Senate divided on the proposed amendment of Hon. Sir James Lougheed, and the same was agreed to on the following division:

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Honourable Messieurs:

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Beaubien,	Foster,
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Black,	Fowler,
Blondin,	Gillis,
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Calder,	Gordon,
Crowe,	Green,
Daniel,	Griesbach,
Donnelly,	Kemp (Sir Edward),

Laird,	Pope,
L'Esperance,	Prowse,
Lougheed (Sir James),	Reid,
Lynch-Staunton,	Robertson,
Macdonell,	Schaffner,
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Legris,	Thibaudeau,
McHugh,	Turgeon,
Mitchell,	Turriff,
Pardee,	McCoig—22.

Hon. Mr. DANDURAND: I understand that the Bill remains on the Orders of the Day, I move, therefore, that this Order be discharged and be placed on the Orders of the Day for Friday next.

Hon. Sir JAMES LOUGHEED: Subject to the resolution, of course.

The Hon. the SPEAKER: I think the honourable gentleman is not quite right about that. As I understand the position now, the Bill will disappear from the Order Paper.

Some Hon. SENATORS: No.

Hon. Sir JAMES LOUGHEED: That is the case: it should. My honourable friend the leader of the Government will have the right to move at any time to place it upon the Order Paper, but he cannot move its postponement at the present time.

Hon. Mr. DANDURAND: My honourable friend is moving the postponement of the second reading of this Bill sine die. It will be for the House to decide when it shall be taken up again. The House may be ready to take it up on Friday next, and in consequence, I moved that it be put on the Order Paper for consideration on Friday next. I took it as a consequential motion. The Bill may be dealt with this Session. I understood that quite a number of votes were secured for the amendment of my honourable friend on the statement—

Hon. Mr. POPE: No, no.

Hon. Mr. DANDURAND: My honourable friend has not a right to interrupt.

Hon. Mr. POPE: Yes, I have. We are independent people on this side of the House, and have a right to vote as we feel.

Hon. Sir JAMES LOUGHEED: Why should my honourable friend raise a controversy of this kind when he has the right at any time to move the House to place the Bill on the Order Paper? Why should he to-night fix a date?

Hon. Mr. MITCHELL: It is just possible that we may get an apology before to-morrow at three o'clock.

Hon. Sir JAMES LOUGHEED: Then the motion can be made without any question.

Hon. Mr. DANDURAND: I have no precedent at hand for the dropping of an Order which it is intended to deal with under certain conditions.

Hon. Sir JAMES LOUGHEED: My honourable friend will quite appreciate the fact that he has the right to move to place the Bill upon the Order Paper at any time. Its disappearance from the Order Paper to-night does not prevent him moving that it be placed on the Order Paper for say Tuesday next.

Hon. Mr. CASGRAIN: He can do it even without a seconder.

Hon. Mr. DANDURAND: I am not so sure of that. My honourable friend states that I can take a Bill that has been dropped from the Order Paper. We can always bring it back; but a Bill goes on from stage to stage; it is always somewhere under the direction of the House.

Hon. Sir JAMES LOUGHEED: It lies on the Table.

Hon. Mr. DANDURAND: But there is no such Order. I fear that the Bill disappearing, I may not be able to revive it. I have not examined the point.

Hon. Sir JAMES LOUGHEED: I suggest that my honourable friend take the matter up with the Speaker and the Clerk of the House between now and to-morrow. The question can be taken up to-morrow, but there should be no motion now.

Hon. Mr. DANDURAND: I do not insist.

Hon. Mr. BEIQUE: I understand that you are at liberty to move for the consideration of the Bill.

Hon. Sir JAMES LOUGHEED: For the reinstatement of the Bill.

Hon Mr. BEIQUE: If your motion were adopted now, the Bill would stand for second reading on Friday.

Hon. Sir JAMES LOUGHEED: It would be a current Order, and could be proceeded with unless somebody raised objection to it.

Hon. Mr. DANDURAND: I do not press the motion.

Right Hon. Sir GEORGE E. FOSTER: What is the procedure now in order to operate along the line of this motion?

Hon Sir JAMES LOUGHEED: I presume my honourable friend will acquaint the Attorney General with the contents of the resolution.

PETITION OF RIGHT BILL

CONCURRENCE IN COMMONS AMENDMENT

Hon. Mr. DANDURAND moved concurrence in the Commons amendment to Bill W4, an Act to amend the Petition of Right Act.

He said: Honourable gentlemen will remember that we passed this Bill, which allowed the Governor General by Order in Council to recall a fiat obtained by fraud. Clause 2 of the Bill reads as follows:

Nothing in this Act shall be construed or interpreted as a legislative interpretation, declaration or limitation of the prerogatives of the Crown in dealing with the issue or revocation of any fiat granted upon Petition of Right.

This has been eliminated from the Bill by the House of Commons. The question now before us is whether we will accept the amendment.

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend the reason given for striking it out? It seems to me that it was unnecessary in any event, because the Bill does not even impliedly, much less expressly, purport to limit the prerogative of the Crown.

The amendment of the House of Commons was concurred in.

DIVORCE BILLS

SECOND READINGS

Bill G5, an Act for the relief of Lillian Beryl Brayman.—Hon. Mr. Willoughby.

Bill H5, an Act for the relief of Roland Bergeron.—Hon. Mr. Ratz.

Bill I5, an Act for the relief of Florence Cohn.—Hon. Mr. Blain.

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

THE SENATE

Thursday, May 31, 1923.

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

Prayers and routine proceedings.

COLD STORAGE LEGISLATION

INQUIRY

Hon. Mr. TURRIFF inquired:

Is it the intention of the Government to implement the Cold Storage Bill passed by this House during last Session?

Hon. Mr. DANDURAND: The Department has under consideration the questions contained in the Bill passed by the Senate last year. It will not be possible to bring in any further measure this Session concerning cold storage warehouses.

PRIVATE BILL

MOTION

Hon. Mr. TANNER moved:

That the Parliamentary fees paid upon Bill K3, an Act respecting the Frontier College, be refunded to the promoters, less the cost of printing and translation.

Hon. Mr. CASGRAIN: Did the Bill not pass?

Hon. Mr. TANNER: The Bill was withdrawn.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Bill G5, an Act for the relief of Lillian Beryl Brayman.—Hon. Mr. Willoughby.

Bill H5, an Act for the relief of Roland Bergeron.—Hon. Mr. Ratz.

Bill I5, an Act for the relief of Florence Cohn.—Hon. Mr. Blain.

INDUSTRIAL DISPUTES INVESTIGATION BILL

CONSIDERED IN COMMITTEE

The Senate went again into Committee on Bill 84, an Act to amend the Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

Hon. Mr. Blain in the Chair.

Section 1 was agreed to.

On section 2—relation of parties pending proceedings:

Hon. W. B. ROSS: I have a motion to make regarding section 2, and also with

regard to section 3. The motion is that sections 2 and 3 be struck out. I will confine my motion to section 2. When the Bill came up first, particularly after hearing the statement made by the late Minister of Labour (Hon. Mr. Robertson), I thought there was some need of a change in this Act on the lines of sections 2 and 3. I gathered the impression, rightly or wrongly, from his statement, that the Board, in dealing with these disputes, had not power to make a retroactive award. On looking at the statutes later I found that I was mistaken with regard to that, for honourable gentlemen will find in the Industrial Disputes Investigation Act, chapter 20, 1907, section 26, that the Board have power to date their award as they see fit. Section 26 reads as follows:

The Board's recommendation shall deal with each item of the dispute and shall state in plain terms, and avoiding as far as possible all technicalities, what in the Board's opinion ought or ought not to be done by the respective parties concerned. Wherever it appears to the Board expedient so to do, its recommendation shall also state the period during which the proposed settlement should continue in force, and the date from which it should commence.

That, in plain terms, gives the Board power to fix the commencement of the terms of their award. If a company to-day should reduce wages, say by 10 per cent, and the men ask for a Board, which hears the complaint, the Board will make their award and say that it should date as of the day when the dispute arose. We have this state of affairs before us. For instance, if a company cuts wages by 10 per cent, and a Board is appointed, under this amendment, if adopted, the company would have to go on paying the prevailing rate of wages until the dispute was ended. This might be 60 days. There would be 30 days notice, and in addition whatever time would be taken up in making the award. Then, if the award was in favour of the company, I think it would be impossible to recover the wages that were paid away under what the Board would hold to be a justifiable reduction. On the other hand, if the Board decide that the rate of wages was cut without justification, and they make an award that is to take effect as of to-day, the men have recourse to the company to get the wages that were retained from them.

Taking the law at it stands, therefore, you have a fairer state of things than you would have if the proposed amendment, as set out in section 2, were adopted. I have received statements from two parties, one a mining company and the other a mining association, pointing out just how this new section would work. First is a copy of a resolution passed at a meeting of the Asbestos Mine Operators Association of the province of Quebec, held in Montreal on Tuesday, May 2nd, 1923. It recites:

Whereas, Bill No. 84, Section No. 57, generally speaking says that an Operator desiring to make any change affecting wages or hours, must give thirty days' notice of intention, and that if a Board of Conciliation is asked for during that period of thirty days, conditions must not be changed until the Board has been appointed, heard the evidence and delivered their report.

And whereas, this means that should conditions necessitate a change of any kind, nothing can be done in less than about 60 days, and whether the employer can afford it or not, operations must be continued or he becomes liable to a penalty of from $100.00 to $1,000.00 per day, etc., and the application of this penalty would, should labor troubles arise, cause the owners to sustain very heavy losses, and in the case of small operators, probable loss of title to their property, and while it may be said that the penalty applies to either party using these conditions for the purpose of delaying change, there is no way in which the penalty can be made applicable to employees.

And, being convinced that such conditions could not fairly be applied to the Mining Industry, it was, therefore, resolved that this Association protest against this bill and that copies of this resolution be forwarded to members of the Senate.

There is also a statement here from the Canadian Institute of Mining and Metallurgy, Montreal, dated May 15th, 1923. The Secretary-Treasurer writes:

I am directed by our Executive to submit for your attention the enclosed extract from the minutes of the Institute with regard to Bill No. 84. "An Act to Amend the Industrial Disputes Investigation Act, 1907." ive study of it can be obtained.

The minute contains the views of the Ontario Mining Association and the Western Canada Coal Operators Association and concludes with a recommendation by the Institute Executive that Bill No. 84 be tabled until such time as closer and more effective study of it can be obtained.

Yours faithfully,

(Signed) Geo. C. Mackenzie.
Secretary-Treasurer.

Federal Bill No. 84, an Act to Amend the Industrial Disputes Investigation Act, 1907

The Secretary-Treasurer submitted letters from Mr. R. M. Young, Secretary of the Western Canada Coal Operators Association, and from Mr. Belmer Neilly, Secretary of the Ontario Mining Association, both protesting against this Bill and enclosing copies of letters which they had sent to members of the House of Commons and Senate at Ottawa setting forth objections, from the viewpoint of mine operators.

The objections raised by the Ontario Mining Association are:

"Bill No. 84, section 57, generally speaking, says that an operator desiring to make any change affecting wages or hours, must give 30 days' notice of intention and that if a Board of Conciliation is asked for during that period of 30 days, conditions must not be changed until the Board has been appointed, heard the evidence and delivered their report."

This means that if conditions necessitate a change of any kind, nothing can be done in less than about 60 days, and whether the employer can afford it or

not operations must be continued or he becomes liable to a penalty of from $100 to $1,000 per day, etc.

Such conditions can not fairly be applied to the mining industry. In the early development stage of every mine, there is no income. Often operations are financed from month to month, and if labor trouble starts and those financially interested decide to withdraw their support, the owners, under the proposed conditions, would lose title in the property through the application of the penalty, because in many cases they could not continue to operate.

It is all very well to say that if either party uses these conditions for the purpose of delaying change, etc., they shall be guilty of an offence but there is no way in which a penalty can be made applicable to the employees.

The Labour Department will remember where such procedure was attempted in Porcupine in the early days. The employees convinced the court that they were not on strike but taking a holiday because their physical condition required it.

Take for example, the position of a silver mine operating on a narrow margin with silver at a price of 65c. per ounce. If the market were to break to 55c. per ounce and at a time concurrent with impending labour trouble, the mine might have to close down, yet under the terms of this proposed amendment, a shut-down would be looked upon as a lockout and the owners subject to a penalty of from $100 to $1,000 a day.

Hon. Mr. ROBERTSON: Is it not correct to say that the wages of miners in silver mines depends on the selling price of silver, and that the wages fluctuate from month to month with the selling price of silver? That is the agreement as I understand it.

Hon. W. B. ROSS: All I can say now is that I am reading the case of those miners. It goes on:

Consider a prospect in the development stage. Men are putting up money to meet the pay-roll from month to month and so long as they are satisfied they are getting a run for their money, they are quite willing to continue, but if employees suddenly demanded an appreciable increase in their wages and a labour dispute was impending those financing the property would suspend operations because they could not continue the venture under these conditions, and again such owners would be subject to the penalty above stated.

Following the same line of argument, if it became necessary for good cause, to reduce wages or change hours any time before the expiration of 30 days, the employees could ask for a Board of Conciliation and they might thus enforce an intolerable condition for sixty days, or possibly considerably longer. Of course in this case the employees themselves would be subject to the penalty, but how are employees, without any financial responsibility to be penalized?

We are so thoroughly convinced, so far as mining is concerned, that Bill No. 84 is unfair and unreasonable, that we do not hesitate in recording our objections.

The objections raised by The Western Coal Operators Association, are:

"This Bill proposed to amend the Industrial Disputes Investigation Act so as to make it unlawful for an employer to make effective a proposed change in wages or hours or for an employee to go on strike until the question at issue has been dealt with by a Board appointed under the provisions of the Industrial Disputes Investigation Act, and makes compulsory the application for the appointment of a Board by the employer or employee proposing the change in wages or hours.

This Association, which represents some thirty companies in Alberta and South-Eastern British Columbia, with an annual output of approximately 4,000,000 tons, opposes the changes to the Industrial Disputes Investigation Act for a number of reasons, among which are:

1. The Act is enforceable against the employer, who is incorporated, but not against the employee, who, either as an individual or as a member of a trade union, is not. It is true that penalties for violation of the provisions of the Act, by either employer or employee, are specified in it, but it is equally a fact that they are not and never have been enforced against the employee. It is also well known to employers of labor that the employee does not lay himself open to the charge of infraction of the Act by going on strike, but simply, in his own words, quits work. That might seem to negative his right to engage in any dispute or to carry on negotiations for new conditions or wages, but the fact remains that he has done so and continues to do so through the representative officers of his Union, and whether the action he has taken puts him outside the operation of the Act or leaves him within it, it is a fact that this course has been taken on numerous occasions in the West, and no action has been taken by the Government to test the application of the Act in such cases.

2. The proposed amendments place a serious barrier in the way of a return to normal mining conditions in the coal industry in Western Canada. The agreements with the United Mine Workers of America, which organization represents the miners in this district, usually expire on the 31st of March. So far it has been found impossible to bring about a reduction in the high wage rates paid during and immediately following the years of the War. How high these rates are is shown by the following representative figures, which, for men underground, represent eight hours from the time the workman enters the mouth of the mine until he returns again to it, or an approximate average of actual work of from 6½ to 7 hours, and for those above ground, an eight hour day:

Underground:	
Contract Miners, average per shift in 1921..	$9 61
Day Wage Miners, Timbermen, Bratticemen..	7 50
Machinemen..	9 42
Common Labor, Inside..	6 89
Surface:	
Common Labor, Outside..	6 58

For example, on March 31st, 1922, our agreement with the United Mine Workers expired. Thirty days prior to that date we entered into negotiations for a new agreement. We were paying peak rates to which wages had climbed during and after the war. Other industries had secured reductions, and we proposed reductions in line with the decreased cost of living. The men demanded further increases in wages and reductions in the hours of labor underground already down to eight hours from bank to bank.

Nothing transpired until two days before the end of March, when the men applied for a Board. The Board was appointed and an award made in due course. The Chairman and the Miners' representative concurred in the majority finding which proposed a reduction of approximately 27½%. The men refused it and remained on strike. Finally on August 28th, owing to the settlement made in the United States by the same organization, the U.M.W. of A., and to the public pressure due to the approach of winter, they secured a settlement on the old basis.

The Government now proposes to amend the Act so that while a Board is sitting even at the expiry of the agreement between the parties, the high wages shall continue. Naturally, the object of labour will

be to delay the functioning of the Board, prolong its sittings interminably, and when finally an award is made reject it, and rely on the approach of cold weather and the public interest aroused by fear of a coal shortage to enforce their demands and secure a renewal of the high scales. It has been said that public opinion would practically enforce acceptance of a Board's award. It did not do so in 1922, although the employees' representative concurred in the majority finding of the Board, and labour has always set its face resolutely against any suggestion that the findings of a Board should be regarded as more than an expression of opinion.

With the high wages, costs are correspondingly high, and they cannot be brought down unless and until wages are adjusted. The general consumer in the west suffers as a result. Recently the question of an Ontario market has become a live one, and provincial authorities in the east and in the west have shown a gratifying interest. An adjustment of wages must inevitably come if we are to secure and maintain a market in the east, and labour will benefit by steadier operation.

Under the circumstances, the proposed amendments are a backward step; they will not provide a solution in any individual case, but they will defer the ultimate readjustment. In the meantime the people both east and west will continue to pay more for their coal than they should and very much more than they would be paying in the deflation which had taken place in other industries.

The Secretary-Treasurer reported that the Bill had already received its third reading and had been passed by the House of Commons and that it was now before the Senate.

After careful consideration and discussion it was moved by J. G. Ross, seconded by George C. Riley, and carried that the Secretary-Treasurer should communicate with several members of the Senate conveying a recommendation from the Institute that: Whereas the mine operators had recorded some well founded objections, Bill No. 84 should be tabled until such time as closer study could be given and opportunity afforded of hearing the arguments of the mine operators in person; and that in the meantime the existing Act, without amendment, be continued in force.

I only wish to say further with regard to this legislation, that if you strike out this section and leave the matter as it is, you will be doing no injustice to labour. It will be in their interest to get as quick a decision as they can. The board can make this award as of the date when the reduction took place, and they will get their money. On the other hand, if you adopt this new procedure and require the company to go on at the existing rate of wages pending the decision of the board, and to do so under a penalty of $1,000 a day, you may do a great injustice to the company, because if it should take three or four months they would pay out a large amount of wages in that time, and it is a commonplace to say that they would have no way of getting it back. As we are doing no injustice to the labourer and conferring no new right on the employer, I think it would be wise to strike out this section and leave the law as it is. I move to strike out section 2.

Hon. W. B. ROSS.

Hon. Mr. DANDURAND: Honourable gentlemen, we have already had a couple of prolonged discussions on the merits of this Bill. It is regrettable, after we have fully threshed out a measure, and a long adjournment takes place, that we must travel the course over again in order to refresh our memory and to impart information to such members of the Senate as were absent during the discussion. We are facing that situation to-day. I do not intend to cover as much ground as I did when this Bill was explained upon the second reading, or when it came up in Committee.

Hon. Mr. BEIQUE: We always read your speeches.

Hon. Mr. DANDURAND: You are very kind, but I doubt that all the members of the Senate do.

I would draw the attention of my honourable friends to two facts: first, that clause 57, as it is in the Statutes Book, contains the principle which is reaffirmed in this amendment; and that this amendment is to clarify and reaffirm what is already contained in the clause.

Hon. Sir JAMES LOUGHEED: What is the clause?

Hon. Mr. DANDURAND: Clause 57, as it is to-day.

Hon. Sir JAMES LOUGHEED: Yes, I have it.

Hon. Mr. DANDURAND: I dislike repeating the clause without the amendment, but I shall have to do so in confirmation of my statement that the principle is there in toto:

Employers and employees shall give at least 30 days notice of an intended change affecting conditions of employment with respect to wages or hours; and in the event of such intended change resulting in a dispute, until the dispute has been finally dealt with by a board, and a copy of its report has been delivered through the registrar to both the parties affected, neither of those parties shall alter the conditions of employment with respect to wages or hours, or on account of the dispute do, or be concerned in doing, directly or indirectly, anything in the nature of a lockout or strike.

That is the law to-day.

Hon. Mr. LYNCH-STAUNTON: Although it is the law, is it not merely a pious exhortation? If anything further was intended, there would have been a penalty applied.

Hon. Mr. DANDURAND: I was coming to that point. I will try to make my explanation as clear and simple as possible.

When the amendments that are sought in this clause are added, it will be seen that it is simply a reaffirmation emphasizing the prohibition of any alteration in the conditions either by the employee or the employer. Now I will read the section with the added words:

Employers and employees shall give at least 30 days notice of an intended change affecting conditions of employment with respect to wages or hours; and in the event of such intended change resulting in a dispute—

The words added are these:

It shall be unlawful for the employer to make effective a proposed change in wages or hours or for the employees to go on strike—

Then this is old:

—until the dispute has been finally dealt with by a board, and a copy of its report has been delivered through the registrar to both the parties affected,—

Then the new words come in:

the application for the appointment of a board shall be made by the employers or employees proposing the change in wages or in hours.

This declares upon whose shoulders will fall the obligation of asking for the board, namely, those who ask for the change. Then the old Act continues:

Neither of those parties shall alter the conditions of employment with respect to wages or hours, etc.

I contend that that first phrase does not alter the principle of the Act nor add to it: it simply emphasizes the fact that the violation of this prohibition is unlawful. I believe there is no special necessity for those words, and it is not those words that are being attacked to-day. It is section 58, not section 57. If these amendments did not touch section 58 there would be no clamour in the public or in this Chamber.

Now I answer the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton). He asks: "Is it not simply a pious expression of opinion or desire on the part of the Parliament of Canada that the position of the parties should remain the same without any sanction?" I would say "Yes" if section 58 were to remain as it is; but we are moving to amend section 58. In section 58, in the penalty clause, there was no sanction for a violation of that prescription in clause 57 that the conditions should remain the same. I have already stated why, and I will repeat it, and I think it will be clear. My honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) explained it to my complete satisfaction, and, I am sure, to the satisfaction of the members who heard him.

Hon. Mr. LYNCH-STAUNTON: Does the honourable gentleman then admit that in the original Act it was only a pious exhortation, and intended to be one?

Hon. Mr. DANDURAND: No, I do not admit that; and I think I shall satisfy my honourable friend on that point. One must not forget that this is "The Industrial Disputes Act, 1907," and that in the year 1907 there was heard no complaint by the employer that he was paying too high a wage. The universal complaint was by the employee, that he was receiving too low a wage. Labour organizations were moving toward strengthening themselves, in order to ask for better wages.

Hon. Mr. LYNCH-STAUNTON: Then, why did they provide in the Act for a lockout?

Hon. Mr. DANDURAND: Because a lockout is very often the answer to the demand for a higher wage and is the penalty imposed upon the parties who are insisting upon a higher wage or threatening a strike. I am speaking of the days prior to 1907. The answer of the employer was: "You may go out or you may remain out: I close my doors; I stop my furnaces; I go home, I have some bread; and when you are ready to work at the price I fix, you will come back." I think I am depicting the situation which had to be met in 1907 by clause 59. Wages were universally low—I do not intend to discuss the merits of the complaint made at the time—and there were surely no complaint among the employers that the wages were too high and should be pressed down. The general opinion was that the employee was entitled to defend himself and to try to get an increased wage. Now what do we see? We see clause 57, which says that the situation shall not be altered pending the investigation until a report has been made. Against whom was that prohibition directed? It was against the party who had asked for a change. Who was the party asking for a change or likely to ask for a change? In nine cases out of ten, in 1907 it was the employee, so the prohibition of 1907 applied more especially to the employee and prevented him altering the condition until a report was made. And who was the one to wait if not the one clamouring for a change? That was the employee.

As the ex-Minister of Labour has stated, from 1907 till to-day, or till 1914 or 1918, it was the employee who was asking and striving for higher wages who had to stand the prescription of section 57; and, if he did not, we had clause 59, which said:

Any employee who goes on strike contrary to the provisions of this Act, shall be liable to a fine of not less than $10 nor more than $50, for each day or part of a day that such employee is on strike.

This penalty exercised considerable restraint on labour. The whole machinery of sections 57 and 59 was directed against a strike until there had been an investigation, because the employee was the one who needed the change. I believe I am facing quite a number of employers in this Chamber, and they will not contradict the statement that in 1907, and in the years that followed, the complaints, the threats and the movements were among the employees for increased wages. That situation has been altered.

Hon. W. B. ROSS: Not at all.

Hon. Mr. DANDURAND: Well, we will see. Now the condition has been altered: the employee has succeeded in obtaining an increased wage in certain cases, I believe, an undue wage for instance, in the coal mining business, which I know more about, and I think I am justified in saying on the railways as well. But the employees generally throughout the land have succeeded in increasing their wages and the question is now for the employer. When conditions are changing, and we are returning to prewar conditions, it is for the employer to examine into the situation to see if there is not reason for a reduction in wages. I say the situation has been altered, because now in the majority of cases it will be the employer who will ask for the change. When the employee was asking for the change during all those years there was a penalty against him if he altered the conditions.

Hon. Mr. STANFIELD: It was never enforced. Can you state one case in which it was enforced?

Hon. Mr. DANDURAND: I have the affirmation from the representative of the Department of Labour and from the ex-Minister of Labour (Hon. Mr. Robertson) that generally the employees have respected the prescriptions of section 57.

Hon. Mr. LYNCH-STAUNTON: But was it ever enforced? Did the Government ever collect the fine?

Hon. Mr. DANDURAND: In nine cases out of ten, where Boards were asked for, the employees accepted the prescriptions of the law; and I say that it behooves Parliament to serve to the other party an equal measure of justice, and to put both on an equal plane.

Hon. Mr. MITCHELL: Might I ask the leader of the Government whether there is anything in this Act that provides machinery for collecting fines, or for punishing labour, or the union, or whatever is meant, in case they do not live up to this Act? Have you machinery whereby they can be penalized?

Hon. Mr. DANDURAND: My honourable friend must not lose sight of the fact that this Act tends simply to bring together labour and capital for discussion before they decide to part.

Hon. Mr. MITCHELL: No; you make it unlawful for an employer to do something; but have you made it unlawful for the men, and have you made any machinery by which they can be got at?

Hon. Mr. ROBERTSON: Section 57.

Hon. Mr. LYNCH-STAUNTON: But do they ever do it?

Hon. Mr. DANDURAND: I reaffirm that in nine cases out of ten the employees have accepted the law that we laid down, which carried the penalty. They have never struck unless face to face with section 59, which concerned them. Now the position is reversed: the employer has to take the initiative; the wages are high; and in nine cases out of ten he will be incited to move towards a reduction in wages. Should there not be a penalty if he violates the law? Should not the law be the same for the strong as for the weak? Suppose the weak has become strong to a considerable extent, though he was weak in 1907; he was told that he could not strike till there had been a conciliation board which had investigated the trouble and tried to bring the parties together, and had reported. He had to accept that. But look at the position of the employer to-day. In 1907 the legislators in both Chambers of this Parliament did not foresee that the conditions would be altered, and that there would come a day when the employer would have to move in order to reduce wages. As the legislators did not foresee that, but only saw that the employer could use the lockout to curb the demands of the employees, whether legitimate or not, clause 58 was drafted, and here is how it reads in the statute:

Any employer declaring or causing a lockout contrary to the provisions of this Act shall be liable to a fine of not less than one hundred dollars nor more than one thousand dollars for each day or part of a day what such lockout exists.

Thus section 58, the penalty clause which applies to the employer, was drafted with

the idea that all that he could do to alter conditions was to proclaim a lockout. The legislature of 1917 did not foresee the situation that faces us to-day; and, as a new situation has arisen, and, as section 57 contains a prescription that affects both labour and capital, and says that they shall respect the situation as it is, pending investigation, we come to Parliament and we say, "Make that enactment as binding upon the employer as we made it binding upon the employee in section 59." I ask, is that just? Is that fair? I leave it to the judgment of every member of this Chamber.

Hon. Mr. BEIQUE: Honourable gentlemen, I am in agreement with the honourable gentleman who has just spoken, thus far, that I rejoice with him in the fact that the labour unions have become strong and able to treat at arms' length with their employers. He has shown that in the past, in acquiring and using that strength, they have been able to command not only fair wages, but wages which he admits are too high in certain industries. Therefore there is no ground for complaint, as far as the past is concerned. Let us therefore deal with the future, and try to frame a law which will be fair to both employee and employer. To do that I think we must give effect to the law as it was intended to operate at the outset. What was the object of the law in 1907, and up to this date? It was to employ means for bringing before public opinion the real state of things, not so much to impose penalties on employer or employee, but to prevent either employees or employers from quarrelling among themselves before submitting their differences to an arbitration board.

Now, let us continue that policy, and see in what respect the law should be supplemented in order to render equal justice to both parties. As it is, section 57 sets out what the employer can do and what the employee can do. It is true that the principle is affirmed that no change shall be made by the employer before the conciliation board has pronounced upon the change; but that was merely advice, so to speak, that was put into the law—a direction to the employer as well as to the employee. There was an absence of sanction.

Hon. Mr. DANDURAND: As regards the employer.

Hon. Mr. BEIQUE: Yes, as regards the employer. But you have admitted that the employees were sufficiently protected by the law to enable them to obtain a rise in wages to such an extent that you say they are too high to-day in certain industries.

Now, what is the object of the amendment? It is declared unlawful for any employer to reduce the wages to what he believes they should be, to what he believes he can pay. Is it fair that the employer should be bound for 5 or 6 months, and it may be a longer period, to pay wages that he cannot afford to pay? Let him be subject, if you will, to the judgment of the board of arbitration, as the employees would be subject; let the sanction be as severe as you desire it to be; but apply it to both parties. But you do not desire that the sanctions should be too severe so far as the employers are concerned, and they should not be more severe so far as the employees are concerned.

Let us deal with the case that has been placed before us by the honourable member for Middleton (Hon. Mr. Ross). I think the case before the House cannot be answered. The honourable gentleman has shown that in the mining industry there are a number of companies that are liable to changes in the value of their goods to such an extent that they would be unable to continue their operations if they were not allowed to reduce the wages; yet you want to penalize them and oblige them to keep their employees at work for four or five or six months although unable to pay their wages. Is it not the fair thing to say, "The employer will be entitled to reduce the wages provided that before doing so he has applied for the appointment of a board of arbitration"? Even then it might take four or five months, and if the board decided that wages should not have been reduced, the employer will no doubt abide by the decision. If you want to make the arbitration compulsory I would have no objection; but it would have to be compulsory on both parties. I understand that is not what the Government desires or suggests, and I agree with that: I think it would be going too far. What is required is to set in motion public opinion, and to have the means of bringing the facts before the public, with the expectation that both employer and employee will abide by public opinion. So far that has been the best safeguard, and the best means of settling labour disputes. Therefore I say that to my mind it is best to leave section 57 of the Act as it is, but to supplement it with the amendment of which I have given notice, which I will now read:

57a. It shall be unlawful for any employer without the consent of a majority of the employees evidenced in writing, signed by them or their authorized representatives, or for any employee to make any change in the conditions of employment with respect to wages or hours, unless the party making the change has before doing so applied for the appointment of a Board to which the dispute shall be submitted and,

as regards wages, the Board may declare its decision retroactive to any date not anterior to that on which the change was made. On the failure of either party to abide by the decision of the Board, the other party may have recourse to a strike or lockout as the case may be.

Hon. Mr. DANDURAND: The honourable gentleman would drop the last phrase?

Hon. Mr. BEIQUE: Yes.

On the failure of either party to abide by the decision of the Board, the other party may have recourse to a strike or lockout as the case may be.

Hon. Mr. MITCHELL: But you have no other party; you have only one party to this Bill.

Hon. Mr. BEIQUE: No, there are two parties—employer and employee.

Hon. Mr. MITCHELL: The employer and the union, whichever you like, and they are not incorporated.

Hon. Mr. BEIQUE: Those words were intended merely to show what would be the effect; but I have no intention of insisting on their addition. It is not necessary to insert them in the section. The honourable gentleman (Hon. W. B. Ross) has stated that the law already gave the power to the arbitration board to make its decision as of what date it wished. I have no doubt he is right, from the reading of the statute, but there should be no objection to repeating it. It is better to make it more clear, as there may be a doubt as to whether, in the absence of the word "retroactive," the statute was intended to give the board the power to date the award from the time of their appointment, or from the time of their decision. There should be no objection to making it clear.

Hon. W. B. ROSS: I only wanted to give a word of explanation. The original form of my motion was to strike out sections 2 and 3. That was because the two were buckled together, and one without the other is no good; but as there was a technical objection under the rules of the House to moving to strike ont two sections together, I confined my motion to striking out section 2. All I have said is unintelligible, however, unless sections 2 and 3 are read together. If section 2 goes, section 3 would follow for the same reason. Section 2 is really introductory to section 3, which has the sting in it.

Hon. Mr. DANDURAND: In order that we may understand the situation clearly, my honourable friend from Middleton (Hon. W. B. Ross) intends, if he succeeds in striking out clause 2, to strike out clause 3?

Hon. W. B. ROSS: Yes.

Hon. Mr. DANDURAND: The honourable gentleman from De Salaberry moves in amendment that clause 2 be replaced by the amendment of which he gave notice some time ago and which he has read?

Hon. W. B. ROSS: No; leave section 57 as it stands in the statute, and add to it.

Hon. Mr. DANDURAND: What I mean is that the honourable member from De Salaberry moves to replace section 2 of the present Bill by his own amendment?

Hon. Mr. BEIQUE: Yes.

Hon. Mr. DANDURAND: If the amendment of the honourable gentleman from De Salaberry is accepted, does he accept section 3 of the Bill?

Hon. Mr. BEIQUE: Yes, with my amendment.

Hon. Mr. CURRY: Honourable gentlemen, in my opinion all legislation now on our Statute Books dealing with disputes between employer and employee are one sided and unfair. The employer is bound; the employee is not bound; and until we can get legislation that will compel organized labour to become incorporated with a substantial capital so that if they are proven in the wrong they will be penalized and will be able to pay, the same as the employer has to pay to-day, we will never have satisfaction. Under those conditions we would not have one strike where we now have a dozen, and in the long run I believe that the employee would be quite as well off as he is to-day. Organized labour have things too much their own way to-day, and an increase in wages does not increase the output. I think that was shown pretty plainly about 30 years ago, before labour was organized as it is to-day. At the Springhill mines in Nova Scotia the miners decided to get more pay. After three or four strikes, the result was that they were getting 50 per cent more pay than they had got before; but, instead of producing more coal they produced less, to such an extent that within a few months after the increase in pay it took 1,200 to produce as much coal as 800 men had produced prior to the strikes. Then, again, due to the high pay that was given and the inclination to strike and to repudiate their contracts, it was almost impossible for operators to get a new dollar for an old one. I am a director of a large coal company in Alberta. Early in 1921 our men there went on strike. The strike was settled, and they worked for about a week, when they went on strike again. This continued for six months, and during the six months we made

seven distinct contracts, each of which was to run for three years. The honourable leader of the Government said, I think, that in nine case out of ten the employees respect the contracts they have made. My experience is that unless it absolutely suits their purpose they do not respect their signature in one case in a hundred. These conditions make it almost impossible for operators to make firm contracts for their output. They have to put in saving clauses.

The same thing applies to the chartering of ships. Last year in Nova Scotia we had big contracts in New England and chartered ships. When the first ship was less than half loaded, a strike came on, and the result was that we lost more than half those contracts, and lost very considerably in our freights. A ship is supposed to earn so much, but unless you guarantee to keep her going, someone has to pay the loss; and if you put in a strike clause, you have to pay very much more than if you could take a ship firm and could be sure of loading it.

I say again that my experience has been that increasing the wage does not increase the output, but, on the contrary, decreases it. I believe in paying good wages. I would be quite willing to pay a man $6 a day as $3 a day if he would attempt to earn it; but to double his pay and then to have him turn around and do half the work for double pay is very unsatisfactory. We all know that with the enormous war debt hanging over us, it is necessary for everybody in this country to produce more and spend less; and I believe, with the exception of organized labour, that is being attended to. The farmer, the fisherman, the lumberman, the merchant, the financial man, is I think exerting himself to produce more and to economize in expenditures; and if organized labour would help, the change in the conditions in this country would in a very few years be very great indeed. Of course, I suppose it is practically impossible at the present time to get an Act passed, particularly through the House of Commons, to compel labour to become incorporated so that they would be responsible for their acts. But I hope, at least, that we will be able to improve on the legislation we have got.

Hon. Mr. ROBERTSON: Honourable gentlemen, at the risk, perhaps, of repeating a few things that were said a few days ago, when this subject was under discussion, I crave the opportunity to lay before the members of this House again a few facts respecting the operation of the Industrial Disputes Act, and reasons why, in my humble opinion, the amendments now sought are fit and proper to receive the support of honourable gentlemen in this House.

Before doing that, however, may I endeavour to correct an erroneous impression that seems to be in the mind of the honourable gentleman from Middleton (Hon. W. B. Ross), who was good enough to say at the opening of his remarks that he was somewhat impressed with the arguments that I advanced on the evening of the 15th, but that since that time he had discovered that the statement which I made was in error. I beg to call the honourable gentleman's attention to the fact that I did not make the statement that he attributed to me, namely, that awards should not be retroactive,

Hon. W. B. ROSS: I did not say you did. I said I got that impression.

Hon. Mr. ROBERTSON: The honourable gentleman, as will be found on page 590 of the Senate Hansard, asked: "How many of the awards made in railway matters, if any, have been retroactive?" My answer was:

> In the terms of the McAdoo award, and in those of the decision of the Chicago Railway Board of 1920, which again was followed by our Canadian railways, there was a retroactive feature.

But these retroactive awards were American awards adopted here by Canadian railways at that time, and were not the result of the work of any board of conciliation in Canada. As I said:

> But in no individual dispute in Canada that had not reference to the United States situation, so far as I can recall, has there been a retroactive award.

In passing, I would like to submit the reason why that is the case It is quite true that the law permits and gives to a board of concilliation full latitude to make an award retroactive; but in most cases, no matter how deeply the board might be impressed with the justice of the employees' contention for making the award retroactive, they would hesitate to do so, fearing that the employer would not accept it. Therefore, with a desire to prevent friction or open strife occurring, the awards are usually made effective from the date of the decision, or the pay period nearest to the date when the board reaches its conclusion.

Reverting to the Bill before us, may I call the attention of the honourable gentlemen to the fact that this is to my knowledge the fourth occasion of which I have knowledge since the inception of the Industrial Disputes Act, that the Government in power has sought to amend it. These amendments are necessary from time to time as occasion for them arises. I recall that in 1912, I think it was, the

jurisdiction of the Department of Labour was challenged by the city of Edmonton. At the next Session of Parliament the Act was amended to provide for that contingency, and never again has there been any dispute on that point. I recall another instance when I was Minister, when some 18 employing companies, all engaged in the coal-mining industry, refused to agree to a board of conciliation being established to deal with the whole matter, contending that the Department was under obligation to appoint 18 boards to settle 18 different disputes, although they were all in the same locality, and the dispute in each case was the same. That difficulty was got around by appointing a commission under the Inquiries Act, which brought about a settlement. At the next Session of Parliament the Act was amended in a common-sense way to provide that, where a number of employees engaged in the same industry had exactly the same dispute with their employers, it was proper that they should be referred to one board of conciliation. It was obvious that if 18 different boards were appointed there would be 18 different awards. In 1921 a situation arose which had never been contemplated by Parliament when it passed this Act, and it arose out of the situation which the leader of the Government has pointed out.

In 1907, when the Industrial Disputes Investigation Act was first submitted to and adopted by Parliament, the labour organizations in Canada were strongly opposed to it—why? The answer is that they felt that the operation of the law would retard and delay them in obtaining justice in the adjustment of their disputes. They thought the law would operate to their disadvantage by reason of the fact that they would first have to give 30 days' notice, they they then would have to apply for a board, and would have to wait till it was constituted, when it would sit and hold an investigation before making up its mind as to what its decisions and recommendations would be. They felt that they would be under a disadvantage by reason of the delay. However, notwithstanding their objections, and they were many—and the present Minister of Labour and myself and several others were associated with that objection—the law as passed by Parliament was respected, and its requirements were complied with.

Let me show you, briefly, honourable gentlemen, how it operated. In July, 1907, I happened to be chairman of the first committee that had to make an application for a board under this law. We had a dispute with our friends the Canadian Pacific Railway—and I may say that our relations with that Company have always been most pleasant, and, notwithstanding the fact that we have sometimes differed, we have always settled our differences. The organization I happened to be associated with has not had a strike in the Dominion of Canada for over 27 years, and has never in its whole history violated an agreement made. An application was made for a board by the employees in July, 1907. The board got into operation late in September, and in October brought in its decision; and the recommendation, as I recall it, was to be effective on November 1st. Those employees felt then, and feel still, that had it not been for the existence of that law, they would, by mutual consent and agreement, through direct negotiations, have reached an agreement with the employing company in the month of July.

Hon. Mr. LYNCH-STAUNTON: How did the Act prevent that?

Hon. Mr. ROBERTSON: Because section 59 specifically said: "Unless you can make an agreement with your employer you cannot force his hand by going on strike."

Hon. Mr. LYNCH-STAUNTON: You mean you would have forced him? You would not have agreed with him?

Hon. Mr. ROBERTSON: Unless he agreed with us. The operation of that law brought about an adjustment in the end which was accepted reluctantly by both parties, but nevertheless it was accepted because we believed the decision reflected what would be public opinion on the subject; and in 1909, two years after that, I became an ardent advocate of the Industrial Disputes Act and have been ever since, because it has in hundreds of cases caused the decisions or recommendations of boards to be adopted by both parties, whereas otherwise lockouts and strikes would have occurred, from which great public inconvenience would have resulted. I have shown, I hope, clearly, how the very first case that came under the operation of this law worked out towards the employees who were the applicants. Since that time up to the end of last year, if I am correctly informed, 503 boards have sat. My honourable friend will correct me in that if I am wrong.

Hon. Mr. DANDURAND: There were 620 applications for boards, and 430 were organized.

Hon. Mr. ROBERTSON: 430 boards of conciliation had been established, everyone, I believe, upon the application of the em-

ployees, because the employers have declined to make application, even when they sought a change.

Hon. Mr. DANDURAND: Except once or twice with an employer.

Hon. Mr. ROBERTSON: Yes. This means that the situation I pointed out in that individual case has been repeated in more than 400 instances, which means that thousands of men on probably 400 occasions have experienced delay and postponement in the adjustment of their wages because of the requirements of that law.

Hon. Mr. CASGRAIN: Did they always get an increase?

Hon. Mr. ROBERTSON: No; and during all that time they have never complained since they raised their original protest when the law was first under consideration. I submit, honourable gentlemen, that that is a record that ought not to be lost sight of.

Hon. Mr. FOWLER: Have they always accepted the award?

Hon. Mr. ROBERTSON: In almost every case.

Hon. Mr. FOWLER: It has been favourable to them?

Hon. Mr. ROBERTSON: No, in many cases not.

Hon. Mr. DANDURAND: Will you allow me to give a figure? Out of the 620 applications for boards, there have been only 36 strikes, in spite of the efforts of different boards to conciliate.

Hon. Mr. ROBERTSON: The law of 1907 provided penalties in sections 58 and 59. Section 58 provided a penalty to be imposed on the employer if he violated the law by indulging in a lockout. Section 59 imposed penalties on the employees if they, contrary to the law, indulged in a strike, it being assumed by Parliament when it passed that legislation that those offences must necessarily be the only ones that could be committed if either party made a change without complying with the requirements of the law. As the honourable leader of the Government has pointed out, that worked all right up to 1921, but the cost of living steadily advanced, and wages slowly advanced during that period, so that it was always the employees who sought the change, and they had to go through this performance and suffer the delay consequent upon the requirements of the law. In 1921, however, the tide had turned, because the peak of living costs in this country was reached in July, 1920. Accordingly, in June, 1921, the railway companies of Canada, who brought about the grievance that now causes this amendment, gave 30 days' notice, as required by law, on July 16, 1921, of an intention to reduce wages. They were unable to reach an agreement with their employees as to the amount, and, instead of applying for a Board of Conciliation, as section 57 distinctly says shall be done, the railway companies in Canada, all of them acting together, arbitrarily put into force a reduction in wages that averages about $13.26 to about 150,000 employees.

The employees objected to that procedure, saying that it was a violation of the law. The employing companies said: "Oh, no, it is not; we are quite within the law." The matter was referred by the Department of Labour to the Department of Justice for its opinion, and the latter said: "Yes, it is a violation of the spirit of the law; but we have pointed out to you that there is no penalty imposed in section 58 for changing conditions; the only penalty is for indulging in a lockout, and in this case they are not dismissing anybody or not locking anybody out: they are simply reducing wages. Therefore, as the Department of Justice officially ruled upon request of the Labour Department in 1922, as shown in the Labour Gazette of that month, it was an infringement of the intent of the law. I will not trouble you with the whole decision of the Department of Justice, but its closing words were:

> Upon consideration of its provisions I find it difficult to escape the conclusion that the intention of Parliament in enacting this legislation was to prevent the doing of that which the railways are proposing to do.

That is to say, the making of a reduction in the actual amount of money paid out to employees was making an alteration in the conditions of employment with respect to wages, within the meaning of the statute, notwithstanding the fact that the intention of the railways was to account to the employees for the difference if and when the report in favour of the employees was made by the Board.

Now, just a word as to retroactive decisions. I am of opinion that in 1918 and again in 1920 retroactive decisions on our railways were made effective. I remember the case of at least nine employees of the Intercolonial Railway, with local headquarters at Rivière du Loup, appealing to the Department of Labour to obtain for them the back pay to which they were entitled, or claimed to be, under a retroactive award of 1918—the McAdoo award applied here. But, in taking up the matter with the railway company, the officials said,

I think quite properly, that while it was true that the nine employees were in their employ at May 1st, the date to which the award was retroactive, they were not in their employ in July when the award was made, and therefore, as they left the service before the decision was reached, there was no obligation on the railway. I think that was a fair view to take—that even though the award was retroactive it was not known to be in effect or even contemplated when those men left the employ, and therefore they received every dollar they had reason to anticipate as a result of the contract under which they were working. Now, if a retroactive agreement can work in that way in favour of the employer, it will work exactly in the same way when retroactive to the employee, if this amendment is adopted. In the event of a Board of Conciliation making an award retroactive and in favour of an employer, the latter can recover from every man in his employ, by deduction on the pay-roll, and, if there are a few who have left his employ, he makes the same loss as he would make a gain in the case I have referred to, so that it does not work an injustice to either party to have the law apply equally and alike to both.

In 1921 the railway companies put into force and effect an arbitrary reduction in wages amounting to about $300,000 a month. The railway employees took exception to that, and applied for a Board of Conciliation. Under the amendment offered by my honourable friend from De Salaberry (Hon. Mr. Béique), whom I want to congratulate upon the fair stand that he has taken in this matter, the employing company would be under the necessity of making the application, if it is an employer that seeks to change any of the conditions; and surely that is but fair. In this case the employing companies, several railway companies in co-operation, not only refrained from naming, but declined to name, a representative on the Board which the Department of Labour established. A gentleman was named to represent the railway companies who I think was entirely satisfactory to them, and that Board brought about an agreement as between the representatives of the employees and the railway companies, by which the reduction was finally accepted. No harm would have been done had the law been complied with. Here is what would have happened. If the railway company had made application for a Board promptly, that Board could have been got together and operated quickly,—because I think the honourable leader of the Government told us, when we were discussing this matter on May 15th, that the average length of time which those 400 odd Boards had taken to operate was 43 days after the application was made, when they made their awards.

In 1922 the railway companies of Canada again repeated that offence—and I use that word advisedly, because it was an offence against the law—but on certain other classes of employees. The employees on whom they sought to impose this were the men employed in the station service throughout, the maintenance-of-way service throughout, and the shop trades—probably from 60,000 to 70,000 men all told. The 35,000 men in the shop trades took violent exception to the railway companies repeating the offence of the year before, and forced, as they were, to make an application for a Board in May, 1922, they advised the railway companies that if they put into effect the arbitrary wage reduction before the evidence had been submitted to the Board, they would decline to go on with the proceedings before the Board, and would cease to work. The Board met. A gentleman in this city had his first experience as chairman of that Board, and I think he must have found it interesting. He found that certain reductions had been put into effect already. The result was that the Board immediately functioned, and appeal was made, I assume, to the Department of Labour. At any rate, the Prime Minister of Canada took a hand in the matter, and in a few days succeeded in inducing the railway companies to retreat from the position they had taken, and agree to maintain intact existing rates until the Board had made its report. Had that not been done, honourable gentlemen, there would have been a nation-wide strike, because it was all set to occur. It would have occurred, because those men were determined, after respecting the law themselves for a period of 17 years. that the law should not be allowed to operate in one way against them, and in another way to the employer. It was a test case. The Prime Minister succeeded in averting that public inconvenience. I am not proposing to give him any particular credit for it, because I think he acted partly because he realized that the Government should have come down in the session of 1922 with this legislation instead of waiting till a year later. It was because the Government had at least neglected to do its full duty in that regard, after the experience of 1921, that he felt it was imperative that he should take personal interest in endeavouring to avoid what would have been a calamity to the public service.

Now, this amendment to section 57 simply proposes to do what previous amendments to the Act have done, namely, make it clear what the original intention and application of the Act was to be; and, if adopted, the Act will then operate in exactly the same manner to both employers and employees.

I want to add a word in reference to the mining industry that has been represented in the document read by the honourable member from Middleton (Hon. W. B. Ross). In most cases there is no agreement whatever between the employers and the employees in the metalliferous mining industry; but where agreements do exist the rates are on a sliding scale, in the silver mines at least, on the basis of the price of silver, and they rise or fall as the price of silver does, and they are not fixed. Therefore, their agreement being of a fluctuating type, and elastic, this amendment can in no way interfere with them. It does not interfere with agreements of that sort.

Hon. W. B. ROSS: That would apply to a silver mine in operation?

Hon. Mr. ROBERTSON: Yes.

Hon. W. B. ROSS: But suppose one is being developed and there is no output—no profit?

Hon. Mr. ROBERTSON: I am quite sure it is true to say that there is not a single undeveloped mine of any sort in Canada that has any agreement with its employees, and therefore it is not bound by that law. With reference to coal mines, the coal industry is a very important one from the standpoint of public convenience or inconvenience, and interruption of business in coal is a matter of serious import to the people of Canada, because we have to depend upon a substantial and adequate supply during a large portion of the year.

Hon. Mr. BEIQUE: The honourable gentleman says that there is no agreement, but if I understand the Act properly it does not require any agreement. It relates to the de facto conditions of employment. If the employees have been paid at such a rate for a month or three months it cannot be changed except after a Board has been appointed.

Hon. Mr. ROBERTSON: I am glad my honourable friend has raised that point. You will note that in the interpretation clause of this Act the word "employee" refers to ten or more employees organized for the purpose of collective dealing with their employers. In the opening up of a new development that never has occurred; there are no agreements; and I think I can voice correctly the view of the Department of Labour in stating that the Department does not interfere and is not called upon to interfere or to establish Boards, in industries that are only in the early stage of development, or where there is no agreement with their employees.

Hon. Mr. LYNCH-STAUNTON: The Department has no discretion.

Hon. Mr. ROBERTSON: I am speaking of what the experience of the Department has been.

Hon. Mr. LYNCH-STAUNTON: But you speak as if they have a discretion.

Hon. Mr. ROBERTSON: They have; the Minister has a discretion in every instance, as to whether or not a Board shall be established. The honourable leader of the Government has pointed out that 600 applications have been made, but only 400 Boards granted.

Hon. Mr. BEAUBIEN: Under the clause for which my honourable friend is now pleading surely he does not contend that there would be any discretion at all?

Hon. Mr. ROBERTSON: Oh, no. The honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) asked if there was any discretion in the hands of the Department as to whether or not a Board should be established when an application was received.

Hon. Mr. LYNCH-STAUNTON: What I meant was: supposing that a railway company want to make a reduction, and they say to the Minister, "You should not establish a Board," can they make the reduction without the Board?

Hon. Mr. ROBERTSON: No. If the Minister agrees that the representations made by the railway company are good and sufficient, then he may refuse to establish a Board. I can say with assurance to my honourable friend that during the time I happened to administer the Department of Labour there were occasions when Boards asked for by railway employees were declined.

Hon. Mr. LYNCH-STAUNTON: I do not see the authority.

Hon. Mr. ROBERTSON: There is one section that gives the Minister power to determine whether such a request should be granted.

Hon. Mr. MITCHELL: I think my honourable friend will agree that any workingman, whether he is working in a mine that is paying or one that is not paying, comes under the control of the union.

Hon. Mr. ROBERTSON: I can answer that quite clearly. For instance, a mine worker is not eligible for membership in the Mine Workers Union unless he is working in an operating mine.

Hon. Mr. MITCHELL: I say that a man belongs to the union in the opening up of a mine: he comes under the union's control.

Hon. Mr. LYNCH-STAUNTON: Where in the Act does the honourable gentleman get authority for the statement that it does not apply to a mine that is not producing?

Hon. Mr. ROBERTSON: It is not in the Act. I simply stated what the experience of the Department was, and what the custom was.

Hon. Mr. LYNCH-STAUNTON: Where does he get authority for saying that there is discretion in the Minister?

Hon. Mr. ROBERTSON: I might refer my honourable friend to sections 5 and 6 of chapter 20.

Hon. W. B. ROSS: Under that I think the honourable gentleman will find that it is the duty of the Minister to grant a Board, and he could be compelled by mandamus to do so. There is no discretion there.

Hon. Mr. BEAUBIEN: While my honourable friend is dealing with that, will he be kind enough to look at section 57, which clearly indicates a Board, since it is stated there that no change shall be made in wages until the dispute has been finally dealt with by a Board, and a copy of its report has been delivered to the Registrar. Therefore the Minister must appoint a Board.

Hon. Mr. LYNCH-STAUNTON: I think my honourable friend is thinking more of the practice than the law.

Hon. Mr. ROBERTSON: I want to make it clear that if the Department of Labour refrained from the establishment of a Board, if they thought it was not the proper thing to do under the circumstances, then both parties, employer and employee, are no longer bound by this Act.

Hon. Mr. LYNCH-STAUNTON: Where do you find that? I cannot find it in the Act.

Hon. Mr. ROBERTSON: My honourable friend should refer to section 6:

Hon. Mr. ROBERTSON.

Whenever under this Act an application is made in due form for the appointment of a Board of Conciliation and Investigation, the Minister shall, within fifteen days from the date on which the application was received, establish such Board under his hand and seal if satisfied that the provisions of the Act apply.

In answer to the honourable gentleman who asked a few minutes ago how the Act would apply to a mine that was in the early stage of development but not producing, I say that the Minister would decline to establish a Board in such case, because he would be satisfied that the provisions of this Act did not apply. Section 1 of the Act declares what industries come under the jurisdiction of the Act, and it is not a mining industry operating until it is developed. I am sure it is true to say that since 1907 there has never been a Board established in connection with any mining dispute unless the mine was producing.

Hon. Mr. LYNCH-STAUNTON: It is not a mine until gold is coming out of it? Is that the idea?

Hon. Mr. BEAUBIEN: Does not the honourable gentleman read in that an obligation upon the Minister of Labour to appoint a board whenever the dispute comes within the jurisdiction of the Act?

Hon. Mr. ROBERTSON: Quite.

Hon. Mr. BEAUBIEN: There is no discretion: he must appoint a Board.

Hon. Mr. ROBERTSON: That is true, if it is within the scope of the Act.

Hon. W. B. ROSS: Section 2 of the Act defines an employer. It says:

"Employer" means any person, company or corporation employing 10 or more persons, and owning or operating any mining property, etc.

If he is employing 10 men and owns a mine, he is clearly within the Act.

Hon. Mr. ROBERTSON: The point is that it is not a mine until it is producing.

Hon. W. B. ROSS: Is it a mining property? If it is not a mine it is a mining property, the Act says.

Hon. Mr. CASGRAIN: The ex-Minister knows that it sometimes takes 16 months before a mine produces a ton of coal.

Hon. Mr. ROBERTSON: An analogous case would be to say that a manufacturing industry was not an industry until it had its factory built.

I hope this digression and interruption has not drawn the minds of honourable gentlemen from the facts I tried to present in sequence, namely, that for 15 years, from 1907 to 1922,

a million labour men or less may have come under this Act and suffered the disabilities I have referred to; and, when the shoe was on the other foot, the employers took advantage of the technicality in the Act that failed to provide a penalty for this particular offence, and saved to themselves a substantial amount of money, and applied the law to themselves in exactly the opposite way to that in which they wished it to apply to their employees. This amendment is sought to cure that defect, and to make the legislation apply to the workmen and the employer alike. Surely it is just to say that the Parliament of Canada should not, and I hope it will not, go on record as saying that the law shall apply in one way to the employer and in another way to the employee.

It was said this afternoon that the penalty imposed on the employer is severe, while the penalty imposed on the employee is light. I just want to mention this fact in passing. Take a railway company for example. We are prone to talk of the Canadian Pacific Railway as being our greatest railway—perhaps we will get over that in time to come. The C.P.R., with 60,000 employees, put into effect a reduction in wages, and the maximum penalty imposed on the employer is $1,000 a day, with the minimum of $100. But if those 60,000 employees go on strike, it is $600,000 a day.

Hon. Mr. LYNCH-STAUNTON: How much would you give for it on the dollar?

Hon. Mr. ROBERTSON: I am not gambling to-day. So it does not give a correct impression to say that the heavier penalty always rest on the employer. In proportion to their ability and responsibility, I think the fact is that the discrepancy is rather the other way.

Let me say this in closing, and let me thank the House in having been so patient in listening to me this afternoon. In the mining industry contracts are made for definite periods, and expire on definite dates, whereas contracts made between the employees of railways and the employing companis in, I think, every instance, run indefinitely, subject to cancellation on 30 days notice. In the case of the railways we have no trouble except that which I have outlined, and the railway employees are prepared to take care of their own situation. In the mining industries, the agreements expire on definitely fixed dates, sometimes two years in advance. If an employer in the coal mines, for example, desires to make a change in conditions, all he needs to do is to advise his employees of the fact not less than 30 days before the agreement expires, and then sit down and try to negotiate a new agreement with them—or he can do that three months before the agreement expires. If he cannot reach an agreement with them, he can apply for a Board, and a decision will be rendered before the existing agreement expires. But that has never occurred in any case of which I know. It happened on December 31st, 1921, that an agreement which had been running for a year and three months, to my knowledge, between the coal miners of Nova Scotia and the company, expired; no steps were taken by either party, as far as I know, to have the employees a few days before the end of December approach the company for a new agreement, and the company said: "It is our intention to reduce wages," which they did on the first of January. The result was that a strike insued, with all the results that inevitably follow. I submit that had the employing company in that case—and the same is true in many other cases— made up their minds that they wanted to change conditions 30 days or 90 days before the expiration of the agreement, they could have given notice and entered into negotiations with the employees; and, if they failed to reach an agreement, they could have applied for a Board and had a judgment rendered before the agreement expired. Those are things which I think perhaps have not been brought to the attention of honourable gentlemen before; and I respectfully submit that the amendments now proposed are exactly in keeping with the intent and purpose of this law since 1907; and, if they are not concurred in at this time, the action will be interpreted by thousands—indeed, by approximately a million workmen—as saying that the will of the Canadian Parliament is that a law affecting relations between employees and employers shall apply in one way to the employees and in another way to the employers. I submit that that is the important and crucial point before us, and that in making our decision it is not a matter of whether a reduction in wages shall occur a week or a month hence. That is a minor consideration. But the principle involved is a vital one, and if the confidence of a million workingmen of this country is to continue to be placed in the Industrial Disputes Investigation Act and the Parliament that passed it, that Act must inevitably and invariably continue to apply in spirit and letter equally to all parties that come within its jurisdiction.

Hon. Mr. SCHAFFNER: I want to ask the honourable gentleman a question in reference to these agreements. There has been

an impression that labour does not always respect its agreements; that it may break them, while the employer must maintain them.

Hon. Mr. ROBERTSON: My answer to the honourable gentleman is this. In most of the cases in which it is claimed that agreements have been broken, it is because the agreements have been made otherwise than through the recognized organizations.

The honourable member for Amherst (Hon. Mr. Curry) this afternoon referred to what he believed to be a fact, and it possibly was, namely, that a company of which he is a director in Alberta had made some seven agreements with its employees in the coal-mining industry. I want to say this to honourable gentlemen—because the Department of Labour had a very accurate knowledge of what transpired in the Alberta coal fields from 1915 to 1920, and even up to the present time—

Hon. Mr. CURRY: That was in 1921.

Hon. Mr. ROBERTSON: —and was in constant touch with what occurred. No agreement that was made in the western coal fields between the Mine Operators' Association and the United Mine Workers' organization was ever violated; but in 1919 there was a revolutionary movement in the Alberta coal fields that worked in harmony with the revolutionary movement in the city of Winnipeg, both of which had the same purpose in view. Wholesale secession occurred among the miners, and it is true that a number of the coal operators—I do not know about the ones my honourable friend referred to—tried to make side agreements with those outlaws, if I may use so strong a term, who are proposing to destroy or confiscate the employers' property, if they could. They thought they could break up the Mine Workers' Union. In some cases they did make an agreement with John Jones, Dick Smith, or Bill Brown.

Hon. Mr. CURRY: The agreements I speak of were made with constituted authorities in Alberta at that time.

Hon. Mr. ROBERTSON: I would be interested in knowing who those supposedly constituted authorities were.

Hon. Mr. CURRY: I can get them.

Hon. Mr. ROBERTSON: I do know that the railway organizations which represent nearly 200,000 men in Canada, have a well-known reputation for keeping their agreements. In the mining industry there may have been a few occasions, but they are rare, when men have gone out on strike with the sanction of their organization in violation of agreements.

Hon. Mr. STANFIELD: The coal miners in Nova Scotia made an agreement in August, 1922. Can the honourable gentleman tell me how many strikes and walkouts have occurred since that time?

Hon. Mr. ROBERTSON: None, authorized by the Mine Workers.

Hon. Mr. STANFIELD: What control have they over the men?

Hon. Mr. ROBERTSON: Let me point out to the honourable gentlemen that it was the control of the United Mine Workers that put the pumps and fans in operation when the owners of the mines were in great fear that their property was going to be destroyed. It was the influence of the United Mine Workers that prevented a substantial number of the miners in Nova Scotia from being misled, and affiliating themselves with a Soviet organization of Russia. I feel convinced that it is surely true that the influence exercised by the United Mine Workers' organization, for example, has been of great benefit to the owners of coal mines in Alberta, as well as to the miners employed therein. Had it not been for that strong influence the situation would have been very much worse.

Let me point out this in fairness to our miners' organizations. We often hear that our railway employees in Canada are men of higher intelligence, men who will keep contracts, and so on. That is all very well and nice to listen to. Most of those men are English-speaking men, men who understand the English language, and who are reasonably intelligent and in constant touch with the travelling public. In the mining industry the reverse is the fact. Approximately 50 per cent of the men engaged in the mines in Canada are not Anglo-Saxons by birth, and thousands of them do not understand a word of the English language; and both in Canada and the United States it is a tremendously difficult task that the Executive of the Mine Workers have to endeavour first to make intelligible to men engaged in the mining industry, who do not speak their language, the requirements and laws and regulations of the organizations. I think the constitution of the United Mine Workers is printed in 12 different languages. That is a matter which honourable gentlemen ought to keep in mind when they feel like criticising unduly the policies and intentions of those responsible for trying to protect a body of men that number between three and four million.

Some Hon. SENATORS: Question.

Hon. Mr. ROCHE: Mr. Chairman, I claim the privilege of addressing the House, and especially you, Mr. Chairman, as you are a working man. I want to differ from everybody. I say so with all modesty, because I have been a working man and am familiar with working men, having been amongst them. I regard all these other gentlemen as professional men, because they are either capitalists—a much-derided class just now—or they are legal gentlemen. Even my honourable friend the ex-Minister of Labour (Hon Mr. Robertson) has had largely to do with railway men—a class distinct from the ordinary working man, in that they are very highly paid and have certain organized rules and employments, and are not subject to the same drawbacks or the same influences as other men, because their employment is required from day to day and they have their allotted positions and responsibilities. So the question affecting merely railway men does not apply to the working man in general. I say this boldly, and perhaps some persons will not agree with me—that a workman has a perfect right to strike; he is not a slave; he gives his labour in return for a certain amount of money, and therefore can make that contract and end it himself. An employer, on the other hand, is not bound altogether to keep his workmen when it is not to his advantage to do so; and I dare say he could terminate that agreement. It is not made in perpetuity; it is not made for eternity, but for a settled and definite time, and that is according to pleasure. I say that the employees in a coal mine have the right to strike when they wish to; but I say that men employed in certain mechanical branches in the operation of a mine—those who work at the ventilating shaft, those who work at the pumping shaft, and others who are necessary to the conducting of the whole operation—should not be allowed to strike on the same terms that a working man in the mine or a truck man underground or any other employee of that kind would be allowed to strike. So you have two distinct classes of labour even in an employment of that kind.

Now I want to speak of the causes that operate upon men to make them strike. There are in mines, and I suppose in other employments, good, faithful, honest, hard-working men with families depending upon them, who wish to maintain the same arrangements as those under which they started. They abhor strikes, because they know that they and their families suffer when there is a strike or cessation of labour and payments. But there are agitators in our land who do not care so much about working as they do for stirring up strife, and those are the men who operate on the body of employees to cause strikes or disarrange relations between them and their employers. Furthermore, beyond the question of hours and the rates of pay, there is a question which those agitators have in their minds—the control of the mines, the control of the owners of the mines, the control of the output to the public, which will result perhaps in an increase of their wages.

Now, is that contemplated? Yet that is the result of this Bill. For 30 days the agitators are in control of the property-owners; they can hold them up for 30 days and longer, and practically own and control the whole operation. During that time the whole concern may be ruined. Therefore, if you wish those who have embarked their capital, those who are the owners of the mines and other operations, to really enjoy the possession of their property, you cannot hand it over to agitators for 30 days or 60 days, or any other time. They must use whatever moral or physical force they have to retain and possess and enjoy the benefits of their property.

That is the question that is really at the bottom of this. It is all very well to speak about the observance of rules and regulations by the railway employees. That does not affect mines and other operations of that kind. At the beginning of this debate I asked the question of you, Mr. Chairman, how far down does this extend? It extends down to an employer of 10 men, I understand, in other branches of employment than mines or railways or any other great undertakings. It affects the whole business of employers throughout the country, as far as I can learn, and I would like to have enlightenment from my learned brethren of the long robe on this subject, as to whether, in addition to affecting mines and great operations of that kind, it does not go down to every grocer or carpenter or dealer, or any person of that kind throughout the entire country; not being confined to railway men, to miners, or to any of those great public undertakings which are assumed to come within the object of this Bill.

Hon. Mr. ROBERTSON: I would like to point out to my honourable friend that this Act applies only to employees in public utilities, as mentioned in the interpretation clause, and that it has no bearing whatever on industry in general. I would like to ask, what is the order now before us? The honourable member for De Salaberry gave a notice of amendment some time ago.

Hon. Mr. BEIQUE: After the vote has been taken I will move my amendment.

Hon. Mr. ROBERTSON: Much as I would prefer to see the Bill as it came down from the House of Commons, I feel that the honourable member for De Salaberry in his amendment has tried to find some middle ground on which perhaps we might all agree, and if the motion to strike out the section as moved by the honourable member from Middleton (Hon. W. B. Ross) is not adopted, I am prepared to endorse the amendment of the honourable member from De Salaberry.

Hon. Mr. DANDURAND: I understand that we are now about to vote on the amendment of the honourable gentleman from Middleton that clause 2 be struck out; so that all those who believe in the status quo will vote for that amendment; while those who believe that some modification should be made, either as proposed by the Department of Labour or by the honourable member from De Salaberry, will vote against the amendment of my honourable friend from Middleton.

Hon. W. B. ROSS: No, that is not the situation at all. My motion is to strike out section 2; then the honourable member comes on with his amendment.

The amendment of Hon. W. B. Ross was agreed to.

Hon. Mr. BEIQUE: I now move my amendment as section 57A. I understand that the Labour Department is opposed to my amendment, and of course, as I am a supporter of the Government, it is disagreeable to me to offer the amendment, but I cannot abdicate my own judgment. I understand the reason given by the Department of Labour against my amendment is this, that it will necessitate—

Hon. Mr. LYNCH-STAUNTON: Are you speaking against the amendment now?

Hon. Mr. BEIQUE: No, I am not speaking against the amendment, but I may be allowed to say just one word. I think it is but proper that I give the reason against the amendment and state why I cannot accept it.

Hon. Mr. MITCHELL: The ex-Minister of Labour says he is for your amendment.

Hon. Mr. BEIQUE: I understand the objection is because it will necessitate too many Boards of Arbitration, and thus increase the expense. I have weighed that reason, and I cannot accept it, because I do not see why we should have a law of this kind which works unfairly; and if we do not take this occasion to amend it as it should be, the agitation will continue, and we shall have the same Bill every Session, and the discussion repeated.

The amendment of Hon. Mr. Béique was agreed to.

Hon. Mr. DANDURAND: I move now that section 3 of the Bill be adopted—penalty for causing lockouts.

Hon. Mr. LYNCH-STAUNTON: I wish to propose an amendment to the Act. By the provision of subsection 3 of section 8 of the Act of 1907, where the employer and the employee do not agree upon a third arbitrator, the appointment is in the hands of the Minister of Labour. Now, it has been represented to me by very important employers that this is not a very satisfactory condition, and that a great many employers have refused to agree to a Board because they have felt that the Minister of Labour, in the nature of things, cannot be an impartial umpire between the contending parties. They say that the selection should be made by a man who is not affiliated with either side. I point out that it has been stated here that nearly all the applications for Boards have been made by employees. One of the reasons, as given to me—personally I know nothing about it—is that the labour representative consistently declines to agree to a third man, because he thinks that the Minister of Labour will cast a benevolent eye on his side. I therefore wish to substitute for the Minister of Labour the Chief Justice of the province in which the dispute arises, or, if the dispute interests more than one province, then the Chief Justice of the Supreme Court of Canada. I therefore beg leave to move:

4. (1) Subsection 2 of section eight of the said Act is hereby repealed and the following substituted therefor:

"(2) If either of the parties fails or neglects to duly make any recommendation within the said period, or such extension thereof as the Minister on cause shown grants, the Chief Justice of the province in which the dispute arose, or, if there be no such Chief Justice in that province, the Chief Justice of the highest court of last resort in civil matters in that province, or, in any case where the dispute did not arise in one province only, the Chief Justice of the Supreme Court of Canada, shall as soon thereafter as possible appoint a fit person to be a member of the Board; and such member shall be deemed to be appointed on the recommendation of the said party."

The whole object of my amendment is to substitute the Chief Justice for the Minister—

Section 4 of the said section eight is hereby repealed and the following subsituted therefor:

"(4) If the members chosen on the recommendation of the parties fail or neglect to duly make any recommendation within the said period, or such

extension thereof as the Minister on cause shown grants, the Chief Justice of the province in which the dispute arose, or, if there be no such Chief Justice in that province, the Chief Justice of the highest court of last resort in civil matters in that province, or, in any case where the dispute did not arise in one province only, the Chief Justice of the Supreme Court of Canada, shall as soon thereafter as possible appoint a fit person to be a third member of the Board, and such member shall be deemed to be appointed on the recommendation of the other two members of the Board."

Then I will read it altogether:

(3) The following is hereby added to the said section 8 as subsection 6 thereof:

In subsections 2 and 4 of this section the expression "Chief Justice" includes any judge duly authorized as and for the Chief Justice.

Hon. Mr. ROBERTSON: I think we should at least exercise some care and take time to think over so important a change as that. Just off-hand, may I point out to the House a couple of reasons that occur to me immediately why that might not be an advisable amendment to adopt. The honourable member from Hamilton states that he has been informed that the appointments of chairmen by the Minister of Labour have not been satisfactory, and that because of the fact—

Hon. Mr. LYNCH-STAUNTON: No, excuse me; that might be implied from it, but my statement was that I had been informed by heads of important industries that they had declined to appoint an arbitrator because they felt that the Minister was not an impartial person to appoint a third man.

Hon. Mr. ROBERTSON: And I think my honourable friend added that the history of the operation of the law had been that the arbitrator appointed by the employees had refrained from agreeing as to a chairman with the arbitrator representing the employer's interests, in order that it might be left to the Minister to appoint the chairman.

Hon. Mr. LYNCH-STAUNTON: Yes, I understood that.

Hon. Mr. ROBERTSON: The leader of the Government will check me if I make a statement that is not correct, but my belief is that in the case of more than half of the 400 odd Boards that have been appointed, the arbitrators nominated by the two respective parties to the dispute have agreed upon the chairman or third member of the Board.

Hon. Mr. DANDURAND: That is substantially correct.

Hon. Mr. ROBERTSON: That being so, it at once disproves any thought or suggestion that there has been a practice on the part of arbitrators appointed to represent employees to refuse to agree on a Chairman, and to desire to leave it to the Minister, because in more than half the cases they have agreed. Now, it so happened that I had a little experience in the administration of this Act; and I am sure it is correct to say that not one single appointment of a Chairman was made during the time I was Minister that was not acceptable to both parties. I want further to point out that the firm from whom the honourable gentleman got his information probably does not come within the scope of the Act at all. You will observe that this Act may be applied by agreement with a firm that does not come within the scope of the Act. It is not compulsory. It is quite true that in such cases the employers have refused to agree to the adjustment of their disputes by the machinery provided in this Act. In the second place, I wonder if the dissatisfaction of the comparatively few employers in Canada who were put in the position of approving or disapproving of appointments made by the Minister of Labour can be weighed against the undoubted dissatisfaction there would be if there was no change made in the law. In the first place, I think the information available to the Department of Labour through its trained officials and its fair-wage officers, who are located in most of the provinces, and upon whose recommendations the Department very largely acts in many cases, and the knowledge of the Departmental officers as to who have been accepted and have rendered satisfactory service as members of boards in times past, are valuable. It is the practice of the Department, wherever they find a successful chairman, a man who time after time has succeeded in bringing the parties together and in obtaining a unanimous report, to use the services of that man whenever possible. And there is nobody in as good a position to know these things as the Minister and the Deputy Minister of the Department, the latter of whom is the Registrar of Boards under this Act. I think it would be a very grave departure from past practice, which has generally proven satisfactory. This Act has been in force for 17 years, and this is the first time I have ever heard it said that a single employer took exception to the chairman appointed in any instance. I believe, honourable gentlemen, with all due respect to the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), who, I think, has talked with a gentleman engaged in an industry that does not come under the Act at all, that it would be a very serious matter for this House to adopt the amendment, and I hope it will not prevail.

Hon. Mr. CASGRAIN: One would think the Minister of Labour would be very pleased, because he is in a very difficult position every time he has to make an appointment. There are some cases in which the Minister of Labour actually appoints two out of three, and sometimes on top of that he appoints the third. I think it would give much more liberty and authority to the Minister of Labour to use his influence; it would not be his own appointees who were acting.

Hon. Mr. BEAUBIEN: I want to say a word in support of the amendment. The fact just mentioned by my honourable friend from Welland (Hon. Mr. Robertson) shows the existence of a state of mind in this country not altogether without justification. He says that out of 400 cases 200 have been settled amicably by consent; that is to say, that the third arbitrator has been named by the consent of both parties. What does that show? Let me open wide the door of a board of directors, and let my honourable friend listen for a second to what is going on. "Well", they say, "the men are offering as a third arbitrator So-and-so." "Absolutely impossible; you cannot expect that man to do justice to a company." "If we cannot have him, what is going to happen?" "Well, we must agree because if we don't know that nine times out of ten the third arbitrator will have rather strong leanings towards the men, and, to avoid the nomination of a third arbitrator by the Minister of Labour, we had better agree." The agreement is made, and I will tell my honourable friend that if it were not for that feeling, he would find that in probably 350 out of 400 cases the nomination would not have been made by common consent, but by the Minister. Of course, I do not blame the Minister so very much for that.

What is the situation of a Minister of Labour—not only the present one, but of those who have preceded him? The Minister of Labour is supposed to have the confidence of the usefulness if it were said by some of the large labour unions that they had no confidence in him. The political gain that any Ministry can obtain from the nomination of the gentleman representing the labour unions would disappear completely if that representation did not lean a little, for political reasons alone, towards the labour classes. At all events, it is the opinion widely held throughout the country that the Minister of Labour is not entirely free, but that he has to feel the pulse of the labour people of the country when he acts in the capacity of Minister of Labour. I think that the amendment is a timely one, and that there would be absolutely no objection either by labour or by capital if a man with the authority of a chief justice in any province should pick out the third arbitrator, who is really the only arbitrator in all those cases.

Hon. Mr. DANDURAND: I think the members of the Senate, or some of them at all events, are under a misapprehension as to the working of this Act since 1907. The impression seems to exist that there is a leaning on the part of the Labour Department, a prejudice in favour of the masses as against the classes who meet before these boards. The proof that such a prejudice is absolutely unfounded is clear. Up to two years ago, during the working of this Act—that is to say, for 14 out of 16 years—the Department has almost invariably appointed a judge as the third arbitrator, and it was this House that precluded the continuation of that policy by adopting a prohibition removing that right.

Hon. Mr. LYNCH-STAUNTON: That is not removed in the case of labour disputes.

Hon. Mr. ROBERTSON: Yes, it is.

Hon. Mr. DANDURAND: And it is the action of this Chamber which has prevented the continuation of that policy. So the premises of the whole speech and the motion of my honourable friend from Hamilton (Hon. Mr. Lynch-Staunton) fall to the ground. There cannot be a prejudice by reason of the fact that a man leaning in favour of labour was selected. He was selected from among the class of men who had practised at the Bar and who had reached the Bench. I am informed by the Department that in a number of instances, since this Act has been in operation, complaints have reached the office against the choice made by the Department. Complaints from whom? From the employees. And the Department has yet to hear of a complaint made on the part of the employers.

I draw the attention of the honourable gentleman from Hamilton to one objection that I could add to those that have been made by the ex-Minister of Labour. It is that the chief justice would labour under the difficulty of not knowing the conditions prevailing in the matter which would come before him, and he would have to be informed by representatives of the Labour Department or by the two parties to the dispute of the real situation. The Department of Labour has all these questions before it from year to year, and is in a better position to select a man of responsibility to act

as third arbitrator. I am under the impression that we should leave well enough alone. The Act has been working for the last sixteen years. We have given somewhat of a jolt to the tradition of the Department by practically refusing it the right to select its arbitrator from among the judges; but I think that until we find a real grievance, based upon something more serious than we have heard of yet, we should leave the law as it is.

Hon. W. B. ROSS: I do not agree with the leader of the Government at all on this matter. I think that this giving to the Minister of Labour the power of appointing the arbitrator is probably the worst feature in the Act. Take an example. In Nova Scotia we have a general Arbitration Act. One of the clauses of that Act is that in case the arbitrators of the respective parties cannot agree, the umpire shall be appointed by the Chief Justice.

Hon. Mr. DANDURAND: I am informed that that Act is not used.

Hon. W. B. ROSS: I beg pardon: it is used daily, and with great satisfaction. I am told that there is legislation of a similar kind in some of the other provinces. If the Chief Justice of the Province can select a man to deal with all kinds and classes of cases to the satisfaction of the people, I should think he could do it with regard to a labour dispute. The Minister of Labour is not an independent man like a judge; he is subject to political influences. A member of this House who is now dead, Senator Nicholls, told me that so far as he was concerned this arbitration was a farce, because the dice were loaded against him every time before he went into an arbitration. The Government was making the selection of a particular county court judge who was a little biased against capital, and he was the only man who was ever acceptable to labour, and was continually appointed; and, to use Senator Nicholls' own words, he said, "I surrender right at once."

The proposed amendment of Hon. Mr. Lynch-Staunton was agreed to: yeas, 26; nays, 16.

The preamble and the title were agreed to.

The Bill was reported as amended.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

PRIVATE BILL

SECOND READING

Bill 105, an Act respecting the Canadian Order of the Woodmen of the World.—Hon. Mr. Pardee.

CANADA SHIPPING BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 166, an Act to amend the Canada Shipping Act.

He said: By section 487 of the Canada Shipping Act, apart from the pilotage districts of Montreal, Quebec, St. John, and Halifax, the master or mate of any vessel can apply to the pilotage authorities to pass an examination as pilot, and the pilotage authorities, after the ordinary examinations and upon the payment of the dues, are compelled to deliver a certificate to that master or mate. The object of the Bill is to make this discretionary instead of compulsory on the pilotage authorities; so that they "may deliver the certificate" instead of "shall deliver the certificate," after having approved the request.

Hon. Mr. FOWLER: But why?

Hon. Mr. DANDURAND: The necessity for this has been shown to the Department in a special case this season in the pilotage district of Miramichi. At that place the channel is narrow, and any accident that might take place there would block the traffic altogether. It is not a very important district, and the pilot could not make a living if the most valuable ships that go there were relieved from the obligation of taking those pilots on those ships; yet it is very important to the port that pilots should be retained there to bring foreign ships in. The only purpose of this Bill is to empower the pilotage authorities in special cases to refuse the examination of a master or mate, and to place the small pilotage districts on the same level as Quebec, Montreal, St. John, and Halifax in this regard. So that, as I understand the end in view, it is to allow the head of the pilotage authorities discretion in granting a license to a master or mate in these districts where there is only an unimportant movement of ships, and where nevertheless it is important to have a pilot. You will not have a pilot if you starve him, and the authority is taken to leave to the Minister the right to say when he shall allow a certificate to a master or mate.

Hon. Sir JAMES LOUGHEED: Who are the pilotage authorities?

Hon. Mr. DANDURAND: The head of the pilotage authorities is the Minister of Marine and Fisheries.

Hon. Mr. DANIEL: The procedure in those four ports that are mentioned is different, apparently, from that which is contemplated?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. DANIEL: And I take it that in those four ports masters and mates of ships coming in may not be licensed as pilots.

Hon. Mr. DANDURAND: Yes, that is the situation.

Hon. Mr. ROCHE: What will be done in places where there are no licensed pilots, but where ships coming into a small port would have to depend on local information from fishermen and people of that kind. There would be no Pilotage Board established, and no regular pilots; and giving the masters and mates of ships permission to enter ports of that kind without pilots would prevent these people from securing a living, because it would be only now and then that they would have a chance of piloting a ship in. I think it is perhaps dangerous to allow vessels to come in from sea under the direction of masters and mates, who have no local knowledge of the dangers of a small port, without the assistance of a pilot,—either a licensed pilot or somebody who has local knowledge.

Hon. Mr. DANDURAND: As the law stands, the head of the pilotage authorities, the Minister of Marine and Fisheries, has no discretion. Under this change he will act according to the needs of each district.

Hon. Mr. FOWLER: Does that apply only to certain specified ports?

Hon. Mr. DANDURAND: The law applies to all districts and ports except the ports of Quebec, Montreal, Halifax, and St. John.

Hon. Mr. FOWLER: They are not interfered with?

Hon. Mr. DANDURAND: No.

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

CIVIL SERVICE SUPERANNUATION AND RETIREMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 180, an Act to amend the Civil Service Superannuation and Retirement Act.

He said: Honourable gentlemen, the object of this Bill is to return to Parliament a power that had been delegated to the Governor in Council. There is a clause in the old Superannuation Act which authorized the Treasury Board to grant additional years in fixing a retiring allowance. It is thought that some embarrassment may arise from that power, which for quite a number of years has not been exercised. It is proposed to repeal that clause, so that if in any case it is deemed necessary to make an addition to the amount granted, it can be done by special appropriation of the House, instead of act by the Treasury Board.

Hon. Sir JAMES LOUGHEED: That is good law. This wipes out that power entirely.

Hon. Mr. DANDURAND: The discretion of the Treasury Board goes by the Board.

Hon. Sir JAMES LOUGHEED: We will move no amendment to that.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Willoughby in the Chair.

On section 1—provision for adding ten years to service repealed:

Hon. Mr. FOWLER: What is the occasion for this change?

Hon. Mr. DANDURAND: I would surmise that there are occasional demands from members of the Civil Service to be allowed to retire with the addition of a certain number of years under the authority of this clause. The Minister believes that there will be no effort made to utilize that clause if it disappears from the Act.

Hon. Mr. FOWLER: And you get rid of that.

Hon. Mr. DANDURAND: Yes.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

DIVORCE BILLS

SECOND READINGS

Bill J5, an Act for the relief of Cecelia Maria Taylor.—Hon. W. B. Ross.

Bill L5, an Act for the relief of William August Kruger.—Hon. Mr. Green.

PRIVATE BILL

SECOND READING

Bill K5, an Act respecting the Calgary and Fernie Railway Company.—Hon. Mr. DeVeber.

COMBINES INVESTIGATION BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 54, an Act to Provide for the Investigation of Combines, Monopolies, Trusts and Mergers.—Hon. Mr. Dandurand.

Hon. Mr. Blain in the Chair.

On section 4—registrar (further considered):

Hon. Mr. DANDURAND: The consideration of clause 4 was suspended because it had been suggested that I should examine into the question of including in the clause a statement of the qualifications of the registrar. The point made was that the registrar, because of his functions, would need to be a member of the Bar. I am informed that this matter was discussed in another place, and that it was deemed injudicious to tie the hands of the Government to making their selection from among a certain class. People do not see eye to eye as to the necessity of a member of the Bar filling that position, and the Government is of the opinion that the Governor in Council should not be thus bound. I can only reiterate what I have already said in this Chamber, that the responsibility will lie upon the Government to make a choice that will appeal to the common sense of the people, and by which the Government will be judged. I would ask my honourable friend from Sussex (Hon. Mr. Fowler) not to insist, because he will meet with considerable opposition—I do not say in this Chamber, but perhaps elsewhere—if he wants to emphasize the right of a barrister to be selected for the position.

Hon. Mr. FOWLER: The fact that my proposition would meet with opposition would not of necessity make me change my view, because I have been accustomed to opposition most of my life, and it never affects me in that way. I will make the best fight possible, and, if I am defeated, why, I accept the situation gracefully. But I suggested that it was already in the mind of the Government to appoint a certain politician of unsavoury reputation.

Hon. Mr. DANDURAND: If the honourable gentleman had not thus qualified the person that he has in mind, and if he had simply asked if it was the intention to appoint Mr. So-and-so, I could have answered him. My honourable friend surely will not think that I will accept his premises to draw a conclusion. All I have said is that the Government will be judged by its appointment.

Hon. Mr. FOWLER: But it will be too late to remedy the matter if they make the appointment that I have in mind. I think I have described the party I have in mind sufficiently to enable the honourable gentleman to say whether the person he has in mind is the same one.

Hon. Sir JAMES LOUGHEED: May I suggest to my honourable friend the safety of saying that the Government has no intention of appointing such an individual. Inasmuch as he has not been designated, I think my honourable friend should assure the House to that effect.

Hon. Mr. FOWLER I quite agree that it is a matter by which the Government will be judged; and I am quite sure that, if the Government is guided by the good sense of the leader of this House, the gentleman whom I have in mind will not be appointed, because, if he were, the Government would be judged very adversely. That being so, I am content to leave the matter with the Government.

Hon. Mr. DANDURAND: If the name the honourable gentleman has in his mind could be given to me, I could perhaps advance a first-class defence for that gentleman without having any idea that he would be offered the position. The qualification which my honourable friend gives to a certain gentleman leaves me disarmed when it comes to discussing the question of that person; but I may assure my honourable friend that the appointment which the Government will make will, I think, meet with general satisfaction, although no name has been given to me. I do not know just now that there is a person in the flesh of whom any member of the Government has thought. Personally I have not thought of anybody.

Hon. Sir JAMES LOUGHEED: He will grow up.

Hon. Mr. FOWLER: If my honourable friend could make a defence of this gentleman, he would qualify for the position of an advocate who is commonly known as "the Devil's advocate."

Hon. Mr. DANDURAND: I think that all of us who have been at the Bar have at times been called upon to try to take the part.

Section 4 was agreed to.

On section 5—application for investigation of alleged combine:

Hon. Mr. DAVID: I move that section 5 be amended by adding in the seventh line, after the word "statement," the following words: "In the form of a solemn or statutory declaration." That means that the applicant will be obliged to accompany the application with a declaration made in accordance with the Evidence Act, section 36, chapter 145 of the Revised Statutes of Canada, so it will be in this form: "We do solemnly declare," etc.; and: "We make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act." The effect of that amendment will be that those applicants will be more cautious when they know that they may be prosecuted for perjury. It will be a protection also to the Registrar and the Commissioners, who will have before them the solemn declaration signed by those applicants, and naturally they will have more reason and justification to believe that the facts alleged by the applicants are well founded. I do not think it is necessary to say more; I think the amendment will be adopted.

Hon. Mr. DANDURAND: I have no objection to the amendment.

The amendment of Hon. Mr. David was agreed to.

Hon. Mr. FOWLER: Now I would ask the Minister to make the amendment that I suggest—that a bond of security for costs be given by the parties.

Hon. Mr. DANDURAND: I am just drafting an amendment to meet the wishes of my honourable friend, but on another clause than that one. We had suspended clause 19. I am suggesting, instead of touching clause 19, to amend clause 22 which was under review; we will come to it in a moment.

My honourable friend has suggested that the complainants should be made to give security for costs. Well, this principle would defeat the object of the Bill to a very considerable degree. I do not know why I called the parties complainants; I do not remember whether in the Interpretation Act they bear that name: I do not think they do, because it is a wrong appelation. There is no complainant under this Act, and there is no accused. This Act is for the purpose of authorizing an investigation by Registrar of Commissioners of the modes of operation of large concerns in order to see if their system is operating to the detriment of the public. They formed those associations under the protection of our laws, and, with the advantages granted to them by the Parliament of Canada, they are protected in very many ways. They are organized for private gain, but they form an important part of the body politic, and it is deemed right, under the present conditions prevailing in our society, that, as they absorb considerable power and command a large amount of capital, the Government of the country should be armed with the power to examine into their operations, with as little disturbance to those associations as possible. This being the idea, it is deemed proper that when an inquiry is made under section 5 they shall not stand as accused. The statement will be made that there is a commercial combination or industrial combination that does or tends by its system of operation to do injury to the public at large.

The Registrar will have in hand the elements furnished to him by the statement submitted. He will ask for supplementary information. He will, if he deems proper, turn towards the association or company or corporation named in the statement, and will ask them for an answer bearing on certain specific points. They will simply have to explain how their operations are being conducted, and I would surmise that in nine cases out of ten the Registrar, if he is a man of experience, imbued with the idea of creating as little disturbance as possible and of simply doing his duty in obtaining the information, would be met with the good will of the institution, without himself being acoompanied by legal help, and without the idea that when he presents himself he will be met by legal representatives of the association. He will meet the general manager, and with him will discuss points that are in his mind, and he will proceed according to the information in his possession, trying to find out whether there is really a clear indication of an injury to the public. Having in hand this Act, and proceeding in the spirit of the discussions which took place in the House of Commons and the Senate of Canada, he will recognize that the fixing of prices and combining to carry on a larger business throughout the world, is not prima facie a confession that there is anything blameful. Under these circumstances those associations will not be put to any considerable expense. On the contrary, they will hasten to explain their system, and a report will be made in con-

sequence. That is the reason why the parties who make the statement are not asked to give security for costs. They will not bear any civil responsibility; it will be the Registrar who will take the initiative and decide whether or not to go forward. If in his judgment there is cause for examining further and more thoroughly, he will so report to the Minister, who will then, by Order in Council, appoint a Commissioner to make the investigation. All that procedure is carried on privately.

Now I examine section 19, which says:

> The proceedings of the Registrar and every Commissioner shall be conducted in private, but the Minister may order that any portion of the proceedings before the Registrar or any Commissioner shall be conducted in public.

The responsibility is upon the Minister. Section 22 says:

> Within fifteen days after its receipt by the Minister the report (other than an interim report) of any Commissioner shall be made public, unless the Commissioner is of the opinion that the public interest would be best served by withholding publication and so states in the report itself, in which case the Minister may exercise his discretion as to the publicity to be given to the report in whole or in part. The Minister may publish and supply copies of any report in such maner and on such terms as to him seems most desirable.

We suspended section 19; I thought that we were suspending section 22.

Hon. Sir JAMES LOUGHEED: Had we better deal with the statutory declaration first?

Hon. Mr. DANDURAND: Then we might discuss the amendment I thought might be made to one of those clauses.

Hon. Mr. FOWLER: Would that be an amendment to cover security for costs?

Hon. Mr. DANDURAND: No.

Hon. Mr. FOWLER: My object in asking you to make the amendment holding the parties responsible, or requiring them to give security for costs, was to prevent what we call fishing expeditions. Those six people might have listened to gossip without fully examining into it and finding out the truth. As a result, the Registrar is set to work, and enters upon his investigation, which would of necessity subject those people to considerable trouble and expense, and they certainly would get considerable publicity; for, however you might think you were guarding against publicity by saying that none of those things would be made public, you cannot have so many people in the secret without it leaking out, and the public would soon know that such and such an organization or corporation was being inquired into with the idea that it formed an improper combine.

To say that there is no party of the other part in the first instance is to say what is not quite within the facts, because the party or organization or corporation must be named in the complaint that those six people make. Otherwise, whom are you going to investigate? The parties are the six who are making the complaint and the corporation that is complained against. It surely is not asking too much that those men should be made responsizle for what they set in motion, if it is set in motion on frivolous or purely vexatious grounds. I can very readily see how this might be a great interference with business, and I still think that it is not asking too much that those men, by whatever motives actuated, should become responsible for the truth of the statements they make.

Hon. Mr. BELCOURT: I think if he turns to section seven my honourable friend will probably see ample guarantee against anything of that sort. I agree entirely with the leader on this side, that if you compel the applicants for an investigation to give security for costs you will have very few applications of that kind made. The danger of having to pay costs is very much in evidence. You may have thoroughly good information on which to base an application, but the evidence may be difficult to furnish, and I think no one would willingly assume the risk of the evidence breaking down and the complaint not being established.

If the amendment proposed by my honourable friend from Mille Iles (Hon. Mr. David) is carried, you will have the complainant bound to give an affidavit as to the facts complained of, as stated in the application. To me that would be a very important and substantial guarantee that no one is going to bring any vexatious or frivolous complaint. The Registrar, before going on with the investigation, would have to decide whether the application was frivolous or vexatious. In many cases, if not all, that could easily be ascertained; and if so found, he would report to the Minister who would probably agree with him, and that would be the end of the whole matter. That, with the guarantee afforded by section 7 of the Act, would leave very little chance of the Registrar deciding to prosecute any complaint that would be frivolous or vexatious.

Hon. Sir JAMES LOUGHEED: I do not agree with my honourable friend from Ottawa (Hon. Mr. Belcourt), nor yet with the honourable gentleman who leads the House and represents the Government, in the view which they have taken of this particular subject.

I was much interested in following the very pleasant picture drawn by my honourable friend the leader of the House as to the manner in which the Registrar and the Commissioners would discharge the very onerous duties placed upon them. They would make a courteous call upon the combinester, or the combine generally. They would of course make the most friendly remarks as to the pleasure they had in meeting each other, and the purpose which brought them together, and the object which they had in view, and the great service which they were all conferring upon the public in discharging the functions of their office; and the most friendly spirit would prevail among all of them. A more pleasant picture could really not have been drawn. Scripture says that without a vision the people perish. There is no probability of the people perishing when pictures of this kind can be drawn. My honourable friend has been seeing visions and dreaming dreams.

I cannot conceive of an investigation, or of the preliminary steps to the investigation, of a combine taking place under this Act except by the setting in motion of the most elaborate machinery, involving very substantial costs.

If my honourable friend will look back upon the records which we have of the various other combines which have been investigated in times past, and upon which the Supreme Court of Canada has been called upon to pass—those trifling investigations which find their way down to Ottawa, and then over to the Privy Council—he will rather qualify the vision or the picture which he has painted as to the harmlessness and the simplicity of the methods which will be adopted in probing to the root the complaint of those six citizens of Canada who will march up in battle aray and make application to have a combine investigated.

Can you conceive of anything more elaborate, so to speak, or anything more martial, than six citizens marching up to the office of the Registrar, with all the information which they may have been accumulating, probably for weeks or months? They will all be sleuths; they will all be detectives, or that class of individual, I have no doubt; they will come with their portfolios laden with documentary evidence as to the tyrannical treatment of the public by this combine which they are going to investigate and finally break up.

But my honourable friend from Ottawa, although a lawyer of many years standing, and of very distinguished ability, thinks that this statutory declaration will be a sufficient guarantee that no injury will be done.

Hon. Mr. BELCOURT: That, along with section 7.

Hon. Mr. FOWLER: Section 7 does not do anything at all.

Hon. Sir JAMES LOUGHEED: Well, in the first place, as to the statutory declaration, I have never viewed a statutory declaration with formidable fear.

Hon. Mr. BELCOURT: Others may, though.

Hon. Sir JAMES LOUGHEED: I very much doubt it. However, we will have the statutory declaration. That, I hope, will prove some comfort to my honourable friend from Sussex (Hon. Mr. Fowler). I hope he will to some extent be comforted by that; he apparently intends to demand that some provision be made for the costs.

I say without any hesitation that the machinery provided in this Bill for the investigation of combines will necessarily be, when set in motion, of as expensive a character as the machinery of any judicial tribunal in the realm. My honourable friend must keep in view the fact that this investigation is not going to deal with an individual. It is going to deal with a group of individuals, and the registrar, in making a courteous call at 9.30 in the morning upon one of our merchant princes—

Hon. Mr. ROBERTSON: That is too early.

Hon. Sir JAMES LOUGHEED: —will scarcely be discharging the whole of the duties expected of him. How my honourable friend has come to paint that picture of the harmlessness of this proceeding I certainly cannot understand.

Hon. Mr. DANDURAND: I think I can satisfy my honourable friend by the text of the Bill itself.

Hon. Sir JAMES LOUGHEED: If that be the case, I would view the Bill with very much greater suspicion than I have done in the past; if its text possesses all the simplicity which seems to have impressed itself on the mind of my honourable friend, I think we shall be warranted in exercising a very much deeper scrutiny.

The principle of the Bill is to break up combines and trusts and monopolies. Can my honourable friend point to anything in the community more formidable than combines, monopolies, and trusts? They are the largest aggregations of capital and of industrial re-

sourcefulness that we have. Does my honourable friend think the Registrar, or one of these Commissioners who may have the good fortune to be appointed by simply dropping down to the office of one of the members of the combine and looking at his books, and then going out to lunch with the combinester, is going to solve the difficulty? Why, no. I say to my honourable friend now, that if this legislation is going to be a success, the most scrutinizing efforts will have to be made for the purpose of carrying it out—efforts that will probably occupy weeks and months, and possibly a year, for the purpose of ascertaining the grounds necessary for the breaking up of the monopolies which will be attacked.

I differ from my honourable friend from Sussex as to the six applicants paying the costs.

Hon. Mr. BELCOURT: Will my honourable friend allow a question? I think the speech we have just listened to is more against the principle of the Bill than anything else. Is my honourable friend opposed to the Bill?

Hon. Sir JAMES LOUGHEED: While my honourable friend was attending to other very important duties, I stated to the House my views as to the principle of the Bill. If my honourable friend would do me the honcur of looking through Hansard, and take that much time from more pressing duties—

Hon. Mr. BELCOURT: I thought I might get a short answer.

Hon. Sir JAMES LOUGHEED: Well, one is not bound to criminate himself.

Hon. Mr. BELCOURT: Yes or no.

Hon. Sir JAMES LOUGHEED: One cannot asnwer that question by yes or no.

I said I differed from the honourable gentleman from Sussex, in that those six retainers—I will not call them informers—who will be employed by the Government to set the wheels in motion, should not pay the costs. But I say with every confidence that if an investigation should prove abortive, then the Government should pay the costs. Why should the Government not pay the costs if the investigation proves abortive? If the investigation should disclose a combine or an offence under the Act, then let the guilty ones pay the costs; but my honourable friend should certainly introduce into this measure a provision that if an investigation is started and proves abortive, the Government should pay any costs that would be properly incurred in the defence of those involved. I think such a provision would meet the views of my honourable friend from Sussex, and it must appeal to everyone's sense of fair play. The principle applies in every other walk of life. Why should the Crown disturb the business of an individual or of an aggregation of individuals and drive them to retaining expensive counsel? Because my honourable friend, as a lawyer, knows very well that one of these investigations cannot be conducted unless the victims or the accused employ counsel, and counsel of the first standing, because millions of dollars will be involved. Any combine that will be investigated will represent millions of dollars, and the investigation must necessarily extend over a very considerable length of time and counsel must be employed and very large costs must be incurred. There is no reason why the principle that is recognized in all our juridical proceedings should not be readily reconized by the Government, that if the investigation proves abortive, they should assume the costs.

Hon. Mr. BELCOURT: Would my honourable friend have the Government pay in all cases, even where the Registrar finds that a combine exists?

Hon. Sir JAMES LOUGHEED: I said that if the investigation were abortive, if it were not well founded, if the investigators had to dismiss the proceedings against the combine, then I am sure my honourable friend as a lawyer of many years' standing will recognize the principle that the losing party should pay the costs.

Hon. Mr. BELCOURT: I have not said anything against that view yet.

Hon. Sir JAMES LOUGHEED: Because my honourable friend in all probability will be retained in many of the proceedings.

Hon. Mr. BELCOURT: I quite agree with you.

Hon. Mr. FOWLER: That does not quite cover my position, because there are two stages at least to these proceedings, maybe more.

Hon. Mr. DANDURAND: There may be three.

Hon. Mr. FOWLER: The preliminary stage is set in motion by the six men who have combined together to act as spies or informers—or retainers, as my honourable friend has said. I do not care whether or not they are actuated by the highest motives in the world; I do not care whether their motives may be mere interference with someone, trying to injure someone, or whether they may be the very highest motives. If

they, on false premises, have started this matter in motion, so that it comes to the Registrar, and he then makes the investigation, he must make not a mere cursory or casual investigation. If he does his duty, he must make a thorough investigation into the business of the corporation, which means that the members of the corporation and the officers of the corporation will be obliged to devote a very considertable time to the overhauling of their whole business. The Registrar examines their books, and can bring experts to assist in that examination; and these people must submit to it and must assist in the examination. Now, suppose the Registrar says after all this that the information is vexatious and frivolous, and so reports to the Minister, who is to pay these men for the expense and the trouble and the vexation and the publicity that will consequently follow? Should not there be some check on these people starting a frivolous and vexatious investigation? Should not they be held responsible for all costs up to that point?

If, however, the Registrar and the Minister decide that the matter should go further, then the responsibility shifts from the six men and becomes the responsibility of the Government; and if in the end the corporation complained against is successful, it would be indecent if the Government did not pay the costs and were not compelled to pay the costs. You must remember, honourable gentlemen, that it is a serious matter to interfere improperly and vexatiously with the business of any corporation. My honourable friend from Ottawa (Hon. Mr. Belcourt) would be the first man to set up a squeal or a howl if certain corporations in which he is interested were investigated. We read the other day in the newspaper of an investigation into a certain corporation of which he is the head; we read his evidence there, in which he gave a very remarkable exhibition of illtemper with regard to some questions which were asked him. I sympathized with the honourable gentleman, and I thought he was quite right, because I thought the questions were vexatious. But that is the type of question that the officers of any corporation being investigated will have to submit to. So I say they should not be subjected to the like of that on vexatious or frivolous grounds, and that the men who started it should be made to pay for the stage for which they were responsible. But when the matter goes beyond that, and when the representations of these men have been adopted by the Government, and then the court decides that there are no grounds for the complaint, that there has been no combine against the public interest, the Government that ordered the secondary or tertiary proceedings should be held responsible in costs and should pay the costs. Upon them must be the responsibility; and if my honourable friend does not propose to amend the Bill, but to let it go, on his own head be it.

Hon. Mr. DANDURAND: I do not believe that the situation is as bad as that painted by my honourable friends opposite. I draw their attention to the fact that, before Parliament ever thought of taking unto itself this right to investigate, it had in 1888 put in the Criminal Code a provision which prohibited combinations and so forth to the injury of the public.

Hon. Mr. FOWLER: And very properly so.

Hon. Mr. DANDURAND: I ask my honourable friend, could not any man having not one cent behind him, no financial substance, walk into the court house and lay a complaint under clause 498 of the Criminal Code against a corporation or an association or a merger?

Hon. Mr. FOWLER: He would have to do it under oath, and would be responsible for costs.

Hon. Mr. DANDURAND: I say a man having no financial substance. Then you have the accuser and the accused brought before the criminal courts, and the accused must start their defence, employ counsel, stand the humiliation of sitting not very far from the dock, and defending their honour and liberty. That is the law which has been on our Statute Book since 1888, and that is the danger that has been hanging over all associations that might be supposed to be carrying on trade under certain conditions which would be injurious to the public. Instead of that, what have we in this measure? We have a statement by six British subjects, of the best kind, I hope, which brings to the attention of the public officer, the Registrar, the fact that these six men believe that there is a case for investigation. They give their reasons and their data, and the Registrar proceeds to investigate. He does not bring these people before the criminal courts.

Hon. Sir JAMES LOUGHEED: He has a court of his own.

Hon. Mr. DANDURAND: No. He has powers of investigation.

Hon. Sir JAMES LOUGHEED: He sits with the Commissioners.

Hon. Mr. DANDURAND: What are his powers?

To receive and register, and, subject to the provisions of this Act, to deal with applications of alleged combines; to bring at once to the Minister's attention every such application; to conduct such correspondence with the applicant and all other persons as may be necessary; to call for such returns and to make such inquiries as the Registrar may consider to be necessary, in order that he may thoroughly examine into the matter brought to his attention by any application for an investigation; to make reports from time to time to the Minister.

So, having received a statement directed against the workings of a large corporation, he will ask from that corporation statements, contracts, information, and so forth, in order to judge of the seriousness of the complaint.

Hon. Mr. FOWLER: He will have to go into the establishment and examine the books. He would not take the statement they would make, but would go there and see for himself, if he was doing his full duty; he would have to look through the whole concern; and all this evidence would have to be submitted to him at first hand. Copies would not do. There would be an interruption of the business and publicity. Take the case my honourable friend has cited of the man under the Act of 1888. Suppose the man laying the complaint were responsible, should he not be held for costs?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: And were he an irresponsible person, would any tribunal listen to his complaint? Unless he was a responsible person, no man holding a legal position would listen to him for a moment; but, being a responsible person, he would be responsible for costs. The Government, surely, is a responsible person, and should be responsible for costs; and these six British subjects, actuated by a high and holy zeal for the welfare of their countrymen, should be responsible for costs. That seems to me so plain and apparent and common sense, and in the character of fair play and justice for everybody, that I cannot understand why my honourable friend, with his well-known character for fairness, would not, without any hesitation whatever, accede to my request and place in this statute an amendment that would cover the ground. There is nobody hurt that should not be hurt, because if the complaint is not vexatious or frivolous the combinesters are made to suffer as they should suffer; but if they are innocent, why, in Heaven's name, should not the men who started the frivolous complaint against them, and advertised them as being villains and traitors to their country, be punished?

Hon. Mr. DANDURAND: My honourable friend goes beyond the mark when he speaks of advertising those people as being this and that. There is no such thing. It is not a public denunciation: it is a statement made to the Registrar.

Hon. Mr. FOWLER: Would you say it was private when there are at least six people who know it, outside of the Registrar—six people who hold no official position? What would prevent them from publishing it broadcast? We know how anxious newspapers are for news, and how you would see great headlines about the prosecution being set on foot by six British subjects. It is a noble thing to be a British subject, but there are some pretty reprehensible characters who are British subjects, all the same. All that is published far and wide. Do you mean to say that that is not at all an injury to a corporation? I say that if a combine exists it should be crushed out; but I say, further, that every corporation should not be subject of attack by irresponsible persons, even though they be British subjects.

Hon. Mr. DANDURAND: Well, I do not believe there will be very many complaints against those large corporations.

Hon. Mr. FOWLER: Do not be so guileless.

Hon. Mr. DANDURAND: There have not been in the past, and I do not believe there will be in the future; but machinery is organized and set in motion to protect the public in general against the operation of big institutions called trusts, mergers, and combines.

Hon. Mr. FOWLER: Properly so.

Hon. Mr. DANDURAND: Well, if they are big institutions with a large amount of capital, they are working under the laws of this country, protected by those laws, and by the whole machinery of the entire fabric of society, which has given its taxes, its money, for the organization of transport and other advantages without which those large associations could not develop and thrive.

Now Parliament says: "These large, powerful corporations need to be investigated at times; we will set up machinery for investigating their doings; they may become so considerable as to desire to dominate the state. We have set up the Railroad Board to settle freight rates on our big railway corporations, to supervise their operations from A to Z. They are absolutely under the control of an institution created by Parliament; all this

because they were getting large profits, they were public utility corporations, and they needed to be controlled by the state, if the state did not want to find itself controlled some morning by those big organizations." By the side of those big organizations appear large commercial institutions which are absorbing the activities heretofore carried on by hundreds of citizens separately. They represent a power. They employ the best legal talent. They look to the interests of their shareholders. Has not the state a right—and when I say the state, I mean the whole public—to defend themselves by creating machinery which would allow of an investigation of all their affairs when there is suspicion evidenced by a statement made by six citizens?

Hon. Mr. FOWLER: I agree with that entirely.

Hon. Mr. DANDURAND: My honourable friend is with me to that point.

Hon. Mr. FOWLER: Yes, utterly.

Hon. Mr. DANDURAND: Then should not those big corporations accept this right of the state to investigate?

Hon. Mr. FOWLER: Yes.

Hon. Mr. DANDURAND: And to do so in the way provided by this Bill?

Hon. Mr. FOWLER: No.

Hon. Mr. DANDURAND: It is simply and purely an investigation. They are not accused; they are simply denounced as perhaps falling under the clauses of this Bill.

Hon. Mr. FOWLER: The moment those six people sign that document they are accused.

Hon. Mr. DANDURAND: They are singled out by those six citizens of the state—

Hon. Mr. FOWLER: They are accused.

Hon. Mr. DANDURAND: No.

Hon. Mr. FOWLER: Yes.

Hon. Mr. DANDURAND: The state then appoints a Registrar, who simply looks at the statement produced.

Hon. Mr. FOWLER: Which is an accusation.

Hon. Mr. DANDURAND: Yes, it may turn out to be an accusation.

Hon. Mr. FOWLER: No, that is an accusation. The moment those people sign that document it is an accusation against the people designated in it. You cannot get away from that.

Hon. Mr. DANDURAND: The state does not treat them as accused at that moment.

Hon. Mr. FOWLER: No, and I do not hold the state responsible then; but the moment the Minister passes upon it the state accuses, and it then comes out of the hands of private parties, and the complaints should be answered. But while the accusation is in the hands of those private parties, the persons making the accusation should be responsible if it is frivolous; and you agree with me.

Hon. Mr DANDURAND: I believe that to ask for security for costs from those parties would destroy three-fourths of the value of this Act.

Hon. Mr. FOWLER: Why?

Hon. Mr. DANDURAND: Because the operations of those organizations are sometimes so involved that it will take experts in accounting, and others, to make a special examination on the operations of the association and report to the Registrar. The Registrar, being seized of the complaint, if he has not sufficient information to turn towards the parties who are indicated to him as people working to the detriment of the public, he will probe, he will examine and cross-examine those complainants, in order to obtain the information. He may not go further if he finds the complaint or statement a frivolous one. If he thinks, from the investigation he has made with the parties signing the statement that there is matter in it, then he turns to that supposed merger or combine and asks them for some statement or some information bearing on their operations. Up to that time no costs are incurred by that party.

Hon. Mr. FOWLER: Oh, yes. Will you answer me one question: Why should not these people pay if it is a frivolous complaint? Do you say that the reason why they should not pay is because it might deter others from bringing such a complaint? Is that your answer?

Hon. Mr. DANDURAND: No.

Hon. Mr. FOWLER: Then would you give me your answer?

Hon. Mr. DANDURAND: This Bill has for its object the placing at the disposal of the public in general of a method by which the Registrar will be seized of any information that can be furnished him as to the operations of those big institutions.

Hon. Mr. FOWLER: No matter how frivolous?

Hon. Mr. DANDURAND: If the complaints are frivolous, he will decide so himself without even turning to the parties that are mentioned or accused.

Hon. Mr. FOWLER: How can he tell that they are frivolous?

Hon. Mr. DANDURAND: He will, because he is a man of experience, or is supposed to be.

Hon. Mr. FOWLER: He must examine the books.

Hon. Mr. DANDURAND: He must go to a certain extent, and to that extent he will from his own judgment. If he supposes for a moment that there is no serious complaint, no offence, he so reports to the Minister, and that ends the matter. But if he finds that there is substance in the accusation he goes further. When he has his record complete, and is in a position to say that he really believes that this system of operation should be investigated further, he reports thus to the Minister, who appoints a Commissioner.

Hon. Mr. FOWLER: You have not yet told me why.

Hon. Mr. DANDURAND: Of course the parties may, before the Commissioner, obtain a favourable report; but they have been put to certain expense, certain trouble, and certain worry; yet they would be put to all that worry if it suited a citizen, one citizen in six, to walk to the court house and make an affidavit.

Hon. Mr. FOWLER: I say no, because no responsible judge would under those conditions grant an order for an investigation against a supposedly reputable firm or organization. The complaint or accusation must be made by a responsible citizen, and that responsible citizen would be mulcted in damages and costs if he did not succeed in his contention. I take the same position with regard to the six citizens. It does not matter whether there are six or sixteen, they ought to stand on the same ground; that is all I ask. I am with the honourable leader of the Government, and with this legislation this far —that Parliament should take the right to investigate combines; and combines should be destroyed, because they are against the public interest. But I say that an organization that is attacked has also some rights in this country, or should have.

As I have said before, it is very important for the welfare of this country, very important for everybody living in Canada—for labour, for all the people, whether they work with their hands or their brains—that those organizations should exist, and that business should be carried on. Do not let us give an opportunity to persons who, from spiteful motives, and without any danger of incurring costs to themselves, may bring accusations against corporations that are carrying on their business properly. If the question of costs comes in, and if those people know that in case their action is shown to be frivolous—as in their hearts they know it is—they will have to pay for it, they will be deterred from so acting. I say that the business of this country is its very life-blood. If business were not carried on we would all starve—the lawyer, the doctor, the merchant, the labouring man; nobody could exist unless we had business in the country; and are we going to destroy the business interests by allowing irresponsible people to start accusations without any responsibility for them? It seems to me such legislation is perfectly damnable.

Hon. Mr. ROBERTSON: May I say a word in connection with this, to call the attention of the leader of the Government to a suggestion which I think I made a couple of days ago when this same question was under consideration? It is substantially the same suggestion as the leader on this side of the House has made to-night. I think it is true that the Registrar in his official capacity would be equivalent to the judge referred to by the honourable member from Sussex (Hon. Mr. Fowler) and by the leader of the Government in the analagous case referred to. That is to say, there would be no substantial costs placed upon the combine, or the parties against whom the complaint might be laid, until the Registrar had reached the conclusion that it was a matter fit for investigation. But if the Minister, upon the recommendation of the Registrar, determined that an investigation should be held, and it was held, then if the investigation proved that the complaint was not well founded the parties complained against should be relieved of costs. I respectfully suggest to the leader of the Government that the practice that obtains in Exchequer Court cases might well be applied to the administration of this Act.

Hon. Mr. BELCOURT: The Exchequer Court security is very small.

Hon. Mr. ROBERTSON: It should at least go to that extent.

Hon. Mr. BELCOURT: You can appeal from a judgment of the Exchequer Court or the Supreme Court for $50.

Hon. Mr. ROBERTSON: I was referring to costs.

Hon. Mr. BELCOURT: I mean as to costs. Section 5 was agreed to.

Hon. Mr. FOWLER: You are opening the door for blackmail of the worst kind.

The preamble and the title were agreed to.

Hon. Mr. FOWLER: The preamble should be changed, and it should be called, "an Act for the Blackmailing of Business in Canada."

Hon. Mr. ROBERTSON: Did I understand the honourable leader to say that he had an objection to section 22?

Hon. Mr. DANDURAND: A considerable objection is taken to section 22 because it says:

> Within fifteen days after its receipt by the Minister the report (other than an interim report) of any Commissioner shall be made public, unless the Commissioner is of the opinion that the public interest would be best served by withholding publication and so states in the report itself, in which case the Minister may exercise his discretion as to the publicity to be given to the report in whole or in part.

It has been represented by some honourable gentlemen that there was no clear expression of restriction as to secrecy of officers, to prevent them from communicating any document or information to the public. I take it for granted that the business of the Registrar being conducted in private, it is implied that secrecy will bind the Registrar and the Commissioners. Although I was disposed to accept an amendment to section 22, if it is thought that the terms of section 19 sufficiently direct the Registrar and the Commissioners to maintain secrecy as towards the public so long as the investigation is private, that amendment would be unnecessary.

Hon. Mr. FOWLER: Why do you not start with the six men who set the ball in motion? They are not bound to secrecy; they can yap the whole thing over the country.

The Bill was reported as amended, and the amendments were concurred in.

THIRD READING

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

The Bill was read the third time, and passed.

BANKRUPTCY BILL

FIRST READING

Bill 139, an Act to amend the Bankruptcy Act.—Hon. Mr. Dandurand.

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

THE SENATE

Friday, June 1, 1923.

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

Prayers and routine proceedings.

ADJOURNMENT OF THE SENATE

MOTION

Hon. Mr. DANDURAND moved:

That when the Senate adjourns to-day, it do stand adjourned until Tuesday, June 12, at 8 p.m.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Bill P5, an Act for the relief of Abraham Brooks.—Hon. Mr. Willoughby.

Bill Q5, an Act for the relief of Jane Edna Near.—Hon. W. B. Ross.

Bill R5, an Act for the relief of Clara Welleena Bristol.—Hon. Mr. Ratz.

Bill S5, an Act for the relief of Emma Jean Walker.—Hon. Mr. Blain.

Bill T5, an Act for the relief of Ella Maud Gee.—Hon. Mr. Turriff.

Bill U5, an Act for the relief of Enid Louise MacDonald.—Hon. Mr. Blain.

Bill V5, an Act for the relief of Mary Theresa MacIsaac.—Hon. Mr. Willoughby.

SECOND AND THIRD READINGS

Bill M5, an Act for the relief of Thomas Benjamin Brown.—Hon. Mr. Bennett.

Bill N5, an Act for the relief of Elva Burnside.—Hon. Mr. Ratz.

Bill O5, an Act for the relief of Alfred Thomas Candy.—Hon. Mr. Ratz.

THIRD READINGS

Bill J5, an Act for the relief of Cecilia Maria Taylor.—Hon. Mr. Ross, Middleton.

Bill L5, an Act for the relief of William August Kruger.—Hon. Mr. Green.

PRIVATE BILL

FIRST READING

Bill W5, an Act respecting The Patent of Austin A. Holbeck.—Hon. Mr. Willoughby.

CANADA SHIPPING BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 166, an Act to amend the Canada Shipping Act.

Hon. Mr. Taylor in the Chair.

Section 1 was agreed to, the preamble and the title were agreed to, and the Bill was reported without amendment.

THIRD READING

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

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

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

THE SENATE

Tuesday, June 12, 1923.

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

Prayers and routine proceedings.

CANADA TEMPERANCE BILL

TELEGRAM FROM ATTORNEY GENERAL OF BRITISH COLUMBIA

The Hon. the SPEAKER informed the Senate that he had received the following telegram:

Please assure the honourable body over which you preside that my letter of sixteenth January to the late Solicitor General, which was intended as a personal communication, was not intended to cast any imputation or reflection upon the Senate or upon Parliament of Canada. If the language used can by any possible construction carry such a reflection I regret it. It was not so intended, and so far as language used can by any construction reflect on probity of Parliament the same is unequivocally withdrawn.

(Signed) A. M. Manson,
Attorney General.

JUDGES BILL

FIRST READING

Bill 201, an Act to amend the Judges Act.—Hon. Mr. Dandurand.

APPROPRIATION BILL No. 2

FIRST READING

Bill 202, an Act for granting to His Majesty certain sums of money for the Public Service of the financial year ending 31st of March, 1924.—Hon. Mr. Dandurand.

SECOND READING

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

He said: Honourable gentlemen, to-day is the 12th of June, and as the cheques for the Civil Service will be needed for the 15th, if there is no objection, perhaps we can take the three readings of the Bill this evening, so that if the Deputy Governor is ready to come down to-morrow it will be at his disposal.

I move that the rules governing the reading of Bills be suspended so that we may take the second reading now.

Hon. Sir JAMES LOUGHEED: I suppose my honourable friend is moving the second reading on the distinct understanding that obtained when other interim supply bills were passed, that it will be subject to any discussion or exception which may hereafter be taken when the Supply Bill in its entirety is brought down.

Hon. Mr. DANDURAND: Yes. I may inform my honourable friend that the Bill does not cover even the sum of $500,000 that has been mentioned for a new public building in Ottawa.

Hon. Sir JAMES LOUGHEED: Is provision made to carry out the purchase of the Paris hotel?

Hon. Mr. DANDURAND: I have not followed very closely what has taken place in the other House; but, from my reading of the newspapers, I understand that there has been no money disbursed.

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

THIRD READING

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

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

REPORT OF LAKE FREIGHT COMMISSION

DISCUSSION AND INQUIRY

Hon. W. B. WILLOUGHBY rose in accordance with the following notice:

That he will call the attention of the Senate and of the Government to the report of the Commission which investigated the combine of shipping on the Great Lakes, and will inquire what steps are to be taken by the Government.

He said: Honourable gentlemen, the inquiry of which I have given notice relates to the report of the Commission appointed by the Government to investigate the alleged combine on the Upper Lakes. This report has been filed, but unfortunately it has not been printed, and I suppose many members of the House have not had an opportunity of perusing it. The report is a very exhaustive and illuminating one, covering 90 pages, exclusive of the evidence. I trust the Government at some later date will order the printing of the evidence as well as of the report. The Chairman of the Commission was Mr. McLean, Assistant Chief Commis-

sioner of the Railway Board, a gentleman whom I, and those who had the opportunity of seeing his work, regard as one of the most competent investigators of transportation rates in Canada. His work has been peculiarly valuable for very many years. The other members of the Commission were Mr. Thompson, a legal gentleman from Saskatchewan and a former member of the House of Commons, and Mr. Tremblay of Quebec, both men of high character.

The Commission originated, as you know, because of the accusation made publicly all over Canada, particularly in Western Canada, that there was a shipping combine on the Great Lakes. That statement was very strongly denied, but it has now been authenticated. The Commission had to proceed under the powers of the Criminal Code to find out whether there had been undue restraint of trade, and they have reported that there was a combine and discrimination as between shippers, and they have also made other findings with which I will deal very briefly.

We had a commission appointed by the former Government for the purpose of investigating the grain trade in the West, to which I merely wish to make passing reference. You will remember that its operations were stopped for a time by injunction, but that it was later held that certain of its powers were perfectly valid and intra vires. Unfortunately the present Government did not see fit to continue that commission; but that there must have been some real grievances to investigate is demonstrated by the fact that the Government has appointed a new commission for the purpose, which will commence work somewhere about the end of this month. This commission will deal with the grievances of the grain-growers before their grain reaches the head of the Lakes.

The Lake Rates Commission which has made its report was to deal with the handling of grain after it had passed on shipboard. The question of the farmers of the prairies getting the uttermost farthing out of their grain is a very important one. They have to deal in a world market, and cannot pass on to the purchaser across the Atlantic any extra burden of cost. If there is an undue discrimination, they themselves have to pay it, whether it be in higher freight rates or extra tolls, and they are to that extent the losers. The province of Saskatchewan, from which I come, more than any other province in Canada, is interested in seeing that the farmer gets the last farthing out of his grain. Saskatchewan produces as much wheat as all the rest of Canada, and is situated farther inland than any other province. Between it and the head of the Lakes we have Manitoba; and west of us is Alberta, which is developing a grain-shipping route by way of the Pacific ocean. If the mountain rates were abolished and the cost of shipment to the Pacific coast were as low as it is to the head of the Lakes, in good years, such as last year, assuming that there were the necessary facilities at the coast, practically all the grain in Alberta would go in that way, as well as much of that of Saskatchewan, under normal conditions. The Government has, very wisely and properly, I think, placed in the Estimates a considerable appropriation for enlargement of the terminal elevators at Vancouver. Provision is made for betterments and for an additional capacity of $2\frac{1}{2}$ million bushels. In certain seasons the grain might suffer to some extent because of the long journey around by the Panama Canal to the European markets; but I have no doubt that in the future, when there are adequate facilities for receiving the grain and handling it properly, the Pacific route will develope to a very large extent, and its development will proportionately lessen the strain now experienced every year at the head of the lakes in handling our grain.

I know there are certain honourable gentlemen opposite, one in particular, who think we have no great advantage in the Hudson Bay route. I see the honourable gentleman smiles, in pleasant assent, I assume, to that proposition. The Hudson Bay route in any event will come sooner or later. All political parties in Canada and their leaders are absolutely committed to the continuation and development of the Hudson Bay route. But we are interested now, not in the ultimate development of that route, but in the conditions at present existing for the shipment of our grain via the head of the lakes and by the Pacific.

I am not going to dwell on this matter at very great lenght, because those who are interested in it, if they will read the findings of that Commission, will find in the Report a very full and illuminating discussion of the handling of our grain. I know that many people do not appreciate the fact of the distance that we are from the seaboard. Our competitors in the grain business, with a few exceptions, are more favourably situated geographically than we are. One of our great competitors is the Argentine. In the old days Russia was a great competitor. In the Argentine the grain is grown and shipped at an average distance of 400 kilometers—250

miles, or less—from the seaboard. In Russia the grain shipped to European and other foreign markets has come to a large extent from Odessa—from the grain district north of the Black Sea. In India the grain came from Karachi and other points, and only a comparatively short rail haul was required.

Winnipeg is 400 miles from the head of the Lakes—Fort William and Port Arthur. Moose Jaw, which is a fairly central point in Saskatchewan, is 400 miles farther. Calgary is 440 farther again. I am quite safe in saying that the average grain haul from Saskatchewan, the big grain province, is between 800 and 900 miles. Both in the north of the province and in the south that distance is exceeded. From the central parts of Alberta, also, the average haul is 400 or 500 miles farther. So you begin to realize the distances that the people of the prairies have to send their grain before it reaches, not the seaboard, but the head of the Lakes. That being the case, they are very keenly interested in the question of rates.

I am not going to discuss the tariff in this connection, but I do think that the question of railway rates and two or three other things are infinitely more important to the farmers of the prairies than anything else.

Now let us look for one moment at the competing conditions. I will give you only one illustration, and that is from the Argentine, a very keen and large competitor in the English market. Through the courtesy of the Trade and Commerce Department here, I have procured some information regarding the Argentine. This is dated June 16, 1922, and is the latest report I could get. The present rate on cargoes of wheat from Buenos Aires to the United Kingdom is 25 shillings per ton. I have figured out that the average ocean rate to Great Britain or to the continental ports of Amsterdam, Rotterdam, etc., would at that time be only 16¼ cents per bushel, and the average railway rate would be 13¼ cents. That would make 29½ cents. I do not know what is the present rate from the port of Montreal to the European markets but very recently it was 12 cents a bushel. Taking both the northern and the southern route, the distance would not average more than 3,000 miles, whereas the distance from the Argentine is over 6,000 miles, or more than double. A ship could make two trips from Montreal for every one it could make from the Argentine; yet the rate from Montreal was 12 cents while that from the Argentine was 16¼ cents.

As to railway rates I do not think anyone who is familiar with the question will say that at the present time they are higher in Canada than are profitable to the railways. In any event I am ready to concede that the rates, which have been investigated—and I have followed the investigations—are lower on the Canadian Pacific and on the Canadian Government system of railways in Northwestern Canada than the rates from corresponding points in Minnesota, the Dakotas, and Montana; but the quantity of grain shipped from corresponding points in Montana and the western part of North Dakota is a mere bagatelle compared with the quantity shipped from Saskatchewan or Alberta. In other words, the great grain trade in the United States lies very much nearer their ports, like Duluth, for Minnesota is a great grain state, as you all know, and there is not the long haul that there is in the Canadian Northwest from Winnipeg to the head of the Lakes, through an area which is practically barren of production of any kind. Therefore the great bulk of the United States grain does not cost so much money to ship as the settlers in the Canadian Northwest have to pay, although the present rate per mile on the Canadian Pacific is lower in Saskatchewan, Alberta, and Manitoba than the corresponding rate in the United States.

Hon. Mr. BEIQUE: How much lower is it?

Hon. Mr. WILLOUGHBY: I have not the rates before me at present, but it is appreciably lower.

Hon. Mr. ROBERTSON: About 30 per cent.

Hon. Mr. WILLOUGHBY: But it has to be lower yet. The putting into force of the Crow's Nest Pass Agreement has been discussed in this House, in another place, and throughout the country. There is no doubt that the renewal of the Agreement was of very great assistance to the farmers of the Northwest last year, but the rates given under the Crow's Nest Pass Agreement are not as low as the rates that were enjoyed by Manitoba, Alberta, and Saskatchewan prior to 1918. In other words, the railways themselves gave a better rate than is provided under the Crow's Nest Pass Agreement. It is a fact that we have gone only as far back as the Crow's Nest Pass Agreement, and that the rate is still one that the farmer is not able to bear. I am not a prophet of evil. I have little sympathy with those who slander Western Canada. I have absolute faith in its future. It is passing through an ordeal, and undoubtedly trying times, but I have no doubt that it will right itself yet. Crop conditions in Western Canada are favourable for this year. Granted certain things that this Parliament can do, I look for the return of old-time prosperity and old-time optimism. There is out in the West

a great deal that is wrong and that no Parliament can legislate on. It is only socialists who expect this Parliament to redress certain of our disadvantages.

Coming now specifically to the Report of the Commission, we find that the rates were discriminatory. We all know that in railway transportation there is no discrimination in rates. The Railway Commission fixes the maximum and the minimum rate. The Commissioners in this case have reported that in their judgment it was not possible to apply the same principle to steamboat transportation. For many reasons the rate must be left largely within the range of competition in shipping. I think that is a reasonable conclusion. But the Commissioners have suggested that there should be a maximum rate, and if you look at the Report you will find that there has been a great deal of discrimination as between shippers. I am going to give a few illustrations taken from the Report. These figures all relate to the fall of 1922. On October 31 there were rates of 4 cents and 6 cents; on November 2, a rate of 9 cents per bushel; on November 10, a rate of 5 cents and a rate of 8 cents; on the 12th, rates of 8 cents and 9½ cents; on the 13th, 4½ cents, 7 cents and 8 cents; on the 18th, a rate of 10 cents; on the 21st, a rate of 8 cents; on the 22nd, rates of 5 cents and 8 cents. These are for absolutely the same distances. On the 26th there were rates of 8 cents and 10 cents.

Hon. Mr. BELCOURT: Were those different shippers?

Hon. Mr. WILLOUGHBY: No, not always different shippers. In some cases the same shipper has been given different rates. That was brought out in the evidence before the Commission.

Hon. Mr. BELCOURT: There would be no evidence of discrimination to the same shipper.

Hon. Mr. WILLOUGHBY: Oh, yes. There might be a discrimination in two rates. There would not likely be discrimination to the same shipper; but two shippers who offered their wheat on the same day might be quoted two different rates for the same boat.

Hon. Mr. CASGRAIN: Can the honourable gentleman tell this House at what dates the contracts were made for the space? I do not want to interrupt, but I would ask the honourable gentleman to make that clear. It often happens that on the same ship different lots of grain are carried at different rates, because some people have contracted for space at a certain figure, and at another time other people have contracted at another price. That is how the difference is accounted for.

Hon. Mr. WILLOUGHBY: There is no doubt that some of the shippers contracted long in advance. For instance, Mr. Stewart, who gave evidence before the Commission, contracted for a considerable amount of space a very long time ahead. But in the evidence before the Commission it was brought out that on the same day, not for contracts made long in advance, but for fresh contracts, different rates were quoted to different people. That is the point as to which, I think, the honourable gentleman asked specifically. I can quite understand the propriety of the rates being not absolutely uniform, because a certain shipper may have made his contract for a considerable amount of space a long time in advance, and from various causes the rates may have gone up or down in the meantime. The Commission do not say that the shipping rates should be uniform, although, a uniform rate is applicable to railways. They say that a uniform rate may not properly be applicable to shipments by boat, but that there ought to be a maximum rate.

The Commission deal also with the question of insurance. The average person who does no shipping at all would assume that when he put his goods on shipboard he would have a perfect right to insure them in his own way, for little or for much, at whatever rate would obtain. But not so on the Great Lakes. The Commission has found specifically, in several instances, which are given, that the shipper had to pay for insurance exactly twice the rate for which the insurance could be obtained elsewhere. Illustrations of this are given in the Report. The ship-brokers in Winnipeg are all in a combination. They control about 90 per cent of the shipments, and if you are not willing to place your insurance on the cargo with those brokers, who procure you space in the boats, you cannot ship at all. That is a rather an amazing fact. Anything shipped across the Atlantic or the Pacific, other than grain, you can ship at your own risk if you wish, or you may insure at the best rate you can get.

Hon. Mr. BELCOURT: Does my honourable friend contend that the rates on boats should be the same the year round, as the rates are on railways, for instance.

Hon. Mr. WILLOUGHBY: No, I do not. What I have said is that I agree with the finding of the Commission in that respect—that there should be a maximum rate.

I now return to the question of insurance. It is not my assertion, but is the finding of the Commission, that a shipper cannot place his own insurance. I have heard that charged for very many years—that you could not place your own insurance on grain on the Great Lakes; and when, a couple of years ago, we had a special committee of this House inquiring into the shipment of grain by the port of Quebec, I asked a very distinguished gentleman who appeared before that Committee, and who was a very important official of one of these companies shipping at the head of the Lakes, if it was not the case that the shipper was not at liberty to put his own insurance on his own grain.

Hon. Mr. CASGRAIN: That is right. Nobody denies it.

Hon. Mr. WILLOUGHBY: Well, he did deny it. I do not want to bring his name into this discussion, because it does not necessarily arise, but he did deny the assertion that had been made. The Commision recommends that the shipper should have the right that he has with everything else, of placing his own insurance wherever he likes, and at whatever rate he likes.

There is another phase of the matter. The Commission finds not only discrimination in rates and very arbitrary dealing in connection with insurance, but also that our Canadian shipping on the Great Lakes favours American ports as against Canadian ports that it discriminates against Canadian ports. It gave rates to Buffalo and to Port Colborne cheaper than to Georgian Bay ports at times, and a boat would, I take it, make two trips by the Georgian Bay route while it would make one trip to Port Colborne or to Buffalo.

The rate last year was a high one. In a recent discussion in the House some honourable gentlemen quoted Mr. Bracken, the head of the Manitoba Government, as saying that the farmers had suffered the loss of $20,000,000 this year by the high rate.

Hon. Mr. CASGRAIN: But the total trade was only $12,000,000.

Hon. Mr. WILLOUGHBY: I think that was a rather excessive estimate. However, the Commission made the finding that in 1921 the average rate per bushel from Port Arthur to Port Colborne was 2.85 cents, whereas last year it was 4.05 cents, or an increase of 42 per cent. That is a very substantial amount. They also find that there were shipped at the head of the Lakes about 275,000,000 bushels of grain, 55 per cent of which went to American ports and the balance to Canadian ports. But the shipowners say: "We have not made any money." I do not know whether they have or not; but I do know that the farmers lost money by reason of the increased rates, and I know that the Commission reports that the Canadian boats made more money out of their purely Canadian traffic than they did out of their international traffic. As you all know, our Canadian boats carry grain from American ports to Buffalo and Port Colborne and the Georgian Bay ports; and it has been contended for many years that the Canadian ships on the Upper Lakes cannot be profitably operated because they have not got return cargoes of coal. I am not here to try to make out a case for anybody, but I am here to endeavour to put the facts fairly as I understand them, and I dare say that may be true; but I do think it is an advantage to the American shipping to have a return cargo. But, after all, the Commission has investigated the quantity of coal taken back, and I was somewhat astonished to learn that the ships went back loaded only to the extent of 20 or 30 per cent.

Hon. Mr. CASGRAIN: That pays the expenses going back.

Hon. Mr. WILLOUGHBY: No doubt it helps, and I do not contend that it is not an advantage. It would be an advantage to Canada if we had return cargoes. But the Commission finds that the average earning per hour of boats engaged in purely Canadian grain trade, that is, from one Canadian port to another, is $42.02, and the average earning in international trade is $24.07.

Hon. Mr. BEIQUE: Does this apply both ways?

Hon. Mr. WILLOUGHBY: Yes, because among other things the Canadian boats are more cheaply manned than are the American boats. The American boats have an eight hour shift, with three crews a day; we have two shifts.

Hon. Mr. BENNETT: They have higher wages.

Hon. Mr. WILLOUGHBY: Yes. The companies may or may not pay large dividends.

Hon. Mr. CASGRAIN: They do not pay any just now.

Hon. Mr. BENNETT: 42 per cent.

Hon. Mr. WILLOUGHBY: Some people get very great advantages out of them. The

Commission investigated the cost to the companies of some of the boats, and what was the fixed value of their assets. Let me give you a quotation from the report. One of the companies was putting a flotation on the market and the law, I suppose in every province in Canada, provides specifically that the representations made in prospectuses must be true. That prospectus contained a letter of the president of the company, which said:

> The net earnings, after deducting depreciation, for the year ending December 31st, 1921, exceeded five times the amount required for interest on this issue.

Five times the amount required for interest on the issue would be $350,000; but in Exhibit No. 329, which was put in as part of the evidence of the company, it is stated that the net earnings of 1921 were only $133,974.39. No satisfactory explanation of this astonishing difference is tendered.

Hon. Mr. CASGRAIN: They were shy.

Hon. Mr. WILLOUGHBY: There is another illustration of the same kind. On examination of the assets of the companies we may find that some of them were very greatly overestimated. In fact, material has appeared publicly more than once showing gross overvaluation of many of the ships on the Upper Lakes. But I pass on.

Hon. Mr. BENNETT: Let us have it.

Hon. Mr. WILLOUGHBY: There was a similar representation in the prospectus of another company as to the amount they could pay as a dividend on their earnings. The discrepancy is equally great.

The Commission has found that there is a combine.

Hon. Mr. CASGRAIN: Like the Wheat Board.

Hon. Mr. WILLOUGHBY: Like the Wheat Board, perhaps. They make a specific finding, and they make certain recommendations. They suggest that the dates of sailing of all boats, the space open to charter, and the destinations, should be posted up daily in the ship-brokers' offices. I do not know why the vessel-owners should not employ their own brokers, as railway companies employ their own freight solicitors who go to people and solicit business. The vessel-owners could employ their own brokers and pay them themselves, and shippers could place their insurance where they saw fit. The vessel-owners could fix any rate they saw fit for the transportation of grain, subject to the maximum recommended by the Commission. It appears from the evidence that at the present time the farmer sells to a grain-buyer in Winnipeg or at the head of the Lakes or somewhere else, and it is the shipper or grain-dealer who deals with the ship-owners.

Hon. Mr. CASGRAIN: The speculators.

Hon. Mr. WILLOUGHBY: Speculators, many of them. The shippers, as set out in the evidence given before the Commission, are unable to go to the ship-brokers and find what space is available, the dates of sailing, and the destinations. If they get all that information they are obligated to place their insurance with the shipping agent at twice what it would cost to place it elsewhere.

Hon. Mr. CASGRAIN: I do not want to interrupt the honourable gentleman, but I would like to know where in the report he finds that statement.

Hon. Mr. BENNETT: It is in the sworn evidence.

Hon. Mr. CASGRAIN: I do not want to disturb the honourable gentleman—

Hon. Mr. WILLOUGHBY: It does not disturb me at all. If you look at table 19, page 65, which I have taken the trouble to extend somewhat, I think you will find it. These are the rates per $100:

Period	Trough Vessel Broker	Written Direct
April to November 30th..	30 cents	15 cents
December 1st to December 5th	$1.00	50 cents
December 6 to December 8. ..	1.25	50 cents
December 9 to December 10 ..	1.50	75 cents
December 11 to December 12..	2.00	$1.00
After December 12..	2.50	1.25

Mr. Bawlf, one of the leading grain merchants of Winnipeg, stated in evidence that he wanted to place his own insurance, and could do it at half the rates charged by the shipping brokers.

Hon. Mr. CASGRAIN: Yes. Brokers offered that when they had no insurance to do it.

Hon. Mr. WILLOUGHBY: Oh, but they did. If I am not mistaken, Mr. Bawlf got insurance elsewhere. However, I have given you my authority for making the statement.

We had the Government Merchant Marine. I understand now that it is the intention of the Government to let some 27 of the vessels of less than 5,000 tons go. I say this subject to correction. I wrote to the authorities of the company, and they were kind enough to supply information as to the tonnage they used on the Upper Lakes and on the ocean during the year 1922, and the number of bushels they transported. On the Upper Lakes in 1922 they had the following boats:

Adventurer, Engineer, Pathfinder, Sailor, Signaller, Sower, Trader, Warrior. These were placed on the Great Lakes on October 11, 1922, and operated until December 7, 1922, and carried 3,193,159 bushels of grain.

Hon. Mr. CASGRAIN: Did they charge any less than the other boats?

Hon. Mr. WILLOUGHBY: I do not believe they did.

Hon. Mr. BENNETT: No, the Government put them in the combine.

Hon. Mr. WILLOUGHBY: I will have a word to say on that too. In 1923 they again had several boats on the Upper Lakes. In 1922 they had general cargo ocean boats taking grain to Great Britain and the continent. These were the following: Aviator, Carrier, Challenger, Commander, Conquer, Constructor, Cruiser, Explorer, Leader, Mariner, Miller, Navigator, Otter, Pioneer, Raider, Rancher, Ranger, Runner, Seigneur, Squatter, Spinner, Trapper, Trooper, Victor, Volunteer, Voyageur. They carried to Great Britain 12,247,347 bushels, and to the continent 623,952 bushels.

They had also a number of boats on the ocean transport in 1923. I will not trouble you with the names of those vessels. They carried to Great Britain 4,136,856 bushels, and to the continent 759,417 bushels.

The honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) has asked me whether the Government Merchant Marine gave more favourable rates than the other boats. From all I have been able to find, they were directly represented in the combine meetings. The boats were never put on the ocean or on the Great Lakes by the people of Canada for that purpose; and why those of less than a certain capacity are being sold I do not know. I do not want the Government Merchant Marine to institute or cut rates that will leave nothing for anybody else. I believe in the shipowner being given reasonable compensation for his services, and a reasonable return under normal conditions on his real capital investment, after squeezing out the water.

Hon. Mr. CASGRAIN: Did the Government Merchant Marine make a profit even at those rates?

Hon. Mr. WILLOUGHBY: I do not know.

Hon. Mr. TURRIFF: The officers did.

Hon. Mr. WILLOUGHBY: I cannot substantiate my statement, but I am inclined to believe that they made a profit on the grain, both on the lakes and on the ocean. It is true that they did not make a profit on the whole of their operations.

Hon. Mr. BEIQUE: They paid too much for their vessels.

Hon. Mr. WILLOUGHBY: It is possible. They were constructed when the cost of shipping was excessive. They are trying to pay interest on a capitalization based on war time construction costs, and will always be up against very great difficulty.

Hon. Mr. CASGRAIN: They lost on the mere operation, let alone overhead.

Hon. Mr. WILLOUGHBY: But the fact that the Canadian Merchant Marine lost money in 1922 in no way proves the proposition that they lost money in the shipment of grain either on the lakes or on the ocean.

It is perfectly clear from the evidence given before the Commission that when the weekly meetings of the representatives of the different shipping lines took place in Montreal or New York, the representatives of the Government Merchant Marine sat in at those meetings, and there was a gentleman's agreement made. I know that is not confined to shipping alone; but I know of no reason why the Government's should sit in and hear the discussion of rates of line companies. I think it would be very interesting to know, and I think the Government would be warranted in finding out, whether money was lost by the Canadian Merchant Marine in the transportation of grain alone. I know that the transportation of grain in Northwestern Canada is the most profitable thing they have. It furnishes very much the greater volume of their traffic, and it is the more lucrative end of it. As to shipment across the ocean, we know that grain is one of the very best kinds of ballast. The liners like it, as we know, and when the rates are reasonably attractive tramp vessels come in. They are always found on the North American coast. Grain is one of the cheapest and safest and most easily handled kinds of ballast that a vessel can have, and I do not think there is any justification for the grain rates from Montreal being higher all the time than the rates from New York. The rates from that American triangle are better than the rates from Montreal. Incidentally in that connection, there is one thing that I think the Government ought to do. We know that the rates of marine insurance in the Gulf and on the St. Lawrence are higher than they are from United States ports.

Hon. Mr. CASGRAIN: Always.

Hon. Mr. WILLOUGHBY: I know that Governments have already investigated that. There was talk at one time of forming a Canadian Lloyds. I think it would be quite legitimate for the Government to expend a sum of money in compensating the Canadian ship-owners and equalizing the rates from Montreal and Quebec with the rates from the American ports, making it a charge on the general revenues of Canada.

To proceed further with the report. The Commissioners have found that there is a combine. I have already said all I wish to say in that connection. They have shown a very wide spread of rates in the fall of 1922. Again I apologize for reading some of the figures, honourable gentlemen. I read them because the report is not at present accessible to everybody. The Commission, in table 9, on page 31 of their report, give some of the rates charged by the boats on grain from September 1st up to the close of navigation in 1922, and they give the number of bushels that are carried at these respective rates, and the percentage of the whole. Here are some of the figures:

Rate	Bushels	Per cent of total bushels
3..	5,282,000	22.1
3⅛..	488,000	2.0
3½..	799,000	3.3
3¾..	217,000	....
4	6,546,000	27.4
4½..	641,000	2.7
4¾..	505,000	2.1
5	1,443,000	6.0
5½..	1,450,000	6.1
6	1,074,000	4.0
6½..	74,000	....
6⅞..	131,000	....
7	442,000	1.7
7½..	272,000	....
8	3,305,000	13.8
9	500,000	2.1
9¾..	111,000	....
10	380,000	1.4
11	151,000	....
Total..	23,821,000	

They say, in conclusion, in that part of the report, that 22.8 million bushels, or 85 per cent of the total, are covered by the rates whose bushel percentages have been extended. So we find the rate spreading from 3 cents up to, in one instance, 22 cents, if I remember rightly.

Hon. Mr. CASGRAIN: For 36,000 bushels.

Hon. Mr. WILLOUGHBY: It would not be a typical shipment at all. But these rates, from September 1st, do run from 3 cents to 11 cents.

Hon. Mr. CASGRAIN: The honourable gentleman has already said that the average throughout the summer was 4.05 cents.

Hon. Mr. WILLOUGHBY: Yes, that is right; because a very large amount of the shipments in the early part of the year were at from 3 to 4 cents; but towards the end of the season, even before the close of navigation, you find the rates gradually mounting up until they get to 9, 10 and 11 cents.

Hon. Mr. CASGRAIN: They do not mount in proportion to the increase in insurance at the end of the season.

Hon. Mr. WILLOUGHBY: I do not know when navigation closed last year. I know that after the formal close of navigation boats still run at the owners' risk. I do not know on what terms it is possible to get insurance. But allow me to say to the honourable gentleman from De Lanaudière (Hon. Mr. Casgrain) that these rates that I have quoted are the rates, not to the close of shipping, but to the close of navigation. So we find a very large quantity of grain shipped at rates of 6 to 11 cents while navigation is still open. The people who got their grain down late last year certainly had to pay a very exorbitant rate, whereas those who were fortunate enough to get it down earlier in the year had a rate of 4.05 cents on the average, or up to 5 cents, which was not so exorbitant.

I have already stated to you that the spread in rates between the preceding year and last year was, I think, 42 per cent. The Commission finds that there was no such increased cost in the operation of the boats in 1922 over 1921 as would warrant that increase.

Hon. Mr. CASGRAIN: There was no demand for space the year before, because there was a very light crop.

Hon. Mr. TURRIFF: Oh, no, that is not right.

Hon. Mr. WILLOUGHBY: I fancy the demand for space was not so good. That is the very thing that the farmers blame on those people, that once there is a congestion they immediately jump up the rates.

Hon. Mr. CASGRAIN: Because there is an increased demand. It is the law of supply and demand.

Hon. Mr. WILLOUGHBY: I grant you there was undoubtedly an increased demand last year over 1921, but if the report of this Commission is acted upon and the Government fixes a maximum rate, which should not be an excessive rate, then it will have to fluctuate between that fixed rate and the lowest rate that the vessel owner is willing to take. I hope that no Government, or no Commission

appointed by this or any other Government, would ever dream of fixing a rate of 8, 9, 10 or 11 cents a bushel, during navigation, for the hauling of grain between those ports.

Hon. Mr. BEIQUE: Might not the fixing of a maximum rate cause very serious congestion? Might not people wait to take advantage of the low rate to ship their grain?

Hon. Mr. WILLOUGHBY: I do not apprehend that that condition would arise. If you follow the rates year in and year out you know that they are lower in the springtime than later on. It is in the fall that the rates begin to mount rapidly, from the month of September, usually, or from the month of August. The rates later in the year would undoubtedly be higher than in the springtime.

Hon. L. C. WEBSTER: May I ask the honourable member how he would compel the steamship companies to carry grain at a fixed rate?

Hon. Mr. WILLOUGHBY: I do not know that you could compel them at all, and that is one reason why I would not sell our Canadian shipping, the Government Merchant Marine. I think the Government should retain it, so that we might have ships owned and operated by Canada for the purpose of preventing any such catastrophe as that of the ship-owner saying, "We will not ship your grain."

Hon. Mr. McMEANS: We might change the coasting laws.

Hon. Mr. WEBSTER: If the rate is too low, will not the boats go elsewhere rather than carry Canadian grain?

Hon. Mr. WILLOUGHBY: I do not think so. If we are to believe the report of the Commission, the Canadian vessel-owners made more money this year in the purely Canadian trade than they did in international trade. As every vessel-owner knows, much better than I do—for he knows in practice and I know it only as a student of this matter—the competition is much keener in the American ports than in the Canadian.

As to our coasting laws, I frankly say, as I said in the House incidentally in another connection the other day, I would not abrogate them altogether if the Americans did not reciprocate. I would not give them the unrestrained right to use our harbours and all our facilities and our coast waters if they would not give us something in return.

Hon. Mr. CASGRAIN: And paid no taxes and no wages in Canada.

Hon. Mr. WILLOUGHBY: No, I would not do that. The Commission have not made such a drastic recommendation as that. They have recommended that the Government have the right by Order in Council to set aside, whenever they see fit, the coasting laws—in short, to suspend their operation. I can see no objection to that. The only question is, who is to exercise that right? I do not know whether it could best be exercised by the Government, or whether it should be left to some independent body such as the Railway Commission, or some body constituted for the purpose of carrying out the recommendations of this Commission. But I do think that every fall, once rates were found to be mounting to these figures, some body should have the absolute right to suspend the operation of our coasting laws. According to my understanding, in any event, it is only in the fall that there is keen competition from the American boats, and that competition is not felt to any extent in the spring or the early part of the summer. That is the recommendation of the Commission, at any rate, and it is obvious from their findings that the rate for the transport of grain is cheaper on the American side than it is on our side from corresponding points. The Commission find that the competition over there is keener, with the larger number of vessels, and the rates are lower, and if the Government or any other body had the right to suspend the operation of the coasting laws we would have keener competition here.

Hon. Mr. CASGRAIN: I would draw the honourable gentleman's attention to the fact that on the American side there is demurrage; only a certain number of hours are allowed for unloading. There is no demurrage that I know of on the Canadian side.

Hon. Mr. BENNETT: Yes, there is.

Hon. Mr. CASGRAIN: Where? Not last summer.

Hon. Mr. BENNETT: Oh, yes.

Hon. Mr. WILLOUGHBY: Demurrage was claimed at Port Colborne, according to the evidence of the Commission. What occurs at Georgian Bay ports I do not know, but I remember the evidence in connection with Port Colborne.

Hon. L. C. WEBSTER: While there may be demurrage on both sides, is it not fair to state that on the American side there is a charge for elevating, which is not always included in the rate, but which makes the rate very much the same as to the Canadian ports.

Hon. Mr. WILLOUGHBY: Do you mean at Buffalo and Toledo?

Hon. Mr. WEBSTER: Yes; an elevating charge that balances the rate. The honourable gentleman spoke of one rate being lower than the other.

Hon. Mr. WILLOUGHBY: I do not think it balances. I think that at some places they have an elevation charge. However, this fact has been brought out, not only in the evidence given before the Commission, but also by the committee of this House that investigated the transport of grain via Quebec, and heard evidence largely from grain people, that the grain will seek its easiest and cheapest outlet, and the easiest and cheapest outlet was found to be the ports of New York and Portland. Last year, 1922, we sent 55 per cent of our grain out through American channels. The aggregate cost of sending grain through our own channels must be greater than by the other route, or the grain would take the Canadian route.

Hon. Mr. WEBSTER: Why is the port of Montreal the largest grain exporting port in America?

Hon. Mr. WILLOUGHBY: I am very glad that it is, and I believe that with the extended facilities that are being provided at the port of Montreal this year, both for the loading and the storage of grain, the port of Montreal is bound to grow very largely.

Hon. Mr. WEBSTER: And also to give a cheap rate.

Hon. Mr. WILLOUGHBY: And give cheaper rates too, I think. The complaint against the port of Montreal has been, not that they were not doing all they could, but that the pressure on their handling facilities was so great that the port was congested at times. The vessel-owners make that complaint.

It has been suggested, however, as I notice by the papers, that to crystallize into law some of the recommendations of the Commission would be ultra vires of the Federal Parliament. It is said, for instance, that the fixing of the insurance rate is a matter of civil contract. I am not speaking as a lawyer, or as one who has given any legal consideration to the question, but I do not see any legal difficulty whatever to prevent the Dominion Government, which has under its exclusive jurisdiction navigation and shipping, and the regulation and control of harbours, quays, lighthouses and everything pertaining to shipping, from licensing certain vessels to transport grain, and requiring as a condition for the granting of such licenses that the vessels shall avoid any unfair discrimination and give equality of treatment to everybody as to rates, and permit everybody to insure his own grain in any way he sees fit. The threat of invoking legal action to invalidate any law of the Dominion Government is, in my opinion, a mere brutum fulmen. I think the Dominion Government should go very much further than to suspend the operation of the coasting laws under certain circumstances; they should put the regulation of the shipping rates under the Railway Board or some other Commission appointed for the purpose. This matter is vital to the people of the West. They plead for you as well as for themselves. The people of the West are generous purchasers when they have the money, and they do not enjoy to the full the commercial prosperity of the Eastern provinces. The West gains the least benefit from any system of protection, but in many cases, even where it has lost, it has been willing to make concessions for the stability of Canadian industry as a whole; and I think the East has to make corresponding concessions to help the staple industry of the West and put it again in a flourishing condition. I know that Parliament will deal generously with the great industry of the West, the raising of grain, and to help make it profitable.

I have shown the heavy rates to the English and the continental markets. The United States are more favourably situated than we are, because grain in that country is frequently above export price because of the large local demand of the milling interests. On very few occasions has the price of grain in Canada been in excess of the export price. In other words, in the United States the home consumption, relative to the production, is very much greater than it is in Canada.

Hon. Mr. DANIEL: How do prices of Canadian and Argentine grain compare in the Old Country?

Hon. Mr. WILLOUGHBY: The price of our grain is higher because it is a harder grain; but the Argentine grain is a very keen competitor. We know that London has become one of the greatest milling centres in the world. The millers of Canada say they are discriminated against in the transport of flour to the Old Country market. The Old Country miller can draw on all the grain-growing countries of the world for his grain, which puts him in a very favourable posi-

tion, and the spread between the price of the Argentine wheat and the Northwest wheat does not represent the difference in grade.

Hon. L. C. WEBSTER: Is not the price of wheat regulated by the London or the Liverpool market rather than by the price which may be charged for freight on wheat from Fort William to the seaboard?

Hon. Mr. WILLOUGHBY: If I apprehend the honourable gentleman's question, he says the price of wheat is not fixed in Liverpool in any way.

Hon. Mr. CASGRAIN: It is.

Hon. Mr. BENNETT: And that the rates do not affect it.

Hon. Mr. WILLOUGHBY: I would not accede to the proposition at all that the return value of grain in Liverpool or Rotterdam or Hamburg is not affected by the cost of shipping.

Hon. Mr. BEIQUE: It does not affect your argument.

Hon. L. C. WEBSTER: Was it the farmers who were affected by the high freight rate that existed on the Upper Lakes last season, or was it the brokers who sold the wheat?

Hon. Mr. CASGRAIN: The speculators.

Hon. Mr. WEBSTER: Or the speculators, who were forced to deliver later on?

Hon. Mr. WILLOUGHBY: The same question came before the Commission, and Mr. Stewart said the rate was reflected back to the grower.

Hon. Mr. CASGRAIN: He would say that.

Hon. Mr. WILLOUGHBY: And it is true. I would say to the question of the honourable gentleman that the broker at times might be the suffered; but I know also that the farmers of the West constantly carry their grain and borrow money from the banks and do not sell up to the last minute. The best answer I can give is that of Mr. Stewart, who is a large dealer himself.

I thank you, honourable gentlemen, for having listened to me so patiently this evening.

Hon. Mr. BEIQUE: The honourable gentleman is to be congratulated for having taken the trouble to study the work and report of the Commission. I think that when money is spent in making investigations of this kind, it is very proper that some members of this House should take the trouble, as the honourable gentleman has done, to enlighten us we regard to what has been done.

Hon. J. G. TURRIFF: Honourable gentlemen, now that this matter has been so well brought to the attention of the Government, I trust the leader of the Government in this House will see that the necessary and proper action is taken to remedy what has been proven under oath before the Commission, and to see in the future that the Government Merchant Marine and also the other boats on the Great Lakes are not allowed to discriminate between one shipper and another, or against Canadian ports in favour of American ports, and in favour of American producers as against the interests of Canadian producers. It was proven under oath, and acknowledged by the manager, that the Canadian Government Marine sat in with the other lake and ocean shippers in the North American combine, and allowed American flour, to take one particular item, to be carried from American ports to Europe at 15 cents a sack, or 15 cents a hundred, while flour, made from Canadian wheat and ground in Canada, had to pay from 18 to 19 cents. That is a difference of about 20 per cent.

I have seen it stated in the press that in all probability the Government will not do much more than provide that the coasting laws may be abrogated by Order in Council to allow American vessels to come in and operate between Canadian ports when prices on our Canadian vessels go very high. I think they should have the right to put an end to such exorbitant charges as were made last fall. Last fall the owners of the lake vessels complained that they had to charge more for carrying wheat to Canadian ports because of the time that was lost in unloading; but it was proven that the same vessels made more trips during the season of 1922 than they had made during the season of 1921.

Hon. Mr. CASGRAIN: Because they had no grain to carry. They could not make the trips.

Hon. Mr. TURRIFF: My honourable friend is wrong if he makes the statement that there was no grain to carry from the crop of 1921. There were several hundred millions of bushels to carry, and it was carried chiefly, if not altogether, by our Canadian ships—and in neither 1921 or 1922 was there much delay in unloading those vessels. There is no excuse on those grounds for the tremendous rise in the cost of bringing wheat down from the upper end to the lower end of the lakes. The cost of running a ship was considerably less in 1922 than it was in 1921, so everything pointed to a reduction of freight rates for the crop of 1922.

Hon. Mr. CASGRAIN: You forget the coal strike.

Hon. Mr. TURRIFF: But the cost was higher. As has been pointed out by my honourable friend from Moose Jaw (Hon. Mr. Willoughby), unless something is done to enable the western Canadian farmer to grow his wheat at a profit, there will not be so much wheat grown for the Canadian vessels to carry. My honourable friend from Montreal (Hon. Mr. Webster) suggested that if the price was fixed too low, the ships would not carry the freight. I remember that a few years ago ships carried millions of bushels of wheat from the upper end of the lakes to the lower end of the lakes at two, two and a quarter, two and a half, and sometimes even less than two cents, and were making money; and if the Railway Board were to deal with the matter, I do not think there would be any danger of them making the rates too low. My honourable friend need be a bit afraid of the boats standing idle, as I do not think anybody appointed to fix the minimum rates would make them so low that the boats would not be able to carry the wheat at a good profit. The Government boats stood idle last year while there were complaints from New Brunswick that there were millions of feet of lumber awaiting shipment to the Old Country; but the North American combine had made the rates, so high and they would not reduce them, that ships were tied up down in the lower provinces. We cannot expect much from the shipping combines when we find our own Government standing in with them; we cannot expect the combine to be any better than the Government; but I hope this investigation, which has shown up the facts of the case pretty well, as evidenced by the report, which I think is a very fair one, will open the eyes of the Government to the necessity of dealing with this matter in a strong way, so that the farmers of the West will not lose all the benefits they gained by the Crowsnest rates being put into effect again.

If we spend practically $100,000,000 in establishing a merchant marine, surely it ought to be used to keep freight rates at a moderate level; otherwise, the whole country is going to suffer. However, I do not think there should be any difficulty in coming to some arrangement to prevent a recurrence of what happened last year.

My honourable friend pointed out what has been done in regard to insurance. Hundreds of thousands of dollars have been simply taken out of the hands of the farmers on the insurance of grain coming down the lakes. They have had to pay double what they could insure their grain for themselves. My honourable friend from Montreal (Hon. Mr. Casgrain) says that the insurance companies have a combine, and that the rates are all the same. It is true enough that we have to pay the combine rates of the insurance companies, but this time we were forced to pay double those rates.

Hon. Mr. CASGRAIN: You could not be. Insurance is all the same price, like postage stamps.

Hon. Mr. TURRIFF: But it was done. A man shipping one hundred thousand bushels of wheat could insure that wheat at from 15 to 18 cents on the hundred dollars if he could go out and place his own insurance; but as the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby) has pointed out, he could not get space unless he agreed to insure through the man who gave him the space, and paid 30 cents for his insurance.

Hon. Mr. BENNETT: 35 cents.

Hon. Mr. TURRIFF: And there were hundreds of thousands of dollars lost in that way.

If there ever was a time when it was up to the Government to put an end to what has been going on, and to stop three Americans in Montreal from drawing hundreds of thousands of dollars each year out of the price the farmer gets for his wheat, it is now. I congratulate the honourable gentleman from Moose Jaw for bringing this matter forward in the way in which he has. It is up to my honourable friend on my left (Hon. Mr. Dandurand) to see that the Government takes the necessary action—which I am sure the Government will do. I do not see that the Government has any object in standing in with a few men to rob the whole country, and I feel they will act, and act promptly and strongly; and I trust that the rumours we have heard about them doing practically nothing except abrogating the coasting laws are not correct.

Hon. Mr. McMEANS: Where did the honourable gentleman get such confidence in the Government?

Hon. Mr. TURRIFF: It is not so much that I have confidence in the Government, as that the case is so plain and the results such that I do not think they will have the nerve to do anything else. The matter has been placed before the Government by the honourable member for Moose Jaw (Hon. Mr. Willoughby), and I still have enough faith in them to think that they will come pretty near doing what is right.

Hon. W. H. BENNETT: Honourable gentlemen, I did not assume for a moment that such a debate concerning the Northwest would go by with only one or two voices being raised. I hope, therefore, it will stand for another day. I would like to ask the leader of the House whether, as stated in the press the other day, it is the policy of the Government simply to introduce legislation giving the Government power to abrogate the coasting laws, or whether it is their intention to go further in the matter of freight rates. Perhaps when the House meets again we will have an answer.

Hon. Mr. DANDURAND: The answer was given lately in another place by the Prime Minister, who said that a Bill was being prepared and early this week would be introduced, to give effect to the conclusions of the Commission. We shall not have very long to wait to see what is in the Bill. It must not be forgotten, when the Government is assailed because those ships have asked and obtained the same price as other ships, that the Government is represented by the National Railway Board, which has had the sole administration of that part of the system; for the shipping has been managed in conjunction with the railways, under the supervision of the Railways Board. The Government should be given credit at least for having initiated the inquiry to ascertain the reasons for those rates increasing in the autumn; and since the Government has gone to that trouble, I would credit it with being logical enough to conform, so far as the law will permit, to the conclusions of that report.

Hon. Mr. BENNETT: The complaint is not that the Government have been running those boats with a view to getting fair rates, but that they have leased the Government boats to the conspirators in the combine.

Hon. Mr. DANDURAND: That is another question, which my honourable friend may raise later. I understand that he moves the adjournment of the debate.

Hon. Mr. BENNETT: I move the adjournment of the debate. I would prefer to have it adjourned until the day after to-morrow, because I want to peruse the evidence.

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

CARGOES OF UNREGISTERED TRAWLERS

INQUIRY FOR RETURN

On the Orders of the Day:

Hon. Mr. TANNER: Will the honourable leader of the House kindly take a note of an order of the Senate which I obtained on the 8th of March last that is three months ago with regard to fish trawlers landing their catches in the Maritime Provinces? It would appear to be nearly time for the return to be brought down to the House.

Hon. Mr. DANDURAND: I will inquire about it.

INDUSTRIAL DISPUTES INVESTIGATION BILL

MOTION FOR THIRD READING POSTPONED

On the Order:

Third reading Bill 84, an Act to amend the Industrial Disputes Investigation Act, 1907 as amended —Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I understood that an amendment moved by the honourable Senator from Hamilton (Hon. Mr. Lynch-Staunton) would be withdrawn at this stage. We might recommit the Bill to Comittee of the Whole.

Hon. G. D. ROBERTSON: May I suggest to the honourable leader of the Government that this Order be discharged and placed on the Order Paper for to-morrow? I think that the honourable member from Hamilton (Hon. Mr. Lynch-Staunton), on further consideration of the amendment of section 8, agrees that there are one or two features deserving and indeed requiring further examination, and on the third reading a motion may be made for the reconsideration of that amendment. But in the absence of the honourable member from Hamilton I would prefer that the order be discharged and placed on the Order Paper for to-morrow.

Hon. L. C. WEBSTER: Before the Order is discharged, may I ask if we are to understand that upon the application for a Board the employer might make a change, without waiting for its report?

Hon. Mr. ROBERTSON: It is not proposed to change at all the clause dealing with that question.

Hon. Mr. DANDURAND: The part of the Bill dealing with that question will not be affected by the suggested amendment, if it is moved when the Bill comes up again.

Hon. Mr. WEBSTER: No, but can we not have an interpretation?

Hon. Mr. BEIQUE: The effect of the amendment is that the employer will be at liberty to make a change immediately after he has applied for the appointment of a Board.

On motion of Hon. Mr. Dandurand, the Order was discharged and placed on the Order Paper for to-morrow.

DIVORCE BILLS

SECOND READINGS

Bill P5, an Act for the relief of Abraham Brooks.—Hon. Mr. Willoughby.

Bill Q5, an Act for the relief of Jane Edna Near.—Hon. W. B. Ross.

Bill R5, an Act for the relief of Clara Welleena Bristol.—Hon. Mr. Ratz.

Bill S5, an Act for the relief of Emma Jean Walker.—Hon. Mr. Blain.

Bill T5, an Act for the relief of Ella Maude Gee.—Hon. Mr. Turriff.

Bill U5, an Act for the relief of Enid Louise MacDonald.—Hon. Mr. Blain.

Bill V5, an Act for the relief of Mary Theresa MacIsaac.—Hon. Mr. Willoughby.

FIRST READING

Bill X5, an Act for the relief of John Samuel MacDonnell.—Hon. Mr. Blain.

PRIVATE BILL

WITHDRAWN

Bill W5, an Act respecting a patent of Austin A. Holbech.—Hon. Mr. Willoughby.

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

THE SENATE

Wednesday, June 13, 1923.

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

Prayers and routine proceedings.

ROYAL ASSENT

The Hon. the SPEAKER announced that he had received a communication from the Governor General's Secretary informing him that the Right Honourable Sir Louis Davies, K.C.M.G., acting as Deputy of the Governor General, would proceed to the Senate Chamber at 4 p.m., this day, for the purpose of giving the Royal Assent to certain Bills.

VIMY RIDGE MEMORIAL

ACKNOWLEDGMENT OF RESOLUTION

The Hon. the SPEAKER: Honourable gentlemen, I have the honour to inform you that I have received a letter from the Under Secretary of State for External Affairs which reads as follows:

I have it in command from His Excellency the Governor General to transmit to you copy of a despatch from the Secretary of State for the Colonies, enclosing copy of a note from the French Ministry for Foreign Affairs conveying the thanks of the President of the Republic for the joint resolution of the Canadian Houses of Parliament regarding the gift of land on Vimy Ridge by the French Government.

I have the honour to be, Sir,
Your obedient servant,
Joseph Pope,
Under Secretary of State for External Affairs.

The letter enclosed is addressed to His Excellency the Governor General, the Right Honourable Lord Byng of Vimy:

Downing Street, 29 May, 1923.

My Lord,—With reference to my despatch No. 193 of the 28th of April, I have the honour to transmit to Your Excellency to be laid before your Ministers, the accompanying copy of a note from the French Ministry for Foreign Affairs, conveying the thanks of the President of the Republic for the joint resolution of the Canadian Houses of Parliament regarding the gift of land on Vimy Ridge by the French Government.

I have the honour to be, my Lord,
Your Lordship's most obedient, humble servant,
(Signed) Devonshire.

CANADIAN GOVERNMENT MERCHANT MARINE INSURANCE CLAIMS

INQUIRY

Hon. Mr. TAYLOR rose in accordance with the following notice:

That he will call attention to insurance claims and reports in connection with the Canadian Government Merchant Marine, and will inquire:

1. What was the amount of the claim, if any, made upon the marine insurance underwriters in respect of a casualty recorded as occurring to the Canadian Farmer on or about the 18th of June, 1922?

2. Has this claim been paid or adjusted, and if so, for what amount?

3. If not paid or adjusted, what is the position of this claim?

4. If no claim has been made, has there been any protest, and any extension of protest delivered to the underwriters or their representatives. Is it the intention to base a claim on this extension of protest, if any?

5. (a) At what date first subsequent to the casualty recorded as of on or about the 18th of June was the Canadian Farmer docked for repairs? (b) Where was she docked? (c) What company made the repairs? (d) Who on behalf of the C.G.M.M. made the specifications for these repairs, and who inspected and certified to them on behalf of the C.G.M.M.?

6. (a) What was the amount of the account received from the dock company for these repairs? (b) What portion of this amount, if any, was made a charge against the underwrriters?

7. Has the account for these repairs been included in the Operating Account for the year ended 31st December, 1922? If not, why?

8. Is the amount of any claim for the casualty recorded as of on or about the 18th of June included in the estimated amount recoverable for insurance shown in the assets as at 31st December, 1922? If not, why?

He said: Honourable gentlemen, I had it in mind to call attention to certain insurance transactions in connection with the Canadian Government Merchant Marine, but before doing so I would like the answers to the questions now on the Order Paper. So I will simply ask the questions at present, and defer until some other time the remarks which I had intended to make.

Hon. Mr. DANDURAND: I am quite agreeable to complying with the wishes of my honourable friend. I do not know in what form he will have an opportunity of bringing up the matter again, but he will always be able to do so by making another inquiry on this subject:

1. Claim, $8,715.95.
2. In course of adjustment.
3. Answered by No. 2.
4. Answered by Nos. 1 and 2.
5 (a) August 20, 1922; (b) Prince Rupert; (c) Prince Rupert Dry Dock Company; (d) Inspected and certified by Mr. T. Louden, Assistant Superintendent Engineer, Canadian Government Merchant Marine, Limited, in conjunction with C. McCoskrie, representing Underwriters, and W. A. Wallace, representing British Corporation Classification Society.
6. (a) $8,500.00; (b) The whole amount, subject to adjustment.
7. No, as account not paid until April, 1923.
8. Yes; $215.95 survey fees, etc., paid August and September, 1922.

CANADIAN NATIONAL RAILWAYS PROPERTY PURCHASE

INQUIRY

On the notice:

By Hon. Mr. Fowler:

That he will call the attention of the Senate to and inquire from the Government whether it is the intention of the Canadian National Railways to purchase a property at a cost of $2,000,000 or at what price.

Hon. Mr. DANDURAND: My honourable friend (Hon. Mr. Fowler) does not specify the place. Assuming that the honourable gentleman refers to the negotiations respecting a certain property in Paris, France—which matter has been discussed at length in the House of Commons since Senator Fowler gave notice of his inquiry—it may be stated that the Canadian National Railway Company does not contemplate the purchase of the property in question, but that negotiations are in progress, details of which cannot as yet be made public, by means of which Canadian National Railways expect to lease a suitable location as the Paris offices of the National System.

BANKRUPTCY ACT AMENDMENT

MOTION WITHDRAWN

On the notice:

By Hon. Mr. Blondin:

That he will call the attention of the Senate and of the Government to the desirability of amending The Bankruptcy Act of 1920, so that its provisions, as far as the Province of Quebec is concerned, should apply only to "Traders," in accordance with the common law of that province and also in accordance with all previous Bankruptcy or Insolvency Acts which have existed in the past.

Hon. Mr. BLONDIN: Honourable gentlemen, as substantial amendments to the Bankruptcy Act are now before this House, I think it would be proper that I should let the matter drop, and wait until the Bill itself comes up.

The motion was withdrawn.

CANADA TEMPERANCE BILL

RESTORED TO ORDER PAPER

Hon. Mr. DANDURAND moved:

That Bill 43, an Act to amend the Canada Temperance Act, be restored to the Orders of the Day for second reading to-morrow.

Hon. Mr. FOWLER: Is that the British Columbia Bill?

Hon. Mr. DANDURAND: Yes, partly.

The motion was agreed to.

THE LATE HON. SENATOR FORGET

TRIBUTES TO HIS MEMORY

Hon. Mr. DANDURAND: Honourable gentlemen, it is our duty to record the loss of one of our colleagues, Senator Amédée Emmanuel Forget, who had been a member of this Chamber since 1911.

His state of health at the time of his appointment was far from being satisfactory, and he just managed to hold his own, although constantly suffering accute pain. It is largely due to his good and admirable wife, who watched over all his movements, as his guardian angel, that he resisted for such a period the violent attacks of a fatal disease. This sufficiently explains why we did not hear his voice in the debates of this Chamber.

Senator Forget was admitted to the Bar in 1871 and was deemed by all his colleagues to be splendidly endowed, and destined to have a brilliant career before the courts of Justice. To the surprise of all his friends, he answered the call of the West and accepted, in 1875, the secretaryship of the Half-breed Commission in Manitoba. Later in 1875 he was appointed one of the Commissioners for the settlement of the half-breed

claims in the Northwest Territories. When a separate Government was set for the Northwest Territories, in 1876, he was appointed Clerk of the Council and Secretary to the Lieutenant-Governor. Later on, he was made Clerk of the Assembly at Regina, and in 1888 was made Assistant Commissioner of Indian Affairs for Manitoba and the Northwest Territories. He was promoted to the position of Indian Commissioner in 1895, and was made Lieutenant-Governor in 1898, in which post he remained till 1905, when he was made the first Lieutenant-Governor of Saskatchewan. At the end of his term, he was called to the Senate.

This gradual ascension from post to post, till he reached the highest office in the gift of the Crown, that of Lieutenant-Governor, would suffice as a complete eulogy of our late colleague, whose qualities were recognized by all the governments which held sway in Ottawa since 1875.

As I had not the privilege of any lengthy contact with the late Senator Forget, I will leave to my honourable friend Sir James Lougheed the privilege of completing this all-insufficient biography.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I am sure that we on this side of the House appropriate to ourselves the very fitting tribute which has been paid by my honourable friend to our late colleague Senator Forget. To those of us who have lived for a great number of years in the West his departure is like the severance of a link in the chain that for many years has bound together the old-timers in that western country. As long ago as 1875 the late Senator went to the Northwest. It was then in a very primitive condition as compared with eastern civilization. He saw the opening up and the development of that great country. He arrived on the scene about the time that the Government of Canada was attempting to adjust satisfactorily the differences which had led to the first rebellion in Manitoba. From that time down to the date of his death he was most closely associated and identified with the development of the West. It is seldom, as my honourable friend (Hon. Mr. Dandurand) has very well observed, that one comes in contact with a public servant who, entering the service in what might be termed a minor office, reaches the highest place at the disposal of the Crown. The late Senator went to the Northwest as secretary of the first Half-Breed Commission. He became a commissioner for the adjustment of the half-breed differences in that country. Next he was Assistant Indian Commissioner, then Commissioner of Indian Affairs, then Lieutenant-Governor of the Northwest Territories, and afterwards Lieutenant-Governor of the great province of Saskatchewan, with which he was long identified. He was then, about twelve years ago, appointed to the Senate of Canada.

Those of us who knew the late Senator most intimately had the deepest sympathy with him in the almost constant sufferings which he heroically endured, he having been a semi-invalid for the last thirty odd years. Notwithstanding his painful condition from day to day, he performed his public duties, onerous as they were, not only to the credit of himself, but to the satisfaction of the people of the Northwest Territories and afterwards the province of Saskatchewan.

The death of Senator Forget will be felt deeply by the pioneers of that country and by the older settlers, with whom he came constantly in contact, as also by his colleagues in this Chamber. It is therefore my melancholy duty to give utterance to these few sentiments as a humble tribute to one who was so prominently identified with the interests of Western Canada.

Hon. F. L. BEIQUE: Honourable gentlemen, as a college mate and life-long intimate of the deceased I may be allowed to add a few words to what has been so simply stated. The deceased Senator was possessed of unequalled qualities of character which gained him the affection of every person with whom he came in contact. I may mention two striking examples of this.

In his youth he was sent by his parents to St. Albans, in the state of Vermont, to learn English. He remained there with a family for three or four months. In that time he gained the affection of that family to such a degree that until the death of the father and mother he was always considered and treated by them like one of their own children.

Again, when he came to Montreal from Marieville to study law, he entered the office of the late Sir Adolphe Chapleau. When he had been in that office but a few months he became most intimate with Sir Adolphe Chapleau, and was treated by Sir Adolphe as a brother. Sir Adolphe, although several years older than himself, had the most striking affection for him. As is well known, Sir Adolphe Chapleau was a strong Conservative. The late Senator Forget was at that time, as he always remained, a Liberal. His intimacy with Sir Adolphe Chapleau did not change his political convictions.

These facts show, what I have stated, that he was possessed of such personal charm, such frankness and other good qualities of character, that he gained the affection of all with whom he came in contact.

The late Senator remained firm in his convictions and performed the high duties to which the honourable member on the other side of the House (Hon. Sir James Lougheed) has called attention. He was, as has been stated, Lieutenant-Governor for two consecutive terms, I think: the first for the Northwest Territories, and the second for the Province of Saskatchewan. Although in very poor health most of that time, he always performed his duties to the satisfaction of his country.

DIVORCE BILLS

THIRD READINGS

Bill P5, an Act for the relief of Abraham Brooks.—Hon. Mr. Willoughby.

Bill Q5, an Act for the relief of Jane Edna Near.—Hon. W. B. Ross.

Bill R5, an Act for the relief of Clara Welleena Bristol.—Hon. Mr. Ratz.

Bill S5, an Act for the relief of Emma Jean Walker.—Hon. Mr. Blain.

Bill T5, an Act for the relief of Ella Maude Gee.—Hon. Mr. Turriff.

Bill U5, an Act for the relief of Enid Louise MacDonald.—Hon. Mr. Blain.

Bill V5, an Act for the relief of Mary Theresa MacIssaac.—Hon. Mr. Willoughby.

INDUSTRIAL DISPUTES INVESTIGATION BILL

THIRD READING POSTPONED

Hon. Mr. DANDURAND moved the third reading of Bill 136, an Act to amend the Industrial Disputes Investigation Act, 1907

He said: Honourable gentlemen, there was an amendment moved to this Bill by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), which had the effect of removing from the authority of the Minister of Labour the appointment of a third arbitrator when the two parties could not agree in making a selection, and placing that appointment in the hands of the chief justice of a Superior court of a province. I was informed last week that the honourable member for Hamilton although the amendment was carried, did not intend to persist in it, and was disposed to retrace his steps. I do not know the reasons that actuated him. Perhaps, after mature consideration, he found that the Minister of Labour was in a better position to decide as to the person to be selected, and that information would have to be conveyed to a judge, while both parties would be striving to have their view favoured in the choice of the third arbitrator. At all events, I am informed that our colleague from Hamilton will not be here for the next two weeks, and that the honourable the ex-Minister of Labour (Hon. Mr. Robertson) intends to move in the direction I have indicated. So I move the third reading of the Bill in order to give him the opportunity of moving that the Bill be not now read a third time, but be referred back to Committee.

Hon. Mr. FOWLER: Would you permit me just one moment. I do not know where my honourable friend the leader of the Government got his information with regard to the changed attitude of the member for Hamilton. The member for Hamilton was not alone in his idea, and whether he may have changed or not I do not know. There are other members of this honourable body, however, who took the same position as the honourable member from Hamilton, and who have not changed their viewpoint.

Hon. Mr. DANDURAND: The matter is still in the hands of the majority of the Senate. It takes a majority to carry an amendment. The information I received was from the honourable gentleman who was about to rise (Hon. Mr. Robertson), who conveyed it to me while the honourable member from Hamilton was in the Chamber. As we were somewhat desirous of shortening our sitting that Friday afternoon, I was told that the matter could well go over, and I moved that the Order of the Day be discharged, and that is why it comes before us to-day. I took it for granted that the postponment was with the concurrence of the honourable gentleman from Hamilton. I am only sorry that he is not here to-day.

Hon. Mr. ROBERTSON: In addition to the remarks made by my honourable friend in moving the third reading of this Bill, I may, in explanation, state that the amendment to section 8 which was moved by the honourable gentleman from Hamilton was, as honourable gentlemen will recall, sprung upon the House and acted upon quickly and without much consideration; and that the honourable member who moved the amendment discussed the matter with me the following day and agreed that perhaps the question should receive further consideration. He even went to the extent of agreeing with me as to what further amendment might be desirable, and stated that he was prepared to second the motion which I am now about to make to refer this Bill back to the Committee of the whole for fur-

ther consideration of the amendment to section 8. Personally I would have no objection whatever to further consideration of the Bill standing over until the honourable member from Hamilton is here, except that it might be putting the Bill off until too near the end of the Session, if the honourable gentleman is to be absent for two weeks. But as this is not the place to give the details of the further amendments suggested, nor the reasons therefor, I desire to move:

That the Bill be not now read a third time, but be referred back to the Committee of the Whole to-morrow for the purpose of considering the amendment to section 8.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I am somewhat at a loss to express myself upon this subject. The amendment which was moved by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), and which was so overwhelmingly carried, seemed to me to appeal so strongly to the judgment and good sense of this House that, in the absence of the mover of the amendment, I think it would be very much better to know precisely what my honourable friend from Welland (Hon. Mr. Robertson) proposes to move. The condition of affairs which was pointed out to the Senate at the time the amendment was moved by the honourable gentleman from Hamilton did violence to one's sense of fair play—namely, that the umpire in a board of conciliation is appointed, according to recent practice, by Order in Council, or his appointment is determined by Council.

Hon. Mr. DANDURAND: On recommendation of the Minister of Labour.

Hon. Sir JAMES LOUGHEED: On the recommendation of the Minister of Labour. It does violence to one's sense of fair play to think that in an arbitration between two contending forces, the employee and the employer, the arbitrator should be determined by Order in Council. That is what it amounts to. That, according to the best practice in arbitration, which so largely takes the place of a judicial tribunal in determining important matters, the umpire should be judicially and not politically appointed, has been so well recognized, that I personally hesitate to say whether we should depart from the amendment which was so fully discussed and was so overwhelmingly carried in this Chamber when the Bill was before us for consideration.

However, I have always admired the excellent judgment of my honourable friend from Welland (Hon. Mr. Robertson), who, while acting as Minister of Labour in the late Government, held the scales of justice very impartially between the contending forces; I therefore hesitate to oppose any recommendation which he may make. At the same time, I should like to have the recommendation set out fully in the amendment which he purposes to move so that before we again consider it we may be in a position to consider fully whether the one should supersede the other.

Hon. Mr. DANDURAND: As the Deputy Governor General has arrived, I would suggest that we suspend our sitting during pleasure, and continue the debate after his departure.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

THE ROYAL ASSENT

The Right Honourable Sir Louis Davies, K.C.M.G., Deputy of the Governor-General having come, and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor-General was pleased to give the Royal Assent to the following Bills:

An Act to incorporate La Banque Rurale.

An Act respecting The Dominion Fire Insurance Company.

An Act for the relief of Frederick Wesley Graham.

An Act for the relief of Catherine Gunyo Chatterson Odell.

An Act for the relief of Marietta Isabel Wilson.

An Act for the relief of Marion Eugenie MacCordick.

An Act for the relief of Elizabeth Frankland.

An Act for the relief of Arnold Carrington Burke.

An Act for the relief of Emily Margery Chrimes.

An Act for the relief of Lyle Johnson.

An Act for the relief of Annie Belle Wilson.

An Act for the relief of Henry John Burden.

An Act for the relief of Ethel Olmsted.

An Act for the relief of Edward Lewis Britton.

An Act for the relief of Ruby Minnie Stallworthy.

An Act for the relief of Christopher Campkin.

An Act for the relief of Andrew George Suffell.

An Act for the relief of Joseph Ross Wallace.

An Act to make lawful the marriage of a woman to her deceased husband's brother or such brother's son.

An Act respecting a certain patent of Arthur R. Wilfley.

An Act respecting certain patents of Charles A. Channell.

An Act respecting certain patents of Albert Manvers.

An Act respecting a certain patent of Hans M. Olson.

An Act respecting The Nipissing Central Railway Company.

An Act respecting The Ottawa, Northern and Western Railway Company.

An Act respecting The Quebec Central Railway Company.

An Act respecting The Essex Terminal Railway Company.

An Act respecting The Manitoba and North Western Railway Company of Canada.

An Act to amend the Northwest Territories Act.
An Act to amend The Criminal Code with respect to publication of Evidence in Marriage or Divorce Proceedings.
An Act respecting The Royal Guardians.
An Act to amend the Act Incorporating "La Société des Artisans Canadiens Français" (English and French versions).
An Act respecting certain patents of Leonard Clayton Ridge.
An Act repecting a certain patent of Henry Matthew Wells and James Edward Southcombe.
An Act respecting a certain patent of Clarence P. Landreth.
An Act respecting a certain patent of Robert A. Campbell.
An Act to incorporate The Protestant Federation of Patriotic Women of Canada.
An Act respecting a certain patent of James M. Richardson.
An Act respecting Canadian Press Limited.
An Act for the of Violet Gardiner.
An Act for the relief of Frederick Fong Young.
An Act for the relief of Thomas Percy Eversfield.
An Act for the relief of Jean Elizabeth Burgess.
An Act for the relief of Thomas Wesley Scott.
An Act for the relief of Fannie Boyle.
An Act for the relief of James Forbes.
An Act for the relief of Julia Tracey Kay.
An Act for the relief of Charles Philip Roy McCabe.
An Act for the relief of William George Haden.
An Act for the relief of Gertrude Irene Wood.
An Act for the relief of James Murray.
An Act for the relief of James McAllister.
An Act for the relief of David Albert Clayton.
An Act for the relief of Hugh Russell Fulton.
An Act for the relief of Maybelle Elizabeth French.
An Act respecting The Canadian Niagara Bridge Company.
An Act to incorporate Buffalo and Fort Erie Public Bridge Company.
An Act respecting The Rutland and Noyan Railway Company.
An Act respecting the Huron and Erie Mortgage Corporation.
An Act to change the name of Rio de Janeiro and Sao Paulo Telephone Company to Brazilian Telephone Company.
An Act respecting Montreal, Joliette and Transcontinental Junction Railway Company.
An Act respecting The Community, General Hospital, Alms House and Seminary of Learning of the Sisters of Charity at Ottawa.
An Act to change the name of The Penny Bank of Toronto.
An Act to amend The Dominion Forest Reserves and Parks Act.
An Act to amend the Animal Contagious Diseases Act.
An Act respecting the Canadian National Railways.
An Act for the relief of John Darton.
An Act for the relief of Minnie Eileen Biggs.
An Act for the relief of Thomas Henry Bottomley.
An Act for the relief of William Ritchie Dowd.
An Act for the relief of Eliza Harvey Northgraves.
An Act for the relief of Olivette McMaster.
An Act for the relief of Mahlon Beach.
An Act for the relief of Alfred William Kelly.
An Act for the relief of Wilmot Austin Pickell.
An Act for the relief of Annie May Vogelman.
An Act to amend the Militia Pension Act.
An Act to amend the Irrigation Act.
An Act respecting the Testing, Inspection and Sale of Seeds.
An Act to amend the Radiotelegraph Act.
An Act to extend the period of the Canada Highways Act.
An Act respecting the Canadian National Railways.
An Act to amend the Trade Mark and Design Act.
An Act for the relief of Mabel Gertrude Johnston.
An Act for the relief of Wilfrid Charles Brown.
An Act for the relief of Gertrude Andrews.
An Act for the relief of William Henry Davidson.
An Act for the relief of George Robert Webb.
An Act for the relief of Katharine Bryans.
An Act for the relief of George Austin Trow.
An Act for the relief of Ethel Jean Buchan.
An Act for the relief of Louisa Wemp.
An Act for the relief of Edgar Lindsay.
An Act for the relief of Charles Marigoli Hare.
An Act for the relief of Esther Levin.
An Act for the relief of Hilda Marguerite Watt Black.
An Act for the relief of Abigal Aileen Beryl McCrea Tull.
An Act respecting a certain Trade Convention between His Majesty and the King of Italy.
An Act to incorporate Trans-Continental Assurance Company.
An Act to incorporate National Surety Company of Canada.
An Act to Prohibit the Improper Use of Opium and other Drugs.
An Act to amend The Dominion Lands Act respecting the sale or other disposal of coal lands and coal mining rights.
An Act to amend and consolidate the Acts respecting Live Stock.
An Act to regulate the sale and Inspection of Fruit and Fruit Containers.
An Act to amend and consolidate the Acts relating to Patents of Invention.
An Act to amend The Copyright Act, 1921.
An Act respecting a certain Convention of Commerce between His Majesty and the President of the French Republic.
An Act to amend The Petition of Right Act.
An Act to amend the Civil Service Superannuation and Retirement Act.
An Act to amend the Canada Shipping Act.
An Act for the relief of Christina Julia Hamilton.
An Act for the relief of Smith Kain.
An Act for the relief of Gladys Malcolm Mushet.
An Act for the relief of William Francis Rafferty.
An Act for the relief of Gladys Teague.
An Act for the relief of Elizabeth McKinley.
An Act for the relief of Algernon Cecil Aubry Moran.
An Act for the relief of Emily Adlene McCausland.
An Act for the relief of Winifred Scatcherd.
An Act for the relief of Grace Lees Smiley.
An Act for the relief of Laura MacBrien.
An Act for the relief of Chester Abbott Redmond.
An Act for the relief of James Dunnett.
An Act to provide for the investigation of Combines, Monopolies, Trusts and Mergers.
An Act respecting The Northern Trusts Company.
An Act respecting The Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1924.

The House of Commons withdrew.

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

INDUSTRIAL DISPUTES INVESTIGATION BILL.

THIRD READING POSTPONED

Hon. Mr. ROBERTSON: Honourable gentlemen, taking up the thread of the discussion before the House adjourned during pleasure, and replying in part to the remarks of

the leader of this side of the House, I beg to say that I have no objection to giving an outline of the proposed amendments which would be offered if the House passes the motion now before it to refer this Bill back to the Committee of the Whole.

Some Hon. SENATORS: Go on.

Hon. Mr. ROBERTSON: The honourable member who moved the amendment to section 8 on May 31st, I think, overlooked two things which he now recognizes that he did overlook. In discussion with me he indicated the belief that it would be wise to refer this matter back to the Committee and to discuss it further. One fact which he overlooked was that the industries which he had in mind in moving the amendment, did not come within the scope of the Act. The second fact was that this House—and he was one of those who took a prominent part in the discussion—had eliminated the possibility of judges being used as chairmen of boards. I would call attention to the fact that prior to 1920, in almost every case in which the Minister had to appoint a chairman of a board of conciliation, a judge was selected; but in 1920 the Judges Act was amended, and again in 1921 it was further amended, so that judges could be used but could not be paid. Experience taught the Labour Department that judges, like other men, are not very anxious to render special services unless they are compensated. So the Department of Labour has been deprived of the services of judges as chairmen of boards. I would refer the House to the Hansard of 1921, in which it will be found that when this question was under discussion I expressed my belief that the workingmen of Canada had a very great respect for the opinions and decisions of our judges, and that the use of judges as chairmen of boards of conciliation was desirable in the interest of industrial peace, because a decision handed down by a judge as chairman of a board was more apt to be respected and accepted by both parties than the decision of a layman. Notwithstanding that, the Department has not been able to avail itself of the services of judges in that capacity.

The amendments which I had in mind as proposing to move were that our action of May 31st, taking the appointment of chairmen of boards entirely out of the hands of the Minister, should be reconsidered and rescinded, and that section 8 should be amended to provide that, notwithstanding anything in any other Act, judges might be compensated in keeping with section 51 of the Industrial Disputes Act.

I would point out one or two other disabilities which merit consideration. The amendment of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) provided that the chief justice of a province in which a dispute might occur, should be called upon to name the third arbitrator in the event of the other two not agreeing. I respectfully submit to the House that the history of the Industrial Disputes Act will show that the very large majority of disputes —I should think at least two-thirds—are interprovincial in their character, and that therefore the duty of making a selection would devolve in most instances upon the Chief Justice of the Dominion of Canada rather than upon the chief justice of a province. If a dispute arises in the western coal fields, for example, the Coal Operators Association covers the southeastern part of British Columbia and the province of Alberta. One then asks whether the Chief Justice of Canada, or the Minister of Labour, would be in a better position to know the facts surrounding the case and to make an intelligent selection of a third arbitrator. Our railroads, likewise, are all practically interprovincial in their character, and the selection in all those cases, therefore, would devolve upon the Chief Justice of the Supreme Court of Canada.

Now, what would occur? I submit that in all probability the Chief Justice of Canada, in the exercise of that duty, if he agreed to perform it—which I do not think he would be obliged to do—would take the advice of the Minister of Labour or the Government, and that the situation would not be at all altered from the one already in existence.

I hope honourable gentlemen will accept the statement that I am honestly desirous of making the Industrial Disputes Act effective and successful in its operation, so that it may achieve the end for which it was created, namely, to help in the settlement of industrial disputes and avoid the public inconvenience which necessarily follows from these. If we rescind the action taken the other day and leave not only the power but the responsibility of naming the third arbitrator in the hands of the Minister of Labour, and, by amending section 8 further, permit him to appoint judges as chairmen of boards, as was done in most cases prior to 1920, then I think we shall be making a constructive improvement in the Act. Indeed, while I do not think it would be wise, yet I would not be seriously opposed to going to the extent of providing that where the two members of the board did not agree, the Minister should be required to appoint a judge.

That should eliminate all objections to the line of action proposed. I do not think it would be wise to go that far because personal experience impels me to make this observation. Instances have arisen, in some local disputes, in which some local man was peculiarly qualified to act successfully in the capacity of arbitrator. I remember one case in Sault Ste. Marie, where I had the honour of appointing Father Brennan, an outstanding gentlemen in that locality, as chairman of the board. He brought about an agreement which all parties accepted. I might have appointed a judge in that case; but I doubt very much whether the results of the efforts of the board could have been any more successful. Therefore I would not recommend tying the appointment down to judges; but I would much prefer to leave the appointment of the chairman in the hands of the Minister. I therefore respectfully suggest to the House that the Bill should be referred to the Committee of the Whole and that we should go into it carefully and not hastily, and act maturely rather than hurriedly, as we have done.

The proposed amendment of Hon. Mr. Robertson was agreed to: yeas, 28; nays, 10.

Hon. Mr. FOWLER: I would like to call the attention of His Honour the Speaker to the somewhat irregular manner, in my opinion, in which this vote has been taken. I think when the Speaker is in the Chair the bell is supposed to be rung.

The Hon. the SPEAKER: Not necessarily.

Hon. Mr. FOWLER: I may be wrong.

Hon. Sir JAMES LOUGHEED: He simply called for the yeas and nays.

The Hon. the SPEAKER: If the honourable gentleman refers to page 137 of the Forms of Proceedings, he will find the following:

> Should the words "not content" be heard, the Speaker says: "The contents will please rise," and, judging to the best of his knowlerge, says "The contents" or "Non-contents have it," adding, "the motion is lost," or "carried."

I declare the amendment carried.

Hon. Mr. FOWLER: I bow to the ruling of the Chair.

IMMIGRATION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 136, an Act to amend the Immigration Act.—Hon. Mr. Dandurand.

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: The Department of the Interior has suggested that a slight amendment be made to section 8 of this Bill, which reads as follows:

> In case any officer, seaman or other member of the crew, or other person employed on any vessel, deserts the vessel while in any Canadian port, such vessel shall not be granted clearance until the master has deposited with the officer in charge such sum as may be prescribed.

I move that after the word "master" the following words be added: "or the responsible agent or owner in Canada of the vessel."

Hon. Mr. FOWLER: What is the object of the amendment?

Hon. Mr. DANDURAND: The master may be in a hurry to clear his ship while the responsible agent will remain and give the necessary security.

The amendment of Hon. Mr. Dandurand was agreed to.

Hon. Mr. DANDURAND: That change having been made, it becomes necessary to adapt the last part of the clause to the new condition. The money was to be returned to the master, because the master was the only one mentioned. I move that the words "to the master," in the twenty-sixth line, be struck out. The clause would then read:

> The amount of such deposit shall be returned less any expenses for detention.

We do not say to whom. It will be returned to the party who has made the deposit. The clause will read in this way:

> In case such deserter returns to the vessel, or is deported under the provisions of this Act, the amount of such deposit shall be returned less any expenses for detention, maintenance, transportation, subsistence, medical or hospital treatment or otherwise which the Government shall have incurred on account of such deserter.

That is, returned whence it came.

The amendment of Hon. Mr. Dandurand was agreed to.

The Bill was reported as amended.

THIRD READING

Hon. Mr. DANDURAND moved the third reading of the Bill as amended.

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

BANKRUPTCY BILL

SECOND READING

Hon. Mr. BEIQUE moved the second reading of Bill 139, and Act to amend the Bankruptcy Act.

He said: Honourable gentlemen, I have been asked by the honourable leader of the Government in this House to take charge of this Bill.

The Bankruptcy Act of 1919 was preceded by three Acts of a similar nature—the Act of 1864, the Act of 1869, and the Act of 1875. I speak with some knowledge of those various Acts, because I commenced my practice under the Act of 1864. Under those different statutes the estate of an insolvent was handled from the beginning by an official assignee appointed by the Government. The consequence was that the official assignees became very much interested in obtaining a clientele and solicited appointments as assignees to as large a number of estates as possible. They were invariably the nominated choice of the insolvent. That gave rise to a great deal of abuse. Very often their appointment was the result of a bargain, and they were interested in administering the estate or in preparing for a composition with the creditors in the interest of the insolvent more than that of the creditors. Those Acts of 1864, 1869, and 1875 did not give satisfaction to the community at large.

The Act of 1919 followed the same procedure. In section 14 of that Act it was provided:

(1) The Governor in Council may, upon application to the Secretary of State of Canada, appoint sufficient fit and qualified persons to be trustees in bankruptcy and under authorized assignments and in proceedings by insolvent debtors to secure compositions, extensions and arrangements under this Act.

Under the present Act, 1919, a large number of trustees have been appointed by Order in Council, especially in the province of Quebec, where they number some 240 odd. That has been disastrous, and the commercial community, not only in the province of Quebec, but elsewhere, have been applying to the Department of Justice for a change. Now, we find in the English Act that a different mode has been adopted and has been in practice and has given satisfaction for a great number of years. It will suffice for me to refer to section 19 of the Bankruptcy Act of 1914, which says:

(1) Where a debtor is adjudged bankrupt, or the creditors have resolved that he be adjudged bankrupt, the creditors may by ordinary resolution appoint some fit person, whether a creditor or not, to fill the office of trustee of the property of the bankrupt; or they may resolve to leave his appointment to the committee of inspection hereinafter mentioned.

The main object of the present Bill is to adopt the English system, that of giving the appointment of the trustee to the creditors at the outset. Honourable gentlemen will understand that if the trustee is chosen by the debtor, he may go around to the creditors, of whom he has a list, and solicit proxies, and he cannot be displaced. This has been the practice ever since 1864—and I speak advisedly, because I have had a pretty large practice under the different Insolvency Acts. I think it much better to adopt the English system, which better protects the interests of the creditors. They are the parties who should be protected, and they are interested in choosing a proper person, one in whom they have confidence, and who will feel that he is entrusted, not with the interests of the insolvent, but with the interests of the creditors. That is one of the main objects of the Bill.

Hon Sir JAMES LOUGHEED: How is it proposed that the assignment shall be first made?

Hon. Mr. BEIQUE: The assignment will be first made to the prothonotary or the clerk of the court in the different provinces. The provinces will be divided into districts, and there will be one officer designated for each district. The Minister of Justice in introducing the Bill stated:

I shall give to the House a list of the local officers that we intend to choose as receivers. The following officials, or the persons for the time being exercising the functions of such officials, shall be official trustees:

(a) In the province of Quebec, the prothonotaries of the Superior Court;

(b) In the province of Nova Scotia, the prothonotaries of the Supreme Court;

(c) In the province of New Brunswick, the Circuit Court clerks;

(d) In the province of Prince Edward Island, the deputy prothonatories of the Supreme Court;

(e) In the province of Ontario, the local registrars of the Supreme Court;

(f) In the province of Manitoba, the deputy registrars of the Court of King's Bench;

(g) In the province of Saskatchewan, the local registrars of the Court of King's Bench;

(h) In the province of Alberta, the clerks of the Supreme Court;

(i) In the province of British Columbia, the district registrars of the Supreme Court.

These officials are men of legal training. They are competent to receive the assignment and also to exact from the insolvent the proper declaration which under the amendment he will be compelled to make. In the Bill it is provided that the debtor making an assignment, whether voluntary or compulsory, shall be obliged within seven days of the assignment not only to give a statement of his affairs, with the names and addresses of his creditors and the amount owing to each, but also to answer questions which may be put by the official receiver, in order that at the outset creditors may have a fair knowledge of the affairs of their debtor.

I think that is, again, a very important provision, and one that will be in the interest of the mass of creditors.

Hon. Sir JAMES LOUGHEED: How is it proposed to protect the estate in the meantime—until the first meeting of creditors?

Hon. Mr. BEIQUE: A guardian or custodian is appointed.

Hon. Sir JAMES LOUGHEED: By whom?

Hon. Mr. BEIQUE: The guardian is appointed by the official receiver. There was in the House of Commons a rather long discussion on that question. It was provided in the Bill as first drafted that the appointment should be from among the larger creditors, but that was changed to provide that the person appointed should be a qualified person, due regard being had to the desire of the creditors.

Hon. Sir JAMES LOUGHEED: Does the guardian put up security?

Hon. Mr. BEIQUE: Yes, he puts up security. It is provided for in the Bill.

Hon. Mr. TANNER: What proportion of the creditors will have the power to appoint the trustee?

Hon. Mr. BEIQUE: The majority of the creditors—

Hon. Mr. BELCOURT: Majority in value.

Hon. Mr. BEIQUE: And there is in the Bill a provision stating how.

Hon. Sir JAMES LOUGHEED: Before we reach that point would my honourable friend give his views as to the guarantees the creditors would have for the protection of the estate pending the first meeting of the creditors, at which they will appoint their trustee? It seems to me that the critical stage in the handling of the estate is the time between the assignment and the incoming of the creditors.

Hon. Mr. BEIQUE: On page 3 of the Bill, in section 8A, it is provided:

> 8a. The custodian, whether appointed by the court pursuant to a receiving order, or by the Official Receiver pursuant to an authorized assignment, shall take immediate possession of the books and all the property of the debtor liable to seizure, and he may under the direction of the Official Receiver take conservatory measures and dispose of any perishable goods; he shall remain in possession until a trustee is appointed by the creditors.

The honourable member has asked about the provision as to security. I will refer to that. On page 6, section 7, new section 14, provides that every trustee—

Hon. Sir JAMES LOUGHEED: That is the trustee, not the guardian.

Hon. Mr. BEIQUE (reading):

> Every trustee appointed by the creditors as hereinafter provided shall within seven days give security in cash or by bond of an approved guarantee company, satisfactory to the Official Receiver, conditioned for the due accounting and for the payment over and transfer of all moneys and property received by him as such trustee.

Hon. Sir JAMES LOUGHEED: I do not think there is any provision for the guardian putting up anything.

Hon. Mr. BEIQUE: I think there is.

Hon. Sir JAMES LOUGHEED: Because he may be appointed by the court or by the official receiver, as set out in section 8A.

Hon. Mr. BEIQUE: I think there is a provision, but anyway that is a matter of detail and when we are dealing with the Bill in Committee, if we do not find such a provision, or if the provision is not put in, this honourable House may provide for it.

Hon. Sir JAMES LOUGHEED: What is my honourable friend's view of that particular step in the proceeding? That is the most critical stage in the handling of the entire estate. For instance, there is no provision, so far as I can see, for the guardian taking an inventory of the estate.

Hon. Mr. BEIQUE: But even if there is none in the Bill as drafted we may provide for it. These are matters of detail. From my reading of the Bill I found that the machinery was quite satisfactory, but I may have overlooked details of that kind.

Hon. Sir JAMES LOUGHEED: I desired simply to hear the honourable gentleman's views on the subject.

Hon. Mr. BEIQUE: I may say that I intend myself to suggest some amendments to the Bill, but generally, after having read the Bill as carefully as I could, I found it was on good lines. There are certain amendments which should be made, but I think it will be a great improvement, and one which will protect the interests of the mass of the creditors, if we adopt the English system of having the appointment of the trustee made by the creditors instead of permitting the trustee to be chosen at the outset by the insolvent himself.

The Minister of Justice, in presenting the Bill, gave in very appropriate and concise language the main purpose of the Bill, and I cannot do better than quote his language. He said:

This Bill provides for amendments to the Bankruptcy Act as follows: (a) To abolish the system of authorized trustees and to accept the English system of administration of estates by trustees selected by the creditors, assignments to be made to the creditors at large and deposited with an official received who will be chosen from among local legal officers, such receiver to appoint a custodian with authority to conserve the assets of the estate under the direction of the receiver. The custodian shall call the creditors together, who at their first meeting will choose a trustee, and from that day the custodian's duty will be completed. In cases of petitions—that is to say, compulsory assignments—the appointment of custodian is to be made by the court rather than by the receiver, the latter directing, as in the case of assignments, the conservation of the assets—

I have dealt with that part.

(b) To provide for sales in the province of Quebec of property subject to hypothec in the same mode as to notices, etc. as in the case of sales made by the sheriff.

We would be adopting the same procedure which was in force under the Insolvent Acts of 1875 and 1869. In the province of Quebec it is important that the sale of real estate be made by the sheriff in order that he may discharge the property from all liens and hypothecs. In this Act it is provided that the sale may be made by the trustee with the same effect as if it were made by the sheriff, provided the same notices are given; I believe in certain cases the sale may be made subject to hypothec, but with the authority of the judge. I am not quite sure whether the Bill as it reaches us is to that effect; but it is important that there should be a provision giving authority to the judge in certain cases to order the sale subject to mortgages, because it may be very much more advantageous to the creditors and a better price may be obtained. For instance, there are cases in which the property is mortgaged for large amounts, payable only in two or three or four or five years; if the property is sold and the purchaser has the benefit of that term, he will be able to pay a larger amount than if he were obliged to pay at once in cash.

Then I proceed:

(c) To restore to the landlords the privileges which they were entitled to under the laws of the different provinces on the first of July, 1920.

This provision has given rise to a great deal of discussion and to the expression of many different views. The position taken by the Department of Justice, with which I entirely agree, is that there is a very strong doubt as to whether it is competent for this Parliament to interfere with the laws of the different provinces which determine what shall be the privileges of the landlord. I had a letter from the Board of Trade of Montreal —and there are letters from other institutions—opposing this change. These institutions are in favour of maintaining the law as it is now, making the law uniform in the several provinces, and limiting the privilege of the landlord to three months' rent. But, as I say, the Department of Justice has taken the view that it is very doubtful whether it is within the jurisdiction of Parliament to interfere with the laws of the several provinces. These institutions, if not satisfied with the laws in the provinces, should apply to the provinces to have those laws changed. It seems to me that, although Parliament has the power to enact a Bankruptcy Act providing for the taking possession of the property and assets of the debtor in the interest of the creditors, and providing for the distribution of such property and assets amongst the creditors, that is quite different to going a step further and interfering with the civil law of each province and declaring that the rights of the creditors shall be changed by Federal law.

Hon. Mr. DANDURAND: Rights flowing from civil contracts.

Hon. Mr. BEIQUE: Yes.

Hon. Sir JAMES LOUGHEED: Do you allow the law to remain in that way? You are going to give a preference still.

Hon. Mr. BEIQUE: Under the Bill the laws of the several provinces will be respected.

Hon. Mr. WILLOUGHBY: As to rent only?

Hon. Mr. BEIQUE: As to rentals.

Hon. Mr. FOWLER: Have you made any change as to whom the assignment is made to?

Hon. Mr. BEIQUE: I have covered that. It is the English method of procedure, making the assignment to the creditors, and doing away with the present official assignees.

Hon. Mr. FOWLER: The creditors appoint them?

Hon. Mr. BELCOURT: May I ask my honourable friend to make that clear. My honourable friend opposite (Hon. Mr. Willoughby) asked whether the change was with regard to rent only. As I understand it, the proposal is to leave all the relations of landlord and tenant as they are to-day, not merely those as to rent.

Hon. Sir JAMES LOUGHEED: Yes. See section 31, page 10.

Hon. Mr. BEIQUE: Then I proceed:

(d) To provide for the examination of the debtor by the official receiver on the causes of his insolvency and the distribution of his assets. This is a very important feature of the English Act. It is hoped that the debtor will be deterred from assigning by the prospect of this compulsory examination.

I have already said a word or two of that feature of the Bill, which I think is very important. The creditors are discouraged from the outset when they are in the hands of official trustees; they are afraid of the costs, which pile up very quickly, and prefer to submit to all kinds of things and to accept a very small amount as composition when they should get a larger amount. It is very important that, before the appointment of what I call an official receiver is made—the party to whom will be entrusted the liquidation of the estate—the creditors should be properly informed as to what brought about the insolvency, and what are the assets and liabilities. This provision is for the purpose of giving power to the official receiver to examine the debtor. He will be competent to do that because he will be a prothonotary, a legal gentleman, or the Master of the Rolls. He will report to the creditors at their first meeting. Of course, the creditors will be at liberty to submit the debtor to further examination if they choose.

Hon. Mr. FOWLER: In making these changes, have you kept in mind the small estate? In the case of a large estate, I can understand that these things would be all right; but have you kept in mind the small estate?

Hon. Mr. BEIQUE: I think it will be as beneficial in the case of the small estate as in the case of a large one. In the English Act there is no difference made between small estates and large ones; and the Act has worked well in England, and I do not see why it should not work well here. The examination will not cost anything at all.

Hon. Mr. FOWLER: By whom will it be done?

Hon. Mr. BEIQUE: At the present time the examination is very expensive, because it is invariably made by a lawyer, who charges pretty heavily; but under this Bill the examination would be made by the prothonotary, an official who would not be entitled to receive any pay. He is a public officer.

Hon. Mr. FOWLER: He is not always a salaried officer. In our province, for instance, he is paid by fees, and he would take care that he got his pay, and pretty good pay too. You cannot get something done for nothing in Canada.

Hon. Mr. BEIQUE: At all events, it will not be as expensive as the present system.

Then I proceed:

(e) To enable a composition between the debtor and creditors only after the assignment. This is to protect the creditors and prevent debtors from defrauding their creditors by disposing of their property. Many requests for such a change have come to the Department of Justice.

Under the present Act the debtor may at the outset ask for a composition from his creditors; and, as I have said, the creditors are very often somewhat discouraged.

Hon. Mr. DANDURAND: And in the dark.

Hon. Mr. BEIQUE: And in the dark; and they prefer to accept the composition, fearing that the whole estate may be squandered.

Hon. Mr. FOWLER: Is this to stop that? Do you make it so that they cannot accept the composition?

Hon. Mr. BEIQUE: The composition cannot be offered until after the examination has taken place and after the creditors know what is the financial condition of the debtor.

Hon. Mr. FOWLER: Then that examination takes place before the actual assignment is made?

Hon. Sir JAMES LOUGHEED: Before the trustee is appointed.

Hon. Mr. BEIQUE: Yes. It is the English practice again.

Hon. Mr. BELCOURT: The result of the examination is submitted to the creditors when they meet to appoint a receiver.

Hon. Mr. FOWLER: That is all right.

Hon. Mr. BEIQUE (reading):

(f) To compel trustees in every case to apply to the court for a discharge within fifteen days after the payment of the final dividend and to prohibit appointment of such trustees in any other matter until he has obtained such discharge.

This, again, is a very important provision. To my knowledge, in a large number of instances, no final account could be obtained from the trustee. He realizes on the assets of the estate, and very often he never makes any account, or he drags the matter along for a considerable length of time. Here, after the final dividend has been declared, it shall

be incumbent upon the trustee to apply within 30 days for his discharge from the judge. If he fails to do that, he cannot act further as a trustee in any other matter.

Hon. Mr. GRIESBACH: Does that prevent him from acting as trustee in two cases at the same time?

Hon. Mr. BEIQUE: No. If he is already appointed as trustee in another matter, I think he can continue in the other estate.

Hon. Mr. DANDURAND: But he cannot get another appointment.

Hon. Mr. BEIQUE: But he cannot get another appointment.

Hon. Mr. GRIESBACH: That pretty well prevents a man from going into this thing as a business?

Hon. Sir JAMES LOUGHEED: Oh, yes. He is not an official trustee.

Hon. Mr. GRIESBACH: But there are unofficial trustees who can make a business of administering estates of this kind—for instance, trust companies.

Hon. Mr. BEIQUE: No. He has only to comply with the law and demand his discharge. He applies for a discharge within the thirty days, and then he can be appointed in any number of other estates.

Hon. Mr. DANDURAND: The only obligation is that he should not be in default.

Hon. Mr. BEIQUE: That he should not be in default.

Hon. Sir JAMES LOUGHEED: He may wind up half-a-dozen estates at the same time, I should think.

Hon. Mr. BEIQUE: It is further proposed to amend the law which refuses the claim of a wife as the creditor of an insolvent, to enable her to rank equally with the ordinary creditors. Under the Act the wife, if she lends money to her husband, has no right to claim on the estate until after the creditors have all been paid in full.

Hon. Sir JAMES LOUGHEED: That is under the old Act?

Hon. Mr. BEIQUE: Under the Act now in force. It is suggested that that is very unfair. The husband has a great influence on his wife, and, if she has any means, it is in the interest of his creditors that he obtain an advance or loan from his wife. The creditors have the benefit of it, and it is unfair to prevent the wife from ranking as an ordinary creditor; and it is against the interest of the creditors, because it deters married women from making advances to their husbands. The Bill further provides to extend the section which authorizes the examination of persons connected with the affairs of the debtor, so as to admit of the examination of relatives or other persons who may have received either gifts or preferences. I have referred to the provisions for the examination of the debtor. The present Bill provides also for the examination of relatives of the debtor, in case of any of them having obtained preferences before the assignment.

Hon. Mr. FOWLER: That is all right.

Hon. Mr. BEIQUE: I proceed:

To provide for the distribution to the creditors of any property acquired by the debtor betwen the time of his assignment and his composition with his creditors.

Under the law as it is now creditors are vested only with such assets as the debtor has at the time of the assignment. It is proposed by the present Bill to give the creditors also the benefit of any property which may come to their debtor until the time of the composition, or his discharge. That I think is but fair.

There are several other amendments, which are matters of detail, respecting the working out of these provisions and correcting certain other features of the law. I would suggest that the Bill be allowed to be read the second time, and when we go into Committee and take up each section I shall be in a position to give further explanations as to its scope.

Hon. Mr. McMEANS: I would like to call the honourable gentleman's attention to an amendment that I have been asked to propose, so that he may have an opportunity of considering it. As the law is now, I understand, an employee has a preferred claim, but if he is working on commission the preference is wiped out. It is thought that the man earning his living by commissions ought to be in exactly the same position as a man earning his living by a salary.

Hon. Mr. BEIQUE: I intend myself introducing an amendment bearing on matters of that kind; but that will come only when we deal with the Bill in Committee.

Hon. N. A. BELCOURT: I desire to say a few words on a matter which I think I should mention now, because it affects the scheme of the whole Bill. What I am about to say will be but a paraphrase of what was said a little while ago by my honourable friend opposite with regard to the security

which should be furnished by the custodian. I thoroughly agree with my honourable friend that that is a matter of very grave importance. May I read section 8A:

> The custodian whether appointed by the court pursuant to a receiving order, or by the Official Receiver pursuant to an authorized assignment, shall take immediate possession of the books and all the property of the debtor liable to seizure, and he may under the direction of the Official Receiver take conservatory measures and dispose of any perishable goods; he shall remain in possession until a trustee is appointed by the creditors.

The appointment of a trustee may take a week, two weeks, or a month. There may be a large number of creditors in England or elsewhere in Europe, or in some remote part of Canada, and during the weeks that elapse before the trustee can be appointed this custodian is in charge of everything. He may even dispose of some of the property—perishable property, etc. I think the Bill would be much stronger if it contained some provision obliging the custodian to give some sort of security.

Hon. Mr. FOWLER: He certainly should.

Hon. Mr. BELCOURT: I have looked in vain through the Act of 1919 and the amendments made, and in this proposed Bill, to find some provision whereby the custodian is bound to give any kind of security. He may be—and, in the province of Quebec, for instance, the chances are that he will be—an ordinary bailiff about the court. We know that bailiffs about court have little or no means, and if such a custodian wished to do away with the property there would be no remedy for the creditors. I am pointing out this effect, not because I want to find fault with the Bill, but because I would have it amended. It seems to me that this matter is of such importance that it ought to be considered by the Government immediately before we go into Committee. It may be proper to discuss in Committee the best method of carrying out that idea, but I think that in the meantime the Government should seriously consider whether, in order to make this Bill what it is intended to be, there should not be some distinct provision requiring the custodian to give some security.

Hon. Sir JAMES LOUGHEED: I quite agree with what my honourable friend has said, and, in perusing the Bill as it has come before us, it struck me that the infirmity of it lies in the absence of any safeguard under section 8A. We all know that the crucial stage in the advantageous handling of any estate is at the beginning, immediately after the assignment is made. If the estate is not then properly conserved, if it is not in the hands of responsible parties, the estate becomes dissipated, and by the time the creditors arrive on the scene a very substantial proportion of their assets has disappeared. It seems to me that this strikes at the very policy of the Bill. It is the most fundamental principle to be looked for in a Bill of this character. The custodian may be an absolutely unsubstantial person. He may be appointed by the Official Receiver, that is, by the prothonotary. He may not occupy any official position, and he does not occupy any official position.

Hon. Mr. BELCOURT: Or if he does it is only an irresponsible one.

Hon. Sir JAMES LOUGHEED: Yes, it seems to me that, inasmuch as the Government proposes to amend the Act so as to make use of judicial officers such as prothonotaries, it should make the Court responsible in some way or another for the initial stages of handling the estate. My honourable friend may say that the Federal Government has no consitutional authority to impose this duty upon the provincial officer, but it has already apparently given recognition to that right by proposing to appoint a provincial officer as the Official Receiver of the estate, in his capacity as prothonotary of the court. Why not go further? Why not make the court responsible for the handling of the estate until the first meeting of creditors? Why not in some way or another make it a court proceeding? Then it would be safe-guarded probably in a more satisfactory way than any other that could be adopted.

Hon. Mr. BELCOURT: It would only be by obliging the custodian to give security, and the court would fix the amount of this security.

Hon. Sir JAMES LOUGHEED: The court would then regard it as a proceeding of the court and would see that the process would be properly issued.

Hon. Mr. FOWLER: If by the court you mean the judge, he may be as impecunious as the bailiff.

Hon. Mr. BEIQUE: The opinion expressed in Committee of the Whole in the House of Commons was to this effect, that it was compulsory upon the Official Receiver to appoint as custodian the largest creditor of the estate, and the Department of Justice anticipates that that would very likely continue to be the case. It was thought that possibly that would offer a sufficient guarantee.

Hon. Mr. FOWLER: No, not necessarily.

Hon. Mr. BEIQUE: I am personally of opinion that we should go a step further and should make it the duty of the Official Receiver, the prothonotary, or the clerk of the court, to see that at the outset the person who is chosen as guardian gives a bond. Of course, the amount payable on the bond can be charged to the estate. That would be a proper guarantee for the mass of the creditors. The guardian should be obliged to furnish a security of that kind at the outset.

Hon. Sir JAMES LOUGHEED: But, may I ask my honourable friend, is there any reason why, under this Bill, a procedure should not be adopted analogous to that taken—say—under the Winding-up Act, or under any Act whereby a receiver is appointed? When I speak of the court assuming the responsibility of taking charge of the estate in its initial stages, until the first meeting of creditors, I mean that if the application is made before the court for the appointment of a receiver, the court of course safeguards the property which is handed over to that receiver, in the first place by appointing a substantial, reliable person, and in the second place by imposing upon him such obligation, by way of bond or otherwise, as will protect the estate. There is no reason why a procedure of that kind should not be adopted in this case. Under section 8A, it will be seen that the custodian can be appointed by the Official Receiver. In the first place, the Official Receiver is not a very important individual himself. He is simply the clerk of the court, or an officer of the court, and in almost every case of no substance. He is not under security to any large amount. It is proposed to give him the authority to appoint as custodian of the estate somebody, who may be his bailiff, or a constable, or some attendant upon the court. There is imposed upon that custodian no obligation to provide the security or even to make an inventory of the estate. He receives his authority in the first place from the Official Receiver, and he goes into an estate that may perhaps represent a million of money.

My honourable friend (Hon. Mr. Béique) may say—and he has said it—that the intention is that the prothonotary should see that his appointee puts up the necessary bond, etc. But we must have it in the Act. I need not point out to my honourable friend that an Act of Parliament should provide every safeguard for the protection of property of this character.

Apart from this particular point, it seems to me that the Bill is one that might appeal to our reason and can be advantageously discussed. But certainly it is fundamentally weak in this regard, and I say without any hesitation that there is no protection whatever of the estate for the creditors until the trustee is appointed. Several weeks elapse before the creditors have notice. The creditors may live at a distance and the notices calling them together may not be sent out with due dispatch.

Hon. Mr. WILLOUGHBY: Will my honourable friend pardon me? I have just received from P. Burns and Company a wire dealing with that very phase. It says:

> Clause requiring two-thirds creditors to attend first meeting is unworkable and will affect very seriously delaying administration bankrupt estate.

Hon. Sir JAMES LOUGHEED: In the meantime, as my honourable friend will readily appreciate, the estate is in the hands of an irresponsible person. I would suggest that the Government take into consideration the advisability of providing some way by which the court may take possession of the estate, just the same as if possession were taken of it under an order appointing a receiver, because, after all, the estate under such an order is under the control of the court.

Hon. Mr. DANIEL: Has not the custodian to be one of the principal creditors?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. BELCOURT: It may be anybody.

Hon. Mr. WILLOUGHBY: An officer of the court.

Hon. Sir JAMES LOUGHEED: He may be a bailiff; he may be the caretaker.

Hon. Mr. ROCHE: Why should mercantile or commercial matters be handed over to the lawyers? Why should the prothonotary of a court be selected as the person who should have charge of an estate? He is not a person with any acquaintance with mercantile affairs. He is probably paid by fees for the issuing of writs and matters of that kind, and he would not undertake any such obligation or duty unless he were paid very handsomely for it. Probably the custodian he would appoint would be a friend of his, and might not have any knowledge of estates of the character and kind that would be brought up for adjudication and settlement. And that custodian would require to be handsomely paid. There you have two persons in the place of an official assignee. The official assignee is a person of experience and very probably has had the management of many

estates, and would likely administer the estate very much better in the interest of the creditors than would the prothonotary of the court or anybody who would be appointed by him. I think it is very improper to mix up mercantile and commercial matters in the functions of judges and court officials, because they are two distinct branches of employment. The lawyers have their experiences in the courts and in the settlement of cases and in legal business, but commercial affairs are totally different. Therefore a person experienced in the law is not ipso facto conversant with mercantile affairs.

There is another circumstance that I should like to refer to, and to suggest to the legal mind: that is, that a great many ordinary small commercial transactions are conducted under limited liability. There are limited companies now where there were private merchants before; so it would require a person conversant with the routine of business, as well as with the administration of law—strictly law —to understand exactly how an estate of that kind could be managed, and he could do it better than a legal man with all his knowledge of law It requires practical knowledge, outside of legal knowledge, in order to carry on the business of the country; and I think the prothonotary is a very unfit person to take charge of an estate and to have his nominees in charge of it, and that an official appointed by the Government or some authority of great extent ought to be the one person selected to take the entire management and control of the estate, and to be responsible to the creditors for whatever is involved in it

Hon. Mr. WILLOUGHBY: That is the present law.

Hon. Mr. DAVID: Will the leader of the Government tell me whether the Law Department was asked to say whether the application of the law to farmers and non-traders was constitutional.

Hon. Mr. DANDURAND: No. I have no knowledge; but I will obtain the information. I know that the right of the farmer to enjoy the benefit of the Bankruptcy Act and to make an abandonment of his property as a trader has been discussed elsewhere. It has been alleged that in some parts of the country farmers claim to be traders to a considerable degree.

Hon. Mr. DAVID: If they have not given their opinion, I would ask that they be asked to give it on that question, because I did not understand that the law applied to non-traders.

Hon. Mr. DANDURAND: In answer to the honourable gentleman from Halifax (Hon. Mr. Roche), who believes that other qualities than those to be found in a legal man are required to liquidate an estate, and that very often a man following a commercial pursuit would be a better appointee as an assignee than a lawyer, I would draw my honourable friend's attention to the fact that the principal aim of this Bill is to secure the creditors against the doings of the debtors. Their debtors under the present Act can arrange with the assignee of their choice for the protection of their own interests. When a man assigns, and declares thereby that he cannot pay one hundred cents on the dollar, and that the liquidation will bring whatever it may bring to the creditors, I believe everybody will admit that the principal interest to conserve is that of the creditors.

Hon. Mr. BELCOURT: This is left to the creditors.

Hon. Mr. DANDURAND: The object of this Bill is to see that the creditors have their choice of their own liquidator, and the temporary selection of the prothonotary or clerk of the court is simply for the purpose of allowing the court official to lay his hand on the estate, examine without delay the insolvent, obtain from him the details as to his assets and liabilities, appoint a custodian for the time being, and call the creditors together. The creditors will then have the selection of their own assignee. As the honourable gentleman from de Salaberry (Hon. Mr. Béique) has stated, the two Acts that went by the board, and the one which is about to go by the board if no remedy is found, were weak in allowing the insolvent to select the liquidator. Many liquidators were being appointed throughout the country, and they became much interested in forcing people to the wall and in tempting people to go to the wall for the money that there would be in it for themselves and for the insolvents. That created considerable disruption in the commerce of the country, and I believe that if the present Act is not amended, it will have the same result. Those hundreds of officials prey upon the misfortunes of people who are in business and who have had some difficulty in meeting their liabilities but who, not tempted by these officials to go into solvency and to free themselves from 25 to 50 per cent of their liabilities at one shot, could recover. I believe this Bill works in the right direction in giving the selection of the assignees to the creditors. They will undoubtedly select a man who can best do the job and I am convinced that it will not be a member of the bar but the clerk of the court, who will initiate the proceedings by appoint-

ing a responsible custodian. If the Bill is not strong on that point, it can be strengthened by providing for a bond of some kind. The conservation of the estate should be the first duty of this Parliament, and the appointment of the custodian should be surrounded with proper guarantees.

I suggest that we should take the second reading of the Bill before six o'clock, and go into Committee on it this evening. It is an important Bill and will take some time to discuss.

I am glad to announce to the House that there will be an effort made to wind up the business of Parliament before the end of this month. If that effort succeeds in the other House, we in this Chamber have no time to lose, because some important legislation is forthcoming, and by the end of the week we should have the Order Paper cleared, if possible.

Hon. Sir JAMES LOUGHEED: May I make a suggestion to take the place of section 8A? As I understand the matter, it is proposed to zone the entire Dominion in reference to the assignments that may be made. When an assignment is made to the prothonotary, could not the obligation be placed upon him to make an application to his court to appoint a trust company as receiver of the property pending the first meeting of the creditors? The Government could appoint or designate trust companies for certain zones. I mean reliable trust companies.

Hon. Mr. ROCHE: Are they not doing that now?

Hon. Sir JAMES LOUGHEED: It is only for the purpose of conserving the estate until the first meeting of the creditors.

Hon. Mr. FOWLER: I think a distinction should be made between large estates and small ones, because if an estate is large it might be well to appoint a trust company; but a trust company's first fee would gobble up a small estate.

Hon. Sir JAMES LOUGHEED: We could regulate the fees.

Hon. Mr. FOWLER: And they would not touch it. The Credit Men's Association was formed for the purpose of preying on estates, and they have done it.

Hon. Sir JAMES LOUGHEED: I would point out to my honourable friend that trust companies nowadays are charged with administering the smallest wills and estates, and do it even more reasonably than individuals; and there is a reliability about well-recognized trust companies which is not associated with an individual.

Hon. Mr. BEIQUE: I take it for granted that we are all agreed that the Bill should be strengthened in that respect; but I would invite honourable gentlemen to consider whether we should not content ourselves with expressing the very strong opinion of this House as to the necessity of proper guarantees and securities being obtained at the outset from the person in charge of the estate, but leaving it to the Governor in Council to provide for it by rules.

Hon. Mr. FOWLER: Why leave it to the Governor in Council?

Hon. Mr. BEIQUE: It is leaving the working of the Act to the Department of Justice, which has been the policy in the past and which is the policy of the present Bankruptcy Act. The Governor in Council is interested in the making of the necessary rules for the working of the Act. This is merely a suggestion for the consideration of the House. My own mind is not settled on the point at present. Might we not adopt a clause providing that rules shall be made by the Governor in Council for the giving of proper security?

Hon. Sir JAMES LOUGHEED: Will my honourable friend draft a clause? We can consider it then in Committee.

Hon. Mr. BELCOURT: As suggestions seem to be the order of the day, may I make a suggestion too? My solution would be this—and I think it would meet the wish of my honourable friend who has just spoken (Hon. Mr. Béique) and also the approval of my honourable friend from New Brunswick (Hon. Mr. Fowler) to have the amount of security fixed, and the appointment of the custodian made by the court, and not by the prothonotary. The judge would know the size of the estate. and he would be able to determine the amount of security to be given and the proper person to administer it.

Hon. Mr. FOWLER: He would need to have some idea of the size of the estate.

Hon. Mr. BELCOURT: He would have that because the debtor comes to the prothonotary and makes an assignment and gives a list of his assets. The prothonotary is merely a machine for the purpose of receiving the assignment, and finding out what property is perishable.

Hon. Mr. FOWLER: Why could you not give it to the sheriff?

Hon. Mr. BELCOURT: My suggestion is that the information should be laid before the judge immediately, and that the judge should appoint the custodian and determine the amount of security that is to be given.

Hon. Mr. WILLOUGHBY: The same as he would for a receiver.

Hon. Mr. BELCOURT: Yes. If the judge has not got sufficient information from the papers laid before the prothonotary, he can make inquiries to determine who would be the best party—

Hon. Mr. FOWLER: We had an Assignment Act in our province, under which the debtor made an assignment to the sheriff of the county, who called the creditors together and they appointed the custodian.

Hon. Sir JAMES LOUGHEED: Who looks after the estate in the meantime?

Hon. Mr. FOWLER: The sheriff. You could allow him to appoint the custodian, he giving bonds to the amount of the perishable property that would come into his hands. After all, in small estates that would not amount to very much.

Hon. Mr. McMEANS: Are the creditors to say who the trustee shall be?

Hon. Mr. FOWLER: Yes, afterwards.

Hon. Mr. McMEANS: After there is no estate.

Hon. Mr. FOWLER: If you are providing that this custodian shall give a bond for the property, the estate is all there.

Hon. Mr. BARNARD: So far as my experience in our province is concerned, I would have very much more confidence in the registrar of the court than in the sheriff.

Hon. Mr. WILLOUGHBY: In the province of Saskatchewan, and perhaps in Alberta, the sheriff and the clerk of the court, who would be the prothonotary in Quebec, are consolidated in all the smaller places in the same official. I was about to suggest that the prothonotary, or whatever you may call him, should forthwith be obligated to make an application to the proper judicial authority to bond the custodian, and the judge would then fix the amount of the bond, based upon the value of the estate, which would be known to the first receiver.

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

Hon. Mr. BEIQUE: I move that we go into Committee of the Whole on the Bill this evening.

Hon. Mr. FOWLER: Why is it necessary to sit to-night? We will have a lot of time on our hands, and will not know what to do with it.

Hon. Mr. DANDURAND: I am not so sure of that. If my honourable friend will look at the work before us, and the work to come from the other House, and if an effort is to be made to speed the work and to prorogue before the last day of this month, I think he will see that we should proceed a little more rapidly ourselves.

Hon. Mr. FOWLER: I do not know what work would come from the other House that would require a great deal of time. The Bank Act is the only thing that could possibly take up much time. Redistribution we are not particularly interested in: that would not affect us.

Hon. Mr. DANDURAND: But there are a number of Bills.

The motion was agreed to.

At six o'clock the Senate took recess.

The Senate resumed at eight o'clock.

BANKRUPTCY BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Béique, the Senate went into Committee on Bill 139, an Act to amend the Bankruptcy Act.

Hon. Mr. Bennett in the Chair.

Hon. Mr. BEIQUE: Honourable gentlemen, I would suggest that it be understood that we pass such clauses as the Committee may be disposed to accept, but at the request of any honourable member we may to-morrow reconsider any of the clauses which have been passed. There are some clauses which for my part I would be in favour of passing, but which I have to consider further. We can reduce the work for to-morrow.

Section 1 was agreed to.

On section 2—definitions:

Subsections 1 and 2 of section 2 were agreed to.

On subsection 3 of section 2—locality of a debtor:

Hon. Sir JAMES LOUGHEED: Will my honourable friend say now what is repealed? What is the difference between the section to be repealed and the proposed section? This deals with the districts throughout the Dominion, etc. Wherein is it different from the other?

Hon. Mr. WILLOUGHBY: In the present Act, after an authorized assignment had been

made, the creditors could take the estate out of the hands of the first assignee into another province. It could be taken, for instance, from Saskatchewan or Manitoba to Montreal. Apparently there is that change in any event.

Hon. Mr. BEIQUE: Section 3 of the statute of 1920 says:

Section two, paragraph (x), of the said Act is hereby repealed, and the following is substituted therefor:

"(x) 'locality' of a debtor (whether a bankrupt, assignor or person who has proposed a composition, extension or arrangement to or with his creditors) means either the place within a bankruptcy division or district whereat the debtor has carried on business at any time during the six months immediately preceding the date of the presentation against him of a bankruptcy petition or the making by him of an authorized assignment, or where the greater portion of the property of such debtor is situate, or where the debtor resides."

Hon. Sir JAMES LOUGHEED: The six months is extended to a year, in the first place.

Hon. Mr. BEIQUE: It is replaced by this:

(3) Paragraph (x) of the said section, as enacted by chapter thirty-four of the statutes of 1920, is repealed and the following substituted therefor:

(x) 'Locality of a debtor' (whether a bankrupt or assignor) means (a) the principal place where the debtor has carried on business during the year immediately preceding the date of the presentation against him of a bankruptcy petition or the making by him of an authorized assignment; or—

This is new:

—(b) the place where the debtor has resided during the year immediately preceding the date of the presentation against him of a bankruptcy petition or the making by him of an authorized assignment; or (c), in cases not coming within (a) or (b), the place where the greater portion of the property of such debtor is situate;"

Hon. Mr. WILLOUGHBY: In that connection may I ask the honourable gentleman whether, in the case to which I have just referred, the creditors would have the right to transfer into another jurisdiction in the same province, or to another province, the liquidation of the estate? That right existed before, and it was exercised very frequently in the West.

Hon. Mr. BEIQUE: I will answer that question to-morrow. I forget at present.

Hon. Mr. WILLOUGHBY: I know that very much objection is made to it.

Hon. Mr. BELCOURT: Section 5 provides for that:

Provided, however, that nothing herein contained shall invalidate any proceedings by reason of the same having been commenced, taken or carried on in the wrong court, but the court may at any time transfer to the proper court the petition, application or proceedings, as the case may be.

That is the Act of 1920.

Hon. Sir JAMES LOUGHEED: "May at any time transfer to the proper court." That would not meet the case.

Hon. Mr. WILLOUGHBY: That would not be the one. I referred to the right of the creditors to transfer.

Hon. Mr. BEIQUE: I will look that up.

Subsections 3 and 4 of section 2 were agreed to.

On subsection 5 of section 2—trustee or authorized trustee:

Hon. Mr. TURRIFF: There is a great deal of complaint in the West that the management of bankrupt estates is practically all getting into the hands of one concern. The wholesalers, chiefly of Winnipeg, have organized a Credit Men's Trust Company with a small capital, whose only and sole business is the winding-up of bankrupt estates in which the wholesalers are concerned. The company, I understand, has only a nominal capital, and does not pretend to do any other class of work. There is a great deal of objection among other companies and assignees who have given a great deal of time to that sort of work in the past. I understand also that the legal fraternity of the outside parts of the country in the provinces of Saskatchewan and Alberta is practically tributary to the city of Winnipeg in that matter. I am not familiar enough with the subject to know how the situation could be remedied, or whether it should be remedied; but it certainly seems to me that the wholesalers should not have all the say. I have been told of a number of individual cases in which an official assignee was appointed, and in which, under the Act we are now amending, this Credit Men's Trust Company would go around and get authority or proxies from the different creditors, chiefly the wholesalers, and take the estate out of the hands of some other company that may have been appointed to wind it up, and the estate is then handled absolutely and altogether in the interest of the wholesalers. Personally, I do not know whether any injustice has been done in the past or not; but I know the legisimate trust companies, of long standing and large capital, and absolutely responsible, and also the legal fraternity in that great country west of Winnipeg, have been complaining during the past two years that the present condition of affairs is most unsatisfactory.

Hon. Mr. DANDURAND: Was that company organized after the Act came into force?

Hon. Mr. TURRIFF: It was organized, I think, some three or four years ago.

Hon. Mr. McMEANS: The Credit Men's Association is really responsible for this Bankruptcy Act.

Hon. Mr. BEIQUE: The English method of procedure may cure the defects which the honourable gentleman has alluded to. Of course, in a Bankruptcy Act we must apply the will of the creditors. It would not be practicable to try to override the will of the majority of the creditors.

Hon. Mr. TURRIFF: The reason I bring up this matter is not that I can propose any amendment, because I have had no experience of that sort of thing, but to give expression to the complaints which have been made to me. I will have to leave it to others to do what is necessary.

Hon. Mr. BELCOURT: Does the honourable gentleman understand that the appointment of the official assignee is altogether in the hands of the creditors? It is their views that determine who is to be appointed; and whoever is appointed has to give security. If the Credit Men's Association has a small capital, that does not relieve them of the obligation of giving security.

Subsection 5 of section 2 was agreed to.

On section 3—ceasing to meet liabilities:

Hon. Mr. BEIQUE: By the Act of 1922, a new paragraph was added, as follows:

(i) If he ceases to meet his liabilities as they become due.

That opened the door to a man being treated as insolvent because he could not pay any individual creditor, so it is proposed to add the word "generally" after the word "liabilities". This is the wording of the Act of 1875.

Hon. Mr. McMEANS: Will that change it sufficiently? Without looking into it very carefully, I understand that if a man has a judgment against him for say $200, and it remains unsatisfied for a certain length of time, his creditors can have him declared bankrupt.

Hon. Mr. BEIQUE: No.

Hon. Mr. BELCOURT: Is not that the Winding-up Act?

Hon. Mr. McMEANS: I think the whole Act is wrong, for this reason. A man may buy a piece of real estate for $1,000, and pay $750 on it, and owe $250. His creditors can sue him and have him declared bankrupt. I do not think that is right. I do not think the Act should apply to anybody but traders —men who buy goods on credit.

Hon. Mr. BEIQUE: The honourable gentleman is treating another provision of the Act which is not touched. Subsection e of section 3 of the Act says:

If he permits any execution or other process issued against him under which any of his goods are seized, levied upon or taken in execution to remain unsatisfied until within four days from the time fixed by the sheriff for the sale thereof, or for fourteen days after such seizure, levy or taking in execution, or if the goods have been sold by the sheriff or the execution or other process has been held by him after written demand for payment without seizure, levy or taking in execution or satisfaction by payment for fourteen days, or if it is returned endorsed to the effect that the sheriff can find no goods whereon to levy or to seize or take; provided that where interpleader proceedings have been instituted in regard to the goods seized, the time elapsing between the date at which such proceedings were instituted and the date at which such proceedings are finally disposed of, settled or abandoned, shall not be taken into account in calculating any such period of fourteen days.

A like provision has been in all the insolvent Acts we have had in this country. The honourable gentleman does not suggest, I am sure, that the creditors be prevented from demanding an assignment from their debtor if he allows part of his property to be sold by the sheriff.

Hon. Mr. McMEANS: It says that if the execution is returned by the sheriff there are no goods to seize. Out in the western country you can have a very well and completely furnished house, in which the furniture is of great value, and the sheriff cannot seize it because he has to put up so much cash before he enters the house, and the creditors do not want to do that. But this section applies to every person, does it not?

Hon. Mr. WILLOUGHBY: Is not that applicable to traders only?

Hon. Mr. BEIQUE: It applies to everybody. We are not dealing with that section. It is not touched by the present Bill.

Hon. Mr. McMEANS: I think it ought to be limited to traders.

Section 3 was agreed to.

On new section 4—if petitioning creditor is a secured creditor:

Hon. Mr. BEIQUE: This is changed. The object is to secure creditors. It is to compel a creditor to make a valuation of his security, and to allow him to rank and vote only for the value, which I think is a good provision. It was in the Act of 1875, and I think it is in the English Act also.

Hon. Sir JAMES LOUGHEED: What has my honourable friend to say as to the fixing of the value of the creditors' security? Suppose there is a difference of opinion as to that? Who determines what is the value? The section is silent upon that point.

Hon. Mr. BEIQUE: The creditor should be compelled to make a valuation, and the mass of creditors have the right to take the security at the valuation made by the creditor, and to allow him to rank for the full amount of his claim or to accept his valuation and allow him to rank for the balance only.

Hon. Sir JAMES LOUGHEED: The difficulty I see is this. He states what his security is, and places a valuation on it, and he seeks to rank on that valuation. The valuation which he places upon it may be much less than the real value of the security. The consequence is that he would keep his security and would rank on a larger margin than he would otherwise be entitled to.

Hon. Mr. BELCOURT: The answer to that is that if they are not satisfied they can take the security themselves.

Hon. Sir JAMES LOUGHEED: There should be some way of ascertaining arbitrarily the value of that security by valuators or assessors. If it is a minor security, I can understand it; but a very large amount of money may be involved, and it seems to me desirable that an appropriate valuation should be placed upon it.

Hon. Mr. BEIQUE: This has been considered very carefully, not only on this but on previous occasions, and the law was the same under the Act of 1875. There is another provision also which we will find later on. Although the estate may take the security at the valuation made by the creditor, if the estate does not take the security, the security may depreciate in a month or two for some reason or another; then the creditor is at liberty to revalue his security, but always subject to the right of the mass of the creditors.

Hon. Sir JAMES LOUGHEED: Can my honourable friend conceive of a case in which the creditors would take over the security?

Hon. Mr. BEIQUE: I have seen it done.

Hon. Sir JAMES LOUGHEED: Let us assume for a moment that a creditor is secured upon a valuable piece of real estate, and has placed on it a fair value—the actual value. The creditors are not going to take over that real estate. They would have to pay for it on their own account, and might have to carry it for a considerable length of time.

Hon. Mr. BEIQUE: It works out in this way. I have known a number of cases in which the creditors have taken securities. They have only to say that they take the security; the consequence is that the creditor is allowed to rank for the full amount of his claim, and he is paid out of the estate. The security is sold, and if it does not bring enough to pay the creditor, then he is paid out of the balance, the mass of the estate; but the creditors are not called upon to disburse the money at all. The creditor has to wait until the estate is liquidated.

Hon. Mr. BELCOURT: He takes it pro rata.

Hon. Sir JAMES LOUGHEED: I cannot understand it working out in that way. However, let them adjust it between themselves. There should be an assessment made.

New section 4 was agreed to.

On subsection 2 of section 4—proof of debt, etc.:

Hon. Sir JAMES LOUGHEED: What does "qualified person" mean?

Hon. Mr. DANIEL: What qualifications must this person have? Personally I do not know anything about the Bankruptcy Act, but I have received several telegrams from prominent mercantile companies in the city where I reside, making certain suggestions or giving expression to their wishes with regard to this Bill. Among other things they strongly protest against the custodian being any person other than one of the most interested creditors or a reputable authorized trustee. As far as I am able to read this section, there is nothing in it showing what is necessary to qualify a person to become a custodian. I would suggest that the honourable Senator from De Salaberry (Hon. Mr. Béique) state whether he is in favour of the views of those merchants or not.

Hon. Mr. BEIQUE: If honourable gentlemen will refer to the debate in the House of Commons, they will find that there was a long discussion on that. The original Bill contained the words, "one of the most interested creditors." Exception was taken by several members, and the Minister of Justice agreed to substitute the words, "a qualified person, but due regard being had to the wish of the creditors," the desire being to

give more leeway, but at the same time to indicate that the choice is to be made from amongst the largest creditors. He must be considered a good, qualified person.

Hon. Mr. WILLOUGHBY: Look at section 11, subsection 4. Perhaps that would throw some light on it.

Hon. Mr. BEIQUE: The word "interested" has been left there.

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. BEIQUE: I was going to suggest that it will have to be changed. The two sections should harmonize.

Hon. Sir JAMES LOUGHEED: How would you propose changing it?

Hon. Mr. BEIQUE: I think it is quite acceptable as it is in subsection 2 of section 4:

> And appoint as custodian a qualified person, having regard, as far as the court deems just, to the wishes of the creditors.

I think that is the best wording to adopt.

Section 4 was agreed to.

Hon. Sir JAMES LOUGHEED: I would like to say in regard to this section which we have just disposed of, that it is germane to the question we were discussing this afternoon—in fact, is almost of the essence of that question. The custodian should be practically a receiver appointed by the court upon the necessary securities being forthcoming from his appointment.

Hon. Mr. BEIQUE: It is understood that we will come back to question of security.

Hon. Mr. WILLOUGHBY: Perhaps the honourable gentlemen can enlighten me on this point, whether the section we are dealing with applies only to an involuntary assignment, on petition to the court. There is also the voluntary assignment under the Act: who then is the custodian?

Hon. Sir JAMES LOUGHEED: Those cases should be on the same plane, because the interested creditors are alike.

Hon. Mr. DANDURAND: Under the Act it is the clerk of the court who appoints the custodian.

Hon. Mr. McMEANS: You mean, under the amending Bill?

Hon. Mr. DANDURAND: Yes, under the amending Bill.

Hon. Mr. BEIQUE: I think that the two should harmonize.

Hon. Sir JAMES LOUGHEED: Yes, because there is no distinction between the creditors of a voluntary bankrupt and those of an involuntary bankrupt. They both want to be paid.

Hon. Mr. WILLOUGHBY: Yes, and they both want the court protection.

Hon. Sir JAMES LOUGHEED: They both want to have the estate protected.

Section 5 was agreed to.

On section 6—Regarding vestment of property in trustees:

Hon. Mr. BEIQUE: It is a consequential amendment.

Hon. Sir JAMES LOUGHEED: This contemplates the intervention of the court; that is, it contemplates a receiving order issuing from the court. At what stage, may I ask?

Hon. Mr. BEIQUE: Section 6, subsection 3, repeals section 6, subsection 3, which vests the property in the authorized trustee and substitutes a provision for vesting the property in the creditors' trustee. In this connection it should be noted that there is a period between the adjudication and the meeting of the creditors, during which time the property remains vested in the debtor. We provide, however, by this new subsection that he shall cease to have any capacity to dispose of or otherwise deal with such property, which shall be deemed to be in the custody of the court.

Hon. Mr. WILLOUGHBY: That again would apply only to compulsory assignments.

Hon. Mr. DANDURAND: I should think so.

Hon. Mr. BELCOURT: Are we not making a mistake? Subsection 1 of section 6 of the said Act is repealed—

Hon. Mr. DANDURAND: 1920?

Hon. Mr. BELCOURT: No, 1919. You repeal subsections 1 and 2, and you repeal subsection 3 and substitute something else for it. In that case I should think subsection 3 would become subsection 2.

Hon. Mr. BEIQUE: Yes, it should be renumbered. That can be done later.

Subsection 4 of section 6 amends subsection 4 of section 6 of the Act. This section provides for the transfer of proceedings from one bankruptcy district or division to another by the court upon the resolution of the creditors, and that proceedings be retained in the

district or division in which they were commenced, although they should have been commenced elsewhere. The object of this latter provision was to protect the authorized trustee by enabling him to retain control of an estate in which he had inadvertently or otherwise been appointed as trustee. This latter provision is repealed as being no longer necessary.

Section 6 was agreed to.

On section 7—stay of proceedings:

Hon. Mr. BEIQUE: This section repeals section 7 of the Act, which is one of the sections to provide a stay of proceedings. Section 10 of the Bill takes the place of this and is worded differently.

Section 7 was agreed to.

On section 8—application of Part I:

Hon. Mr. BEIQUE: That is merely a consequential amendment. Section 8 of the Act of 1919 reads:

(1) The provisions of this Part of this Act shall not apply to wage-earners or to persons engaged solely in farming or the tillage of the soil.

Instead of the words "this part," it would read:

The provisions of section 4 of this Act shall not apply to wage-earners or to persons engaged solely in farming or the tillage of the soil.

Hon. Mr. McMEANS: Would not this be the proper place to discuss the question whether this Act should not be confined to traders?

Hon. Mr. BEIQUE: We might make that the subject of a separate discussion. If we decided to confine the Act to traders, some of the sections of the Bill would have to be repealed. I would suggest that we take up to-morrow the broad question whether the Act should apply to traders alone or not.

Hon. Sir JAMES LOUGHEED: I suppose that the "section four" mentioned in section 8 refers to section 4 of the Bill we are now considering.

Hon. Mr. McMEANS: It means that in the case of an involuntary assignment section 4 shall not apply to farmers or wage-earners. It will apply to everybody else. It is section four of the Act of 1919 that is referred to in section 8 of this Bill.

Hon. Mr. DANDURAND: Subsection four of section 6 of the old Act.

Hon. Sir JAMES LOUGHEED: But it is not "subsection 4;" it is "section four."

Hon. Mr. DANDURAND: No; it is subsection 4 of section 6 of the old Act.

Hon. Sir JAMES LOUGHEED: Then we had better correct that. This would refer to section four of the Act of 1919, as I take it.

Hon. Mr. BEIQUE: Yes.

Hon. Mr. DANDURAND: I am reading from page 169 of Statutes of 1919, chapter 36.

Hon. Mr. BELCOURT: The observations of the honourable gentleman (Hon. Sir James Lougheed) refer to section 8 of this Bill.

Hon. Sir JAMES LOUGHEED: Yes. We are striking out of section 8 of the Act the words "this Part" and are substituting the words "section four." That does not refer to section four of this Bill.

Hon. Mr. McMEANS: No; it refers to the Act of 1919.

Hon. Sir JAMES LOUGHEED: Section four of the Act of 1919 is a lengthy one, headed "Petition and Receiving Order," and comprises about ten paragraphs. Is that what is referred to?

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: I do not think it is.

Hon. Mr. BEIQUE: I have this note from the Department:

Section 8 amends section 8 of the Act, which limits the provisions of the first part of the Act (which relates chiefly to petitions), to persons other than wage-earners and farmers. There are some provisions in this part which relate to assignments. It is sufficient to say that the provisions of section 4 (which provide for petitions and receiving orders) shall not apply to wage-earners and farmers.

I am reading from the notes of the Law Clerk. I think you will understand the matter quite easily. Section four of the Act of 1919 deals with petitions and receiving orders.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BEIQUE: Well, this does not apply to wage-earners or farmers, because, while they have the privilege of placing themselves under the Insolvency Act, they cannot be compelled to come under it. That is the sole object of the amendment. So section four of the Act of 1919 is not to apply to them, and that is what is stated in this clause.

Hon. Mr. McMEANS: Why should that apply to doctors, clerks, lawyers, and senators?

Hon. Mr. DANDURAND: There is no reason why.

Hon. Mr. BEIQUE: As was suggested a few moments ago, we will take up that question to-morrow.

Hon. Sir JAMES LOUGHEED: All right.

Section 8 was agreed to.

On section 9, new section 8A—when possession to be taken by custodian:

Hon. Mr. BELCOURT: It occurs to me that that is the section in which security ought to be provided for.

Hon. Sir JAMES LOUGHEED: Yes; and I do not see why it follows section 8 of the Act of 1919.

Hon. Mr. BEIQUE (reading): "The said Act is further amended by inserting immediately after section eight the following section." It is 8A.

Hon. Sir JAMES LOUGHEED: Yes, but the marginal note of section 8 reads:

Certain acts of debtor not deemed an available act of bankruptcy.

Why section 8A, dealing with the initial stages, should be attached to 8, which deals with an entirely different subject, I cannot very well understand.

Hon. Mr. BEIQUE: There is something in what the honourable gentleman says. It does not seem to come in the proper place. We will consider that.

Hon. Mr. DANDURAND: We may adopt the section and have it placed elsewhere.

Hon. Sir JAMES LOUGHEED: But we do not want to carry it in its present form. That is the question we discussed this afternoon.

Section 9 stands.

On section 10, new section 8B—stay of proceedings:

Hon. Mr. BEIQUE: I suggest that this section be allowed to stand. It reads:

On the making of a receiving ofder or authorized assignment, no creditor to whom the debtor is indebted in respect of any debt provable in bankruptsy shall have any remedy against the property or person of the debtor or shall commence or continue any action, execution or other proceedings for the recovery of a debt provable in bankruptcy unless with the leave of the court and on such terms as the court may impose;

I take no exception to that, I think that is a proper provision. But it continues:

—provided that, subject, to the provisions of section forty-six, any secured creditor or person holding security on the property of the debtor may realize or otherwise deal with his security in the same manner as he would have been entitled to realize or deal with it if this section had not been passed, unless the court otherwise orders.

It is on account of the use made of those words, "unless the court otherwise orders," that I am asking that this clause be allowed to stand. I will state what is the difficulty, in my opinion.

Hon. Mr. DANDURAND: Was this Bill passed as introduced in the Commons?

Hon. Mr. BEIQUE: Yes, it is as introduced, but the trouble is this. Take an estate where there are millions of dollars of property, and bonds have been issued. It gives the judge power to tie up the realization of the security on those bonds. If these words "unless the court otherwise orders" were not in the Bill, the bondholders would be entitled to bring to sale the property on which they had the mortgage; but with these words the judge will have the power to defer as long as he may deem necessary the realization of the property.

Hon. Sir JAMES LOUGHEED: Is not that desirable to prevent a sacrifice being made?

Hon. Mr. BEIQUE: I am merely telling the House what is the trouble in my mind, so that it may be considered. I am not settled on the remedy. I am advised that holders of bonds are frightened by this clause, because they do not know whither it may lead. I think it should be very carefully considered. It may depreciate the sale of bonds in a general way, and we should guard against that. I am not sure whether we should fix a time beyond which the judge should not go, either six or twelve months, but without opening the door to tying up the securities indefinitely, or whether it would not be better to allow the judge to exercise the power, provided additional security is given to the holder of the security. Suppose that a property which is considered to be worth $1,000,000 is charged with first mortgage bonds of say $250,000. The mass of the creditors would be very much interested in delaying the realization of the property in the expectation of getting the best price possible and having a large amount to distribute amongst themselves. But is is only for that purpose that the realization of the security should be delayed. On the other hand, if it is delayed in the interest of the mass of the bondholders, the creditors should not suffer, and because of the delay be unable to realize the full amount of the claim,

which they could have done if no delay had been granted. I suggest that this clause be allowed to stand.

Hon. Sir JAMES LOUGHEED: It occurs to me at the moment that the words are practically surplusage. Before a disposition of the property can be made under an issue of bonds or under any instrument that would operate as a security upon the property, an application will have to be made to the court, whether in bankruptcy or not, for the sale of the property; and the court will exercise its discretion as to the date that may be fixed for the sale or foreclosure, as the case may be. It seems to me that the court already has discretion. This simply gives the court a discretion.

Hon. Mr. BEIQUE: You are losing sight of the first part of the proviso:

> Provided that, subject to the provisions of section 46, any secured creditor or person holding security on the property of the debtor may realize or otherwise deal with his security in the same manner as he would have been entitled to realize or deal with it if this section had not been passed.

Hon. Sir JAMES LOUGHEED: Would he not have that right anyway if he is a secured creditor?

Hon. Mr. BEIQUE: Yes but we passed a moment ago a section staying the proceeding.

Hon. Sir JAMES LOUGHEED: That is, section 46 of the Act of 1919?

Hon. Mr. BEIQUE: The first portion of this section says:

> On the making of a receiving order or authorized assignment, no creditor to whom the debtor is indebted in respect of any debts provable in bankruptcy shall have any remedy against the property or person of the debtor, or shall commence or continue any action, execution, or other proceedings for the recovery of a debt provable in bankruptcy unless with the leave of the court and on such terms as the court may impose.

You see, this is general. It stays the proceedings. You then have the exception which I have just read. So, that there is no stay of proceedings so far as secured creditors are concerned, "unless the court otherwise orders."

Hon. Sir JAMES LOUGHEED: Was there a stay under section 46 of the former Act?

Hon. Mr. BEIQUE: Yes.

Hon. Mr. ROCHE: Does this postpone or nullify the claim of a creditor who has given his goods to the debtor and where the goods may be in sight? Would it prevent him taking any action on the ground of fraud or otherwise?

Hon. Mr. BELCOURT: I do not at present agree with my honourable friend that the words "unless the court otherwise orders" should be stricken out. I think the discretion of the court should be maintained.

Hon. Mr. BEIQUE: I have not suggested that the words be struck out. I merely drew attention to the clause and ask that it be suspended.

Hon. Mr. BELCOURT: I think those words should remain. One reason occurs to me now. There may be others. Bonds and other securities are secured by mortgage in favour of someone who acts as trustee. In all these mortgages you will find a clause to the effect that if the debtor, the company which has issued the bonds, goes into liquidation or becomes bankrupt, the bonds immediately become exigible. I am supposing a case of that sort where the bonds have not matured. They are not exigible as to date, but they have become exigible because the giver of the bond has become insolvent, or has not met the interest, or something of that sort. The time for the maturing of those bonds has not expired. An action is brought by the trustees in the name of the bondholders for the payment of those bonds. We must bear in mind all the time that the unsecured creditors have a lien on all the property of the debtor, including the property that goes to guarantee the bonds.

Hon. Mr. DANDURAND: A second lien.

Hon. Mr. BELCOURT: A subsequent and unsecured lien, which would only cover and apply to the balance which would remain after the property had been disposed of in satisfaction of those securities. You must remember all the time that there is a concurrence, a co-existing interest, along with the secured creditors, in the property mortgaged. The trustee brings an action. He says: "These bonds are not matured under the terms of the bond, but this debtor has committed an act which makes them exigible right away: I am going to sell right away." The unsecured creditor may say: "If you wait five or six months you will make a better sale." I think that is where the court should be allowed to exercise its discretion to decide whether it would not be in the interest of the unsecured creditors without causing any injury to the secured creditors, that the sale should be postponed and that there should be a stay of proceedings.

Hon. Mr. McMEANS: That section would not cover it.

Hon. Mr. BELCOURT: Oh, yes. This section stays all proceedings of any kind.

Hon. Mr. McMEANS: As against the debtor only—not as against the property itself.

Hon. Mr. BELCOURT: You cannot distinguish between the property and the debtor.

Hon. Mr. McMEANS: If I have a mortgage on the property, I can sell the property.

Hon. Mr. BELCOURT: You could exercise the power of sale, and I think the court might interfere.

Hon. Mr. McMEANS: Oh, no.

Hon. Mr. BELCOURT: Of course, if you proceed under the power of sale, there is nothing to restrain any creditor from applying to the court and asking that the proceedings be delayed.

Hon. Mr. McMEANS: But this section says it shall not interfere with any rights at all.

Hon. Mr. BELCOURT: Unless the court otherwise orders. That is what I am talking about.

Hon. Mr. McMEANS: What I mean is this. The section says:

> Provided that, subject to the provisions of section 46, any secured creditor or person holding security on the property of the debtor may realize or otherwise deal with his security in the same manner as he would have been entiled to realize or deal with it if this section had not been passed.

Hon. Sir JAMES LOUGHEED: "Unless the court otherwise orders."

Hon. Mr. McMEANS: First, it says:

> On the making of a receiving order or authorized assignment, no creditor to whom the debtor is indebted in respect of any debt provable in bankruptcy shall have any remedy against the property or person of the debtor, or shall commence or continue any action, execution or other proceedings.

That is only an action for a debt. But if you hold a mortgage or bond against his property, that does not prevent you selling the property under the mortgage or under the bond; so all that is referred to in the section about bringing the action is an unsecured debt.

Hon. Sir JAMES LOUGHEED: No. See the words in the thirty-second line "or otherwise deal with his security."

Hon. Mr. McMEANS: I know, but it merely says that it will be the same as if this section had not been passed.

Hon. Sir JAMES LOUGHEED: "Unless the court otherwise orders."

Hon. Mr. BELCOURT: If you leave that out, you are quite right, and I am all wrong.

Section 10 stands.

On section 11, subsection 1—regarding assignment for general benefit of creditors:

Hon. Sir JAMES LOUGHEED: What is the meaning of "locality of the debtor?"

Hon. Mr. BEIQUE: It is defined in section 2.

Hon. Sir JAMES LOUGHEED: But I want to know its relation to the trustee. It means that this trustee must have authority in this locality. That is what I do not quite understand. In introducing this Bill my honourable friend pointed out that one of the vicious features of the old Act was the appointment of trustees in bankruptcy as described in the first paragraph of section 14, and he stated that the policy of this Bill was to do away with what I might term "locality trustees." We are repeating the phrase here.

Hon. Mr. BEIQUE: Section 11 amends section 9 of the Act in such a way as to provide for the assignment to the creditors generally instead of to an authorized trustee, as heretofore,

Hon. Sir JAMES LOUGHEED: "Pursuant to section 14 with authority in the locality of the debtor." That is to say, as I understand it, the creditors could not appoint a trustee unless he was an authorized locality trustee. Now we are doing away with that.

Hon. Mr. BEIQUE: It is merely a consequential amendment.

Hon. Mr. WILLOUGHBY: Because you are making an assignment to an officer of the court in that locality.

Hon. Sir JAMES LOUGHEED: If that is the meaning, that is all right.

Subsection 1 of section 11 was agreed to.

On new subsection 2 of section 11—authorized assignment:

Hon. Mr. BELCOURT: What is the meaning of the words "or otherwise?"

Hon. Mr. BEIQUE: They make it more general.

Hon. Mr. BELCOURT: I think they are wholly useless.

Hon. Mr. WILLOUGHBY: A common creditor.

Hon. Mr. DANDURAND:: Whether secured or not.

New section 2 was agreed to.

On new subsection 3 of section 11—filing of such authorized assignment:

Hon. Sir JAMES LOUGHEED: To what extent will the court authorize jurisdiction or authority over the property? Apparently the policy of the Bill is that the custodian should be in possession of the property.

Hon. Mr. BELCOURT: Subject to the jurisdiction of the court. He may be removed.

Hon. Mr. BEIQUE: It may not be a very proper expression.

Hon. Sir JAMES LOUGHEED: It seems to me you would have two conflicting authorities, one the court, and the other the custodian.

Hon. Mr. BEIQUE: "Shall be under the authority of the court"—I think that would be better.

Hon. Mr. BELCOURT: The custodian would be appointed by the court?

Hon. Sir JAMES LOUGHEED: No; he is appointed by the Official Receiver, under section 8A. He can be appointed by the court, but section 8A refers to "the custodian whether appointed by the court pursuant to a receiving order, or by the Official Receiver pursuant to an authorized assignment." Can my honourable friend (Hon. Mr. Béique) say what is the distinction? There are apparently two classes of cases there; that is to say, the case where the receiving order is issued by the court, and the case where the Official Receiver acts pursuant to an authorized assignment.

Hon. Mr. BEIQUE: There is the distinction between the voluntary assignment and the compulsory one. That is the only distinction. I would suggest that it should read: "Shall be deemed to be under the authority of the court."

Hon. Sir JAMES LOUGHEED: Yes. I think everything that is done up to the taking of possession by the trustee should be under the authority of the court.

The Hon. the CHAIRMAN: Instead of the words, "in the custody"' it should read, "under the authority."

Hon. Sir JAMES LOUGHEED: Furthermore, the prothonotary should be an officer of the court in relation to the property.

Hon. Mr. McMEANS: You mean the Official Receiver?

Hon. Sir JAMES LOUGHEED: Yes, the Official Receiver.

Hon. Mr. DANDURAND: Will not this situation arise?

If the Official Receiver accepts the assignment, he shall file the same whereupon the property of the debtor shall be deemed to be in the custody of the court—

He is himself an officer of the court; he is a clerk of the court, or prothonotary.

—and the debtor shall cease to have any capacity to dispose of or otherwise deal with such property.

It is deemed to be in the custody of the court so long as it remains there, but the following subsection reads:

(4) Immediately after the acceptance of the authorized assignment, the Official Receiver shall appoint a custodian whom he shall, as far as possible, select from the most interested creditors.

Hon. Sir JAMES LOUGHEED: We are going to amend that. He may not be an interested creditor: he will be a "qualified person," according to what my honourable friend from De Salaberry has suggested.

Hon. Mr. DANDURAND: But he may be chosen from among the most interested creditors.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. DANDURAND (reading):

The Official Receiver or his nominee shall preside at the first meeting of creditors and shall decide any questions arising in connection with the appointment of the trustee by the creditors.

My first reading of it would give me the impression that once the Official Receiver accepts the appointment the property of the debtor is deemed to be in the custody of the court. It passes from the court to the custodian only when the custodian is appointed.

Hon. Sir JAMES LOUGHEED: But go back to section 8A and you will see that the custodian is in possession.

Hon. Mr. DANDURAND: Not at that moment.

Hon. Sir JAMES LOUGHEED: Yes, not as an officer of the court. That will have to be cleared up.

Hon. Mr. BEIQUE: Yes. Subject to reconsideration to-morrow if the Department takes any objection. I should think it would be a better wording to substitute "under the authority for the words, "in the custody."

The amendment of Hon. Mr. Beique was agreed to.

Hon. Mr. BELCOURT: Would it not be better to have the custodian appointed by the court?

Hon. Sir JAMES LOUGHEED: I would think so.

Hon. Mr. BELCOURT: An assignment is made to the court official—the prothonotary or the registrar. Then he goes to the judge, not on the suggestion of the creditor, but on his own initiative, and suggests So-and-so as custodian, asking the court to ratify his suggestion or appoint somebody else. The judge does so and names someone and mentions the security to be given by the custodian. You have there an official who will be responsible to the court and liable to imprisonment for failure to perform his official duties. You have all the machinery of a duly-constituted court to inquire into his conduct—to hear evidence and to make such provision as will best suit the case. We are trying to make this Bill as good as we can, and I think it would unquestionably be much better if the appointment of the custodian were left to the discretion of the court.

Hon. Mr. DANDURAND: If it were ratified by the court?

Hon. Mr. BELCOURT: Ratified by the court or left to the discretion of the court.

Hon. Sir JAMES LOUGHEED: There should be a duly qualified receiver appointed by the court.

Hon. Mr. BELCOURT: Then the court would be able to make the custodian perform his duties.

Hon. Mr. BEIQUE: I appreciate the suggestion which was made a moment ago, that it be declared that the Official Receiver, who is the prothonotary, should be an official of the court. I am inclined to think that it would be well to provide for that. However, I would point out that even if it is so provided the judge will leave such matters to the prothonotary and an unnecessary petition would add to the cost of the liquidation of the estate.

Hon. Mr. McMEANS: Perhaps the honourable gentleman can enlighten me. It does seem to me that this is a most cumbersome way of having an assignment or bankruptcy petition. First you have the Official Receiver. Then, when he gets the property, he must pass it over to the custodian. The custodian then calls a meeting of the creditors and they appoint somebody else and it is passed over to the creditors' nominee. You have the property passing into the hands of three different persons.

Hon. Mr. BEIQUE: No, no.

Hon. Mr. McMEANS: Two persons. First you have the Official Receiver.

Hon. Mr. BEIQUE: And the custodian.

Hon. Mr. McMEANS: Yes. There is the Official Receiver. He gets it first. Then he nominates another man called the custodian.

Hon. Mr. DANDURAND: He has to take possession of the property and hold it.

Hon. Mr. McMEANS: Why cannot the Official Receiver do that? The meeting of the creditors is to be held within a very few days.

Hon. Mr. DANDURAND: But it is the Official Receiver and not the custodian who calls the creditors together.

Hon. Mr. McMEANS: I know. When the Official Receiver gets hold of the property why cannot he call a meeting of the creditors and let them deal with it at once?

Hon. Mr. DANDURAND: But it takes some time to call such a meeting, and during that time the property must be in the hands of somebody.

Hon. Mr. McMEANS: But it is in the hands of the Official Receiver, who is a court official.

Hon. Mr. BELCOURT: But he cannot exercise any authority in the matter.

Hon. Mr. McMEANS: Why should he not?

Hon. Mr. BELCOURT: There must be a special arrangement for that purpose. The prothonotary has his own duties to attend to, and he must appoint a custodian who can take care of the property during the whole time. That is why the custodian is necessary. But what I think should be done is to make that custodian an officer of the court; or at all events make him amenable to the court if he does not do his duty.

Hon. Sir JAMES LOUGHEED: An interim receiver, that is what he should be.

Hon. Mr. McMEANS: May I ask the honourable gentleman from De Salaberry (Hon. Mr. Beique) where in the Bill there is any definition as to who the Official Receiver may be. I have not come across that definition so far.

Hon. Mr. BELCOURT: The Official Receiver is the prothonotary or the clerk of the court.

Hon. Mr. McMEANS: Does it say that?

Hon. Mr. BEIQUE: Yes; in section 2, at the end of the first page.

Hon. Mr. McMEANS: Of the amending Bill?

Hon. Mr. BEIQUE: Yes.

"(yy) 'Official Receiver' means the person having authority in the locality of the debtor to exercise the functions of the official receiver for the time being."

Hon. Mr. McMEANS: But that does not say he is the prothonotary or an officer of the court.

Hon. Mr. BEIQUE: As was mentioned a few moments ago, it might be better to add a provision stating that he shall be an officer of the court.

Hon. Mr. McMEANS: That is all right, but it is not in the Bill.

Hon. Mr. BEIQUE: No. We will consider that.

Hon. Mr. McMEANS: In Quebec there is a prothonotary. I do not know what the officer in Ontario would be called. In some other provinces there is the registrar.

The Hon. the CHAIRMAN: Subsection 3 is passed, but in line 16 the words "in the custody" are struck out and the words "under the authority" are substituted.

New subsection 3, as amended, was agreed to.

On new subsection 4, subsection 2 of section 11—appointment of custodian:

Hon. Sir JAMES LOUGHEED: That stands.

Hon. Mr. BEIQUE: I suggest that we adopt the words "a qualified person."

Hon. Mr. WILLOUGHBY: Is there any definition of the words "most interested?"

Hon. Mr. BEIQUE: I suggest that this be worded to read:

Shall appoint as custodian a qualified person, having regard, as far as the court deems just, to the wishes of the creditors.

Hon. Sir JAMES LOUGHEED: That would imply that the matter is considered by the court before he is appointed. It seems to me that some section has been omitted which made provision for application being made to court.

Hon. Mr. BEIQUE: Let subsection 4 stand.

Hon. Mr. BELCOURT: In order that we may consider something other than this, let me make a suggestion. I propose that the subsection should read:

Immediately after the acceptance of the authorized assignment, the court, upon the application of the Official Receiver, shall appoint a qualified person as custodian of all the property and assets so assigned or transferred to the Official Receiver.

You cannot call the creditors at that moment. A man comes into the office of the Official Receiver and says, "Here is my property." You cannot get the creditors together to give advice to the judge. There must be somebody who, immediately the assignment is made, within a few minutes if possible, takes charge of the property which has been abandoned, controls it, and becomes responsible for it. I submit that the only way to bring that about is to provide that the Official Receiver may at once go to the judge and say: "I have received an assignment of property from So-and-so. Whom will Your Lordship appoint as custodian?"

Hon. Sir JAMES LOUGHEED: Upon proper security.

Hon. Mr. BELCOURT: And he would fix the security that is to be given.

Hon. Mr. DANIEL: One of the suggestions that have been sent to me in some of these telegrams is that the custodian should not be a relative of the debtor. So far, I think, no honourable gentleman has made any reference to that point, and I would like to know what is the opinion of the Committee on it. Would it not be objectionable to have as custodian a relative by blood or by marriage of the debtor?

Hon. Mr. BELCOURT: If the relative must give security, what difference does it make? Would not the requirement of security remove the objection?

Hon. Sir JAMES LOUGHEED: He may be a relative without your knowing it. I do not see how you could provide against that.

Hon. Mr. DANIEL: If the custodian has nothing to do but merely take care of the property until it is handed over to somebody else, then of course the security would be sufficient.

Hon. Mr. BELCOURT: He cannot dispose of any of the property.

Hon. Mr. WILLOUGHBY: He is only the custodian.

Hon. Mr. DANIEL: Then the relationship would not make any difference.

New subsection 4 stands.

On new subsection 5—procedure at first meeting of creditors:

Hon. Sir JAMES LOUGHEED: "And shall decide any questions arising in connection with the appointment of the trustee by the creditors."

Hon. M. BELCOURT: That is very poor language.

Hon. Sir JAMES LOUGHEED: That is to say, he apparently supersedes the creditors.

Hon. Mr. BELCOURT: Certainly, that is what it means.

Hon. Mr. McMEANS: It means he shall decide any question that may arise as to the majority of creditors.

Hon. Sir JAMES LOUGHEED: It does not say that.

Hon. Mr. McMEANS: "Shall decide any questions arising in connection with the appointment of the trustee." He is to decide as to the majority of the creditors, who have the right to appoint the trustee. There might be some dispute as to the amount of their claims.

New subsection 5 was agreed to.

On section 12, new section 10—Form of assignment:

Hon. Mr. McMEANS: I would point out that there might be several courts having jurisdiction in the same place. I do not suppose it makes much difference.

Hon. Mr. DANDURAND: "The court having jurisdiction in the locality of the debtor."

Hon. Mr. BEIQUE: It is defined.

Hon. Mr. McMEANS: No.

Hon. Sir JAMES LOUGHEED: We are going to define that. That has to be done yet.

Hon. Mr. BELCOURT: You do not define what court.

Hon. Sir JAMES LOUGHEED: No; it will be necessary to have a clause defining that.

Hon. Mr. BEIQUE: I think it is defined later on.

Hon. Sir JAMES LOUGHEED: I have not seen it yet.

Hon. Mr. McMEANS: There is no definition of it there.

Hon. Mr. BELCOURT: With regard to section 12, would it not be wise also to have the appointment of the guardian announced, so that any interested creditor who might come to the courthouse could find out who the guardian is? I think the same provision ought to be made for the guardian as is made for the Official Receiver.

Hon. Mr. McMEANS: You mean the custodian?

Hon. Mr. BELCOURT: Yes, I mean the custodian.

Hon. Sir JAMES LOUGHEED: It seems to me the Official Receiver should be compelled, when he notifies the creditors, to state what has been done as to the custodian.

Hon. Mr. BELCOURT: That is what I mean.

Hon. Sir JAMES LOUGHEED: In the first notice to creditors all the information could be given and should be given to the creditors.

Hon. Mr. DANDURAND: When the Official Receiver notifies and calls in the creditors?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BELCOURT: It is not only that. The provision says:

> Every Official Receiver with whom an assignment is filed, shall, when the same is completed as hereinbefore provided, deposit the same in the court having jurisdiction in the locality of the debtor.

He should at the same time give notice to that court of the fact that So-and-so has been appointed custodian.

Hon. Sir JAMES LOUGHEED: Yes, there is no doubt about that.

Section 12 was agreed to.

Section 13 was agreed to.

On section 14—publication of notice:

Hon. Sir JAMES LOUGHEED: Is that public notice of his appointment in the Canada Gazette?

Hon. Mr. DANDURAND: Notice of the assignment to be published.

Section 14 was agreed to.

New subsections 1 and 2 of section 15 were agreed to.

On subsection 3 of section 15—proceedings by trustee:

Hon. Sir JAMES LOUGHEED: What does that relate to?

Hon. Mr. BEIQUE: A provision was inserted in the Act last year providing for schemes of arrangement, which were subject to the approval of two-thirds of all classes of interested parties—that is, of creditors and

shareholders. This is to substitute three-quarters for two-thirds. I have been asked to amend this provision by persons representing companies, and I have invited them to prepare their amendment, and we may consider it to-morrow. They claim that this provision is all right so far as the creditors are concerned, but that, as far as the shareholders are concerned, it should be sufficient to require two-thirds.

Hon. Sir JAMES LOUGHEED: To do what?

Hon. Mr. BEIQUE: To approve of the scheme of arrangement.

Hon. Sir JAMES LOUGHEED: Two-thirds in value?

Hon. Mr. BEIQUE: Yes. We will consider it when it comes up. I think we may pass it and reconsider it to-morrow.

Hon. Mr. DANIEL: With regard to that, my correspondents think that a plain majority would be quite sufficient at the first meeting of the creditors, and they object to two-thirds being necessary. The proposed amendment is even worse than that; it makes it three-quarters.

Hon. Mr. BEIQUE: We will let this stand.

Hon. Sir JAMES LOUGHEED: Has that to do with the presence of the three-quarters joining under the signatures?

Hon. Mr. BEIQUE: It is three-quarters of the creditors.

Hon. Sir JAMES LOUGHEED: That does not involve their being present. They must be consenting parties.

Hon. Mr. BEIQUE: Present, or by proxy.

New subsection 3 of section 15 stands.

On section 13—filing of assignment (reconsidered):

Hon. Mr. BELCOURT: In order to try to make myself intelligible, may I read subsection 14 of section 13 of the Act of 1919. I propose to deal with something in the Act which is not dealt with in the Bill before us. This is the subsection to which I want to refer:

If default is made in payment of any instalment due in pursuance of the composition, extension or scheme, or if it appears to the court, on satisfactory evidence, that the composition, extension or scheme cannot, in consequence of legal difficulties, or for any sufficient cause, proceed without injustice or undue delay to the creditors or to the debtor, or that the approval of the court was obtained by fraud, the court may, if it thinks fit, on application by the trustee or by any creditor, adjudge the debtor bankrupt, make a receiving order against him, and annul the composition, extension or scheme.

The case I want to put before the Commission is this. Whilst the composition, extension or scheme is being carried out, especially in the case of composition, certain things will have been done, and certain payments will have been made to the creditors. If the judge subsequently annuls that composition, you have creditors who have received part of the money under the composition.

Hon. Sir JAMES LOUGHEED: Yes, but without prejudice to the payment duly made.

Hon. Mr. BELCOURT: What I am coming to is this. During the same time merchants throughout the community, having learned that so-and-so had made an assignment or an extension, or a composition, and on the faith of that, and knowing that some of the creditors under the composition scheme have already received some part of the money, advance goods to the debtor. The judge comes along afterwards and annuls the composition and puts an end to everything, and these gentlemen who advanced the goods in the meantime can only rank with those men who have already received part of the money forming the composition.

Hon. Mr. WILLOUGHBY: Would that not be the consequence if the debtor failed to meet all the requiremnets of the composition? His creditors would rank the same as creditors of any debtor.

Hon. Mr. BELCOURT: That is quite true; but I am putting the case of creditors who under a composition scheme have already received half the money to be paid by way of composition. Whilst that scheme is being carried out, other people advance goods to the same debtor under the impression and in the hope that this composition is going to be carried out.

Hon. Mr. FOWLER: They do it at their own risk.

Hon. Mr. BELCOURT: That is what I want to guard against. These men are placed in the awkward position of being faced by a man who is declared to be bankrupt, whilst their co-creditors have received part of their debt. I realize the difficulty of protecting these men who have advanced the goods.

Hon. Mr. FOWLER: You cannot protect men from the three-card-monte game.

Hon. Mr. BEIQUE: Persons advancing goods under such circumstances know that they are treating with a debtor who has made a composition to pay his debts in three or six or nine months; therefore they are sup-

posed to know that they are exposed to the risk of the composition being annulled.

Hon. Sir JAMES LOUGHEED: Suppose the composition is completed; the result is the same. What do you suggest?

Hon. Mr. BELCOURT: Why could not the court exercise its discretion in regard to these subsequent creditors who have advanced goods or money on the faith of the composition being carried out? I thought we might add the words: "and subject to such depreciation as the court may make with regard to the claim of creditors against the debtors incurred subsequently to such composition, extension or scheme."

Hon. Mr. FOWLER: No, because a man who does that takes an additional risk and should have the same security as a man who did not take such a risk in making the original sale. The composition is for the original creditors of the debtor.

Hon. Mr. DANDURAND: Who advanced to a solvent man.

Hon. Mr. FOWLER: Yes. The people you are trying to protect advanced to an insolvent man and took their chances on the composition being carried through. They took an extra hazard. You should not put them on the same plane.

Hon. Mr. BEIQUE: It would create such a state of uncertainty that they would be at the mercy of the caprice of any judge.

Hon. Mr. FOWLER: By that additional sale, this man has made the estate, that much the worse.

Hon. Mr. BELCOURT: That much the better.

Hon. Mr. DANDURAND: The best provision for a man who finds that there is still a little margin owing, is to pay it himself and save his own property.

Section 13 was agreed to.

New subsection 5 of section 15 was agreed to.

On new subsection 6 of section 15—court may make order annulling bankruptcy or assignment:

Hon. Mr. BEIQUE: Under the Act at present in force the judge has the right to decide. This is taking the matter out of the jurisdiction of the judge.

New subsection 6 of section 15 was agreed to.

Section 16 was agreed to.

On section 17—Security to be furnished by trustee:

Hon. Mr. BELCOURT: I suppose we ought to make a similar provision there with regard to the custodian. He ought to be under the same obligation as the Official Receiver as to security.

Hon. Sir JAMES LOUGHEED: Yes. That will be an amendment consequent upon the other clause being changed.

Hon. Mr. BEIQUE: Yes.

Section 17 was agreed to.

Sections 18 and 19 were agreed to.

On section 20—sales in the province of Quebec:

Hon. Sir JAMES LOUGHEED: We will accept all that if the honourable gentlemen from Quebec say that is what they want.

Hon. Mr. BELCOURT: Anything is good enough for Quebec? Seriously, I do not see why the same provision should not apply to a mortgage in Ontario or any of the other provinces in which the English law prevails.

Hon. Mr. BEIQUE: I may have to ask that part of this clause be reconsidered to-morrow.

Hon. Mr. DANDURAND: Let us adopt it in the meantime.

Hon. Mr. BELCOURT: Will my honourable friend (Hon. Mr. Beique) consider the propriety of applying the same provisions to the other provinces?

Hon. Mr. BEIQUE: That is not within my province.

Hon. Mr. BELCOURT: I am making the suggestion. I do not see why the same provision should not apply to all the provinces.

Hon. Mr. DANDURAND: My honourable friend can test the feeling of his colleagues from Ontario.

Hon. Sir JAMES LOUGHEED: It is because of the distinction between a hypothec and a mortgage. Is not that the reason?

Hon. Mr. BEIQUE: Yes.

Hon. Mr. BELCOURT: But it is not a sufficient reason.

Hon. Mr. BEIQUE: Under the Ontario system the mortgagee is the owner.

Hon. Sir JAMES LOUGHEED: Yes, he has the legal estate; whereas in Quebec he has not.

Section 20 was agreed to.

Sections 21 and 22 were agreed to.

On section 23—remuneration of trustee:

Hon. Mr. BEIQUE: Under the law as it now stands the remuneration is limited to 5 per cent. It has been claimed that in small estates, if $1,000 is realized, that is altogether sufficient, and that power should be given to the court, with the approval of the inspectors, to increase the amount.

Section 23 was agreed to.

Sections 24 to 30, inclusive, were agreed to.

On section 31, new section 52—application of provincial law:

Hon. Sir JAMES LOUGHEED: I should like to have that section stand until to-morrow, because it has created a great deal of dissatisfaction in the country.

Hon. Mr. BEIQUE: Stands.

Section 31 stands.

Sections 32, 33 and 34 were agreed to.

On section 35, new section 65A—Official Receivers:

Hon. Sir JAMES LOUGHEED: How are those districts to be established? By Order in Council?

Hon. Mr. BEIQUE: By Order in Council.

Hon. Mr. BELCOURT: The wording of this section does not seem to be very apt:

"65a. There shall be one Official Receiver in each Bankruptcy District or Division who shall have and perform only such duties and responsibilities as are prescribed by this Act and Rules, and who shall be appointed by the Governor in Council".

Suppose it is the local registrar or the clerk of the court, would not that disqualify him for performing other duties? He would have to give up one or other of the jobs.

Hon. Sir JAMES LOUGHEED: And if he gave up his position he would cease to qualify under this Bill.

Hon. Mr. BELCOURT: Certainly.

Hon. Mr. BEIQUE: Let it stand.

Section 35 stands.

Sections 36, 37 and 38 were agreed to.

Progress was reported.

PRIVATE BILL

COUCURRENCE IN COMMONS AMENDMENT

Hon. Mr. BELCOURT moved concurrence in the amendment made by the House of Commons to Bill 12, an Act to Incorporate the Montreal Finance Trust.

The motion was agreed to.

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

Sir JAMES LOUGHEED.

THE SENATE

Thursday, June 14, 1923.

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

Prayers and routine proceedings.

FREIGHTERS DRUMMOND AND McKEE

INQUIRY

Hon. Mr. BENNETT inquired of the Government:

Upon what terms were the freighters T. J. Drummond and J. A. McKee leased to the Great Lakes Transportation Company for the season of 1923 as to the price to be paid for the use thereof and conditions (if any) as to price to be charged for carrying grain.

Hon. Mr. DANDURAND:

The freighters T. J. Drummond and J. A. McKee were chartered May 3, 1923 to the Great Lakes Towing Company, of Midland, Ontario. It is not considered in the interests of the Canadian Government Merchant Marine to publish the terms of the charter. There were no conditions as to grain rates.

JUDGES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 201, an Act to amend the Judges Act.

He said: Honourable gentlemen, the Legislature of Ontario has decreed that there shall be two Appellate Divisions and a High Court Division by its last legislative enactment. The first Appellate Division will be presided over by the Chief Justice of Ontario, and there will be a Second Chief Justice on the Second Division. When a vacancy occurs in the Court of Common Pleas, the two judges now occupying positions in that Court are not to be replaced. There will be a Chief Justice of the High Court, with the same number of judges as at present. The judges of the Appellate Division will be known as the Judges of Appeal. There is no increase in the number of judges and no increase in salaries. That covers the first part of the Bill.

The second part, which concerns the Circuit Court of Montreal, is for the purpose of raising the salaries of the four judges of that Court. The Senior Judge of that Court will henceforth receive $8,000 a year, and the other three judges will receive $7,000 each. I may say that this will cure a grievance which has been apparent to all the members of the Bar at Montreal as well as to the judges, more especi-

ally to the victims of the law which neglected to take them into consideration when the salaries of the judges were raised before.

Right Hon. Sir GEORGE E. FOSTER: What are the present salaries?

Hon. Mr. DANDURAND: The Chief Justice gets $5,500, and the Puisne Judges $5,000 each.

Strange to say, the error occurred while the Minister of Justice was from the province of Quebec, the present Lieutenant-Governor of that province, Sir Charles Fitzpatrick. But he was not from Montreal. Circuit work throughout the province had always been carried on by the judges of the Superior Court, but some 25 years ago it was felt that the work which devolved upon that Court in the city was so great that it justified the appointment of special judges to that Court. In general actions for recovery, their jurisdiction is limited apparently to $100; but in other matters it goes much further. The whole municipal machinery falls under their review, as well as the valuation rolls, and they deal with actions in which millions of dollars are involved, and in such cases their judgments have been carried as far as the Privy Council. They deal with thousands of cases, and work diligently from morning till night. They are as fully and seriously occupied as the judges of the Superior Court. These judges felt that they had been lost sight of. When the increases were made, the Minister of Justice of the time took for granted that they belonged to the Superior Court and were getting the benefit of the general increase. I believe it is due to these judges to raise their salaries as proposed in the Bill. They are not put on an exact parity with the Superior Court judges, who receive $9,000 a year; but if the dignity of the Bench is to be maintained, these judges in the city of Montreal are entitled to a stipend that will enable them to maintain their position in the community. The jurisdiction of this Court is considerable.

Hon. Sir JAMES LOUGHEED: How many judges are there in Montreal?

Hon. Mr. DANDURAND: The Chief Justice and three Puisne Judges.

Hon. Mr. GORDON: Were not the salaries of the judges of Appeal in Ontario previously fixed at $9,000?

Hon. Mr. DANDURAND: They are not increased in this Bill.

Hon. Mr. GORDON: If this is the proper time, I would like to point out to the leader of the Government that last February I asked if the Government was aware that two judges of the Supreme Court of Ontario had been paid $10,000 each by the Province in apparent contravention of an Act passed in 1920. The reply which I got was no. Now, ugly rumours are floating about to the effect that two prominent judges did receive $10,000 each from the Province of Ontario for services rendered after that Act was passed. I would like to ask the leader of the Government to bring this matter again before the Justice Department and get a ruling.

Hon. Mr. DANDURAND: I will submit the question of my honourable friend to the Department of Justice.

Hon. Mr. BEIQUE: The honourable gentleman was stating the jurisdiction of the judges.

Hon. Mr. DANDURAND: I thought I had a statement of it before me. I know that it covers all cases that are below $100; it covers appeals from the Municipal Court; it reviews the decisions in fixing the municipal valuation rolls throughout the city and district. Their jurisdiction goes beyond the city of Montreal. They have to deal with very important questions with regard to the municipal franchise; cases come before them in connection with the electoral roll, and the differences between citizens and the municipalities as to the valuation of property. The judges of that Court need to possess as high legal attainments in the civil law as judges of the Superior Court, because in those civil matters there is no appeal. The present judges are, in fact, giving considerable satisfaction to the people, and in the press on both sides of politics I have seen protests against the fact that these judges of the Circuit Court have been unfairly dealt with by the Parliament of Canada.

Hon. Mr. CASGRAIN: Those four judges hear more cases than the 24 other judges all put together.

Hon. Sir JAMES LOUGHEED: My honourable friend has with great precision described the jurisdiction of the County Court judges of the province of Ontario, and the District Court judges of the other parts of the Dominion. I would therefore like to ask him, though not opposing the Bill, if the Government is prepared to pay similar salaries to the other judges throughout Canada who exercise almost precisely the same jurisdiction as the judges provided for in this Bill?

Hon. Mr. BEIQUE: There is the fact that there are only four judges, and their time

is entirely occupied; and as was stated a moment ago, they have to render more judgments than the judges of the Superior Court, whereas there are many County Court judges who are not as a rule very much occupied.

Hon. Sir JAMES LOUGHEED: Those in the cities are—for instance, in the city of Toronto and other centres.

Hon. Mr. BEIQUE: I am not saying that there may not be other cases in which the salaries should be raised: I am merely saying that, so far as these judges are concerned, they are certainly deserving of consideration.

Hon. Sir JAMES LOUGHEED: I am not dissenting from that.

Hon. Mr. BARNARD: In the city of Vancouver, for instance, there are only three County Court judges. They get $5,000 a year. Those men work far harder and have far more work to do than the Supreme Court judges who get a larger salary.

Hon. Mr. CASGRAIN: What is the population?

Hon. Mr. BARNARD: About 150,000 or 175,000.

Hon. Mr. CASGRAIN: It is 800,000 in Montreal.

Hon. Mr. BARNARD: A man can only work all the day and part of the night.

Hon. Mr. BELCOURT: Do not those judges receive other fees as probate judges?

Hon. Mr. BARNARD: No.

Hon. Mr. BELCOURT: They do in Ontario.

Hon. Mr. BARNARD: I understand that they do in Ontario, but in British Columbia they do not. In addition to the jurisdiction mentioned by the leader of the House, they do a very great deal of criminal work; in fact, they try practically all the speedy trials and this jurisdiction is very similar to that which the honourable gentleman has described as being that of the judges in Montreal. I do not wish to oppose the Bill; I would like to see all the judges get what they are entitled to; but I do not see any particular reason why the judges of the city of Montreal should be singled out for this favourable treatment, while other men who are just as deserving are overlooked.

Hon. Mr. FOWLER: As a matter of fact, it does not make any difference whether a man is working all the day or not: he is not permitted to engage in any other occupation if he is a judge of the County Court, and he has to live upon his salary. The county judges of New-Brunswick have, as the honourable leader of the Government has pointed out, exactly the same duties that the Superior Court judges in Montreal have to perform.

Hon. Mr. TESSIER: Are they satisfied with their salaries?

Hon. Mr. BARNARD: Do you know anybody who is?

Hon. Mr. FOWLER: Have you ever seen a person who was satisfied with his salary? When they see other persons doing the same class of work getting a better salary, they certainly will be dissatisfied with theirs. As I say, those judges are not allowed to engage in any other occupation, and the expense of living is practically as great in one part of the country as it is in another. I do not see why the judges of Montreal should be singled out for this special good treatment, while the judges in other provinces are left as they are. If you permitted these judges to engage in civil occupations, that would be another matter; but to say that a man shall have $7,500 in the city of Montreal for performing duties similar to those for which a judge in the province of New Brunswick receives only $5,000 is to my mind unfair discrimination. In the city of St. John the County Court judge is very busy. He is constantly at work. In the country district the judge is not so busy, but, as I say, he has to live upon his salary and is not permitted to engage in other occupations. Therefore the salaries ought to be on a parity, I think.

Hon. Mr. BEAUBIEN: Honourable gentlemen, I have no experience in the other provinces and therefore cannot very accurately compare the duties, work and responsibility imposed on judges in other provinces with those exercised in Montreal by the judges of the Circuit Court. I take from what my honourable friend says that the duties they perform are equivalent in every respect. If that is the case, I think the salaries of those other judges ought to be increased in the same way. But the case before us is a meritorious case, and I think we ought to deal with it. The action taken may serve as a precedent for other judges elsewhere in Canada being treated as they should be.

To my mind, the best guarantee that we have for the proper administration of justice is the payment to our judges of the salary to which they are fairly entitled. In the Circuit Court in Montreal the work that our judges have to do is enormous and their responsibility is great. There is no appeal

from their decision. I happen to know of three cases before the Circuit Court at present, involving large amounts. One involves over $2,500,000, and the two others several hundred thousand dollars each. They are very important cases, and there is no appeal from the decision.

Hon. Mr. FOWLER: Would the judges give a better decision if they were receiving $2,500 more than they are receiving now? Does the value of their decision depend upon the amount of stipend they get?

Hon. Mr. BEAUBIEN: I do not know that that question requires much of an answer.

Hon. Mr. FOWLER: Well, the honourable gentleman was talking as though it did.

Hon. Mr. BEAUBIEN: I did not say that the giving of more salary would give more life to the judges, or more conscience,—

Hon. Mr. TESSIER: Or more courage.

Hon. Mr. BEAUBIEN: But I implied that they should be fairly compensated; that is all. I am trying to show to this honourable House what are the duties and responsibilities imposed upon our judges. I understood that judges in other provinces had other sources of revenue—in certain other provinces at any rate.

Hon. Mr. FOWLER: Not in mine.

Hon. Mr. BEAUBIEN: I understood that they were allowed to be surrogate judges at the same time. That of course would increase their indemnity to a certain extent. I do not contest the merits of the other judges, but I do earnestly plead for fair remuneration for men who have to work all the time and are debarred from earning any other emolument or increasing their income in any other way, and who have enormous responsibilities in making decisions from which there is no appeal.

Hon. Mr. CASGRAIN: About how many cases a year are there?

Hon. Mr. BEAUBIEN: Oh, thousands. I have not the figures at present.

Hon. Mr. BARNARD: I would suggest to the honourable leader of the Government that consideration should be given to the possibility of making the increase of salaries apply also to County Court judges in cities of a certain population, so that the judges in the different cities may all be placed upon the same basis.

Hon. Mr. FOWLER: I cannot quite understand why you make fish of one and flesh of the other. The judges have to give all their time; they cannot engage in other work, even if they are twiddling their thumbs. They have to live just the same.

Hon. Mr. DANDURAND: I would draw my honourable friend's attention to the distinction that has always been made in the salaries. I do not know whether it covered the whole country or not, but I surmise that it did. There has been a difference in the salaries given to the judges in cities and those given to the judges in rural parts. Of course, in Ontario there are no judges in rural districts, they being all concentrated at the capital.

Hon. Sir JAMES LOUGHEED: Oh, no.

Hon. Mr. DANDURAND: I am not referring to the County Court judges; I am speaking of the judges of the Superior Court. In the province of Quebec there has always been a difference between the emolument paid to the judge residing in a rural district and that paid to a judge in a city. There was a difference of $1,000 for twenty-five years, while I was practising. The rural judges received $4,000 and the city judges $5,000; and I know that the $4,000 paid to the judge living in a small town was nearly 50 per cent better than the remuneration of $1,000 more paid to the judge living in a city, owing to the higher cost of living in the city.

Hon. Mr. FOWLER: That is all changed now.

Hon. Mr. DANDURAND: I have known of judges of the Superior Court who lived in rural parts, and who could easily save regularly a good fourth of their salaries, whereas the judges in the city of Montreal, who were around me, always felt the pinch at $5,000.

Hon. Mr. DANIEL: The salary of the County Court judge in New Brunswick, I think, is just the same whether he lives in the city or in a rural district. I know that within the past year or two the salaries of the County Court judges have been increased. The salary of the County Court judge residing in St. John was $4,500 prior to that increase. The increase in salary of County Court judges was to $5,000, and I imagine it applied to all County Court judges of the province. So, while the County Court judges living outside of the city of St. John got an increase of $1,000 in their salaries, the County Court judge residing in St. John had an increase of only $500.

While I have not much to do with the court, I know that the County Court judge in St. John is much busier than any of the Supreme Court judges. He is working hard all the time—quite as hard, I have no doubt, as any judge in the city of Montreal. Why there should be any special advance in the salaries of judges living in the city of Montreal, where they cannot do more than work all the time, I cannot see. It may be that this is intended as the fisrt step towards increasing the salaries of the judges all over the country. If that is true, I have no objection to make, but I think it might just as well be done all at once as done piecemeal. The present proposal will create dissatisfaction, I have no doubt, and will result in attempts to obtain an increase of salaries all over the Dominion. I do not imagine that the salaries dealt with in the present Bill are at all too large; I am not making any statement of that kind; but if the present salaries are too small for the judges in Montreal, I think they are likewise too small for the judges occupying similar positions in other parts of the country.

Hon. Mr. DANDURAND: I will draw the attention of the Minister of Justice to the representations that have been made from different parts of this Chamber.

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

Hon. Mr. DANDURAND moved that the Bill be referred to Committee of the Whole to-morrow.

Hon. Sir JAMES LOUGHEED: I should like to suggest to my honourable friend that this Bill stand until Monday next, on account of a proposed amendment which my honourable friend from Welland (Hon. Mr. Robertson) suggested should be made to the Industrial Disputes Investigation Act. If that proposed amendment should be carried, it will be necessary to amend this Bill accordingly, it seems to me, and it would be better to have the two subjects dealt with together. Furthermore, my honourable friend from Middleton (Hon. W. B. Ross) has always taken a very deep interest in this matter, more particularly in the subject referred to in an amendment which I observe in section 3 of the Bill, and I should like very much that he would be present when this is being discussed. Therefore I would suggest Monday.

Hon. Mr. DANDURAND: Let us say Monday.

It was ordered accordingly.

REPORT OF LAKE FREIGHT COMMISSION

DEBATE CONCLUDED

The Senate resumed from June 12 consideration of the motion of Hon. Mr. Willoughby:

That he will call the attention of the Senate and of the Government to the report of the Commission which investigated the combine of shipping on the Great Lakes, and will inquire what steps are to be taken by the Government.

Hon. W. H. BENNETT: Honourable gentlemen, any question which has to do with the condition of the Western Territory of Canada merits and ought to receive a great deal of consideration in this House, and I rise because I believe that a time has arrived when, according to statements not only in the press of the West, but also by gentlemen who have the honour of being members of the House of Commons, or members of this honourable Assembly, the condition of the Western farmers is, in plain English, deplorable. There is no question about it. Any man who studies the mercantile life of Canada knows that a succession of causes has resulted in the Western farmers being at present in a very difficult position. To my mind it is the bounden duty of Parliament to do all that is possible to benefit and advance their best interests.

Last year I attended day after day the hearings of a special committee of the House of Commons to take evidence relative to the grain trade of the Northwest, and I was particularity fortunate in being present on one or two days when the Committee was addressed by Mr. Wood, of the province of Alberta, who is, I understand, at the head of the farmers' movement in that province. Sitting there and listening to the statements made by that gentleman, one could hardly believe that in this Dominion there existed among white men, with red blood in their veins, and who should sympathize with one another, such a condition of affairs as was described. It was stated that there existed a monopoly of grain dealers organized in companies, not for the purpose of assisting the farmer of the West, but with the sole object of extracting from his pocket the last cent that they could take out. I will not endeavour to repeat what Mr. Wood said, but the purport of it was this. Some 50 companies are organized and are working under charters in the West for the purpose of purchasing grain for distribution in Canada and the United States and throughout the world. These are not confined to companies who are trading in grain, but include vast milling corporations that have their places of business in Canada. Mr. Wood, in depicting the condition of affairs

stated that there were hundreds, or perhaps thousands, of elevators scattered over all that vast Western Territory, which were owned by those men and controlled from one place alone—that was, Winnipeg. The farmer two years ago was in sore distress by reason of the lowered prices, due undoubtedly to the fact that the war had ceased, and by reason of the extraordinary cost to him in recent years of everything he has had to buy; and yet that great octopus at Winnipeg, the combine of 45 or 50 companies, was striving, not to assist the farmer, but to damage his interests in every particular and to enrich itself.

What was the procedure? The farmer, who received daily his western paper, and who in many cases had telephone communication, learned from day to day the price of wheat. He knew what his expense had been in wages, the cost of his machinery, and the cost to him of everything that entered into the production, and with longing eyes he looked for the day when he might be able to sell his wheat at a fair profit. But, sitting in their offices at Winnipeg were the representatives of the Grain Exchange, dictating from day to day what should be the price of wheat on the following day, not in Winnipeg only, but all over the prairie provinces. The farmer, filled with hope because he saw that the price was, say, one dollar a bushel, drove his wheat a distance of perhaps 30 or 40 miles. The statement had been issued the day before that wheat was being sold at a dollar a bushel, but on his arrival at the station he was amazed to find that an order had come from the octopus at Winnipeg which fixed the price at from 5 to 10 cents a bushel less. Nay, the situation was worse than that. On arrival at the station, after having driven 30 or 40 miles with his wagon-load of grain, the farmer was awaited—by whom? By the bank manager, who had advanced money to keep him going over the winter; by the merchant, to whom he had promised to pay last year's bill; by the machine man, who expected to be paid. The farmer was told that the elevators were not buying grain to-day; in other words, they had stopped the flow of grain for that day. What was he to do with his grain? Was he to retrace his course over the prairies for 40 miles or so? As a favour they were willing to take his grain at probably 10 or 15 cents a bushel less than the price of the day before.

It was bad enough for the farmer of the West to have to deal with that octopus, but it remained for the year of grace 1922 to see another crowd of plunderers, harpies, trying to feed on his vitals. I refer to the transportation companies on the Lakes. Let us look back a few years at this transportation question. On the Lakes, up to the year 1922, there had been a fair rate for the carriage of grain. True, the companies had combined. True, the coalescing of small companies had resulted in the 1921 rate being much higher than the rate had been some years before. But it remained for the year 1922 to witness the most startling sight that ever was seen in Canada. The act was criminal, and it has been so referred to by the Royal Commission that has just made its report. What happened? I will not make any statements here to-day that are not borne out by the facts. All my statements are corroborated by written documents that have been before the public or before this Commission. When the year 1922 opened, this Government had just been seated safely in their seats. Before this time, evidently, the vessel men had no friends at court upon whom they could rely to work their own sweet will. Whether it was that certain shipping companies were influential supporters of this Government I know not; but some reason impelled the vessel companies to come together and to say: "Now is the time to charge what we like, because the Government will not interfere." Let me read this statement. In the month of December, according to a document from which I read the other day, published in the United States—and it has been proved beyond any doubt—contracts had been entered into for the commencement of the year 1922, for the first vessels, at three cents a bushel. That was to be the rate. The vessel men, both of Canada and of the United States, knew that; and the case I cited proved that contracts had been entered into for the carriage of a large quantity of grain.

Hon. Mr. SCHAFFNER: That is December, 1921.

Hon. Mr. BENNETT: December, 1921, for the opening of navigation in 1922. Now, what happened? At once there was dismay and consternation amongst the vessel men of Canada, and a hurry-up call was sent out to them to assemble and see what they could do in the work of pillaging the farmer of the West.

The Lake Rates Commission held its sittings, and I will read some of the evidence given before the Commission. It is unfortunate that the evidence has not all been printed, but the Winnipeg Free Press, with commendable business foresight, has printed a full report of the evidence taken from day to day, and from that evidence, which I have clipped, the following appears as to this

memorable meeting held in Toronto on the 4th day of May, 1922. Mark you, prior to this meeting, as I proved by the other documents, arrangements had been made to move the grain at three cents. But the order was sent out that they were to assemble in Toronto; and there were present the representatives of the different companies. To-day in Canada the shipping on the Lakes is practically controlled by half-a-dozen companies, and I cannot do better than read the sworn evidence of Mr. T. R. Enderby, of the Canada Steamship Company, who said there were present at that meeting the following men:

T. R. Enderby, of the Canada Steamship Company; A. E. Matthews, of the Matthews Steamship Company; James Playfair, of the Great Lakes Transportation Company; R. B. Clarke, of the Matthews Steamship Company; A. E. Spendlove, of the Tomlinson Shipping Company; W. J. McCormick, of the Algoma Steamship Company; E. M. Todd, of the C.P.R., and Lee Woolvin of the Standard Shipping Company.

The cards were all laid on the table. They all knew that the rate had been fixed and entered into by some companies at three cents; but they apparently had refrained from entering into any contracts, and the result was that at that meeting they pledged themselves, one and all, and issued a schedule of rates to be charged for every bushel of freight carried from the head of the Lakes by these different companies. Not only were those companies to control, as they would, the bulk of the Canadian grain: they had something else in view that was a hope and inspiration to them. 1922 was a year of reviving trade in the United States, and they had their friends in office in Ottawa, who they knew would not repeal the coasting laws.

Hon. Mr. DANDURAND: But there was no law allowing the Government to repeal the coasting laws.

Hon. Mr. BENNETT: I might tell my honourable friend that last fall, whether there was law or not, his Government passed an Order in Council repealing them. However, the vessel men had no fear of this Government passing laws which would affect them—and I think I will prove that successfully before I sit down. As I say, the vessel men had no fear: they knew how they had acted before, and they had hopes for the future.

What happened? The rate was at once advanced by these companies to seven and eight cents a bushel. At that time there was a fair movement in ore and in coal, and for that reason a great part of the American fleet was attracted to that particular line of carrying. These gentlemen met and agreed that a certain rate should be fixed, and that on that rate they would proceed. What next follows? A man who may have a million or two million bushels of wheat in the Northwest for shipment to Great Britain or Europe, or for sale to mills in Ontario, goes to the owners of the boats, and they say: "We cannot deal with you; you must see our agents." At once this man goes to see the agents. Now, who is the agent of one company who was present at this meeting? It was Mr. Lee Wolvin, a brother of Mr. Roy M. Wolvin, who was very largely concerned in the Canada Steamship Companies. When the shipper would go to this gentleman at Winnipeg, and say, "Mr. Wolvin, I understand you are the agent of the Canada Steamship Companies," Mr. Wolvin would at once say, "That is right, I am." "Then, what is the rate you are prepared to give me in view of the fact that the price was three cents?" Then he was met with the mailed fist, of seven or eight cents a bushel, and when he said, "I am prepared to close with that on a million or two million bushels of wheat," Mr. Wolvin would come back with the rejoinder, "Now, let me insure your wheat." And then he would say, "I am going to insure it myself," Mr. Wolvin would say, "You cannot have space on any of our vessels unless I am going to put on the insurance for you." And if he were to say, "I have contracted for it at a certain price, and the price you charge is double," Wolvin would say: "Take it or leave it. you cannot have any space in our boats unless you give us also the right to insure the grain." So the man would have to pay the vessel rates, as he would have contracted for the sale of the grain, and probably for ocean space in Montreal or New York; and he would have to pay not only the outrageous double charge for carriage, but would also have to pay commission on the insurance. Now let me quote from the evidence and show what that amounted to.

Hon. Mr. BELCOURT: What is my honourable friend quoting from?

Hon. Mr. BENNETT: From the evidence.

Hon. Mr. BELCOURT: Taken in the investigation?

Hon. Mr. BENNETT: In the investigation, yes. It turned out that in 1922 there had been $1,280,000 paid out as the total for premiums on insurance; and the share that would go to the vessel agents out of that insurance was not less than $448,229. Not only was the grain-shipper made to pay the double charge on what he had to ship, but in addition he had to pay this additional premium, which

amounted to no less than $448,229, because unless he paid that he could not get space. It may be said: "That is all right; why don't you go to some other vessel company and obtain space from them?" The reason was this, according to the evidence—

Hon. Mr. BELCOURT: What page?

Hon. Mr. BENNETT: There is no regular paging, because the evidence has not yet been published. The report I am reading from is the one published by the Manitoba Free Press, which was the stenographic report. He would be told to go to another company. But he would say: "What is the good of going to another company? Your company has 74 per cent of the space. The Standard Shipping Company has nearly three-quarters of the space in Canadian vessels." And the evidence shows that the Richardsons of Kingston, who were large owners in another fleet, had a 50 per cent interest pre-empted for the carriage of their own grain, because, as everybody knows, they do perhaps the largest business in grain in Canada. Here he was, driven from pillar to post, and held up by these brokers acting under the authority of the Company, and compelled to pay to them double the rate for the insurance at which he could get it from any person else.

How was this reflected on Canada? Remember, Canada has a vast interest to-day in the Canadian National Railways; they have from the Georgian Bay three different lines of railways all going through to Montreal—from Collingwood, from Midland, and from Depot Harbour. The Canadian National Railways also have huge elevators at Midland and Parry Sound, and perhaps an old one at Collingwood. They had the advantage of being able to make three trips to the Canadian National ports, as against two to Buffalo; but in spite of that advantage in transit to the Georgian Bay ports and to the Canadian National Railways, these men were actually fixing the rates so that they were higher to the Georgian Bay ports than they were to Buffalo. That cannot be gainsaid. Mr. Smith, a broker, says:

> Sometimes the rate to the Bay ports was four cents a bushel, and at the same time only two cents and two and a-half cents to Buffalo.

One would imagine that these vessel men might have a little Canadianism in them—a little bit of sentiment; but there was none. Why should there be any sentiment on the part of the Parliament of Canada when it contemplates making legislation which, while it may perhaps affect the pockets of these people, will enhance the interests of the Canadian West and the people generally?

So there was discrimination, in that they were charging four cents a bushel for a shorter haul. Let us go a little further and see what occurred. Before I leave this page, however, may I refer to a gem that catches my eye, and illustrates the manner in which this Company is treating this Government, looking upon it as putty to be moulded in its hands. Mr. Markey, one of the gentlemen who appeared for the Canada Steamship Company, made this remark:

> If the Canadian coastwise laws were suspended in the spring and the fall when your vessels were not busy, it would be greatly to the advantage of your traffic?
>
> Mr. Sullivan: I think it would.

So here was the representative of the Canada Steamship Company suggesting that the best thing to do would be to abrogate the coasting laws.

Hon. Mr. CASGRAIN: It was Mr. Aimé Geoffrion, K.C., who represented the Canada Steamships.

Hon. Mr. BENNETT: The report says that Mr. Markey was associated with him. Mr. Markey is known to all the old-timers in the House as a very good Liberal, and he is one of the members of the firm who are interested in this chartering business. There seem to be wheels within wheels to such an extent that some things are unknown even to my honourable friend, who is a director of that Company. These companies seem to be always afraid that some law will be passed putting them under the Railway Board or some other Commission. Here is what Mr. Bawlf, a large Winnipeg dealer, says:

> I was unable in the fall to ship oats to Canadian ports, especially Montreal. Some oat business could be done through Canada, if they could get space through the Canadian owners or brokers.

That is a matter of business if this or any other company did not wish to carry oats. But here comes the evidence and proof that there was this conspiracy between the representatives of the steamship companies to participate in the insurance. Mr. Bawlf says:

> I objected as a shipper that we should be put to any expense at all in connection with grain loaded at Fort William for which we got a Government certificate.
>
> Mr. Pitblado: You were paying 25 per cent of the insurance tariff rates?
>
> Mr. Bawlf: Yes, until the boys got together and made it 35.

Who were the boys? The chartering companies. Who were the chartering companies? Two directors of the Canada Steamship Company. Who were the men to share in this $250,000 drawn out of the pockets of the people? The chartering companies; otherwise

Mr. Norcross and Mr. Wolvin, who are interested in the Company, would have been called on to the carpet.

Now, let us proceed a little further:

On September 10 they asked for 35 per cent. One charter dated September 7, covering freight to Buffalo, had this statement on it by the vessel's agent: "It is understood you insure the grain and pay me a commission of 25 per cent." Later on the vessel agent changed the 25 to 35 per cent.

That was done, although the contract had been that he was only to have 25 per cent of the insurance. It is remarkable that when this meeting of the 4th of May took place in Toronto, when they were conspiring against the welfare of the people, the Presidents and leading officials of the companies were all present; but when the inquiry took place they were all taking their winter holidays, and so the Commission were unable to get the evidence from high quarters as to what had gone on at this meeting.

I will give an example of the commissions that were taken out of the pockets of the people. An instance was given of a 350,000-bushel boat loaded with wheat at $1.20 a bushel. It would be worth $360,000. The insurance at $2 per $100 value would be $7,200, and the commission, 35 per cent, would be $2,520. That was late in the season. So it runs all through the evidence, and it shows how this immense sum was arrived at.

I do not allege that the Canada Steamships Company was the only sinner. God knows that others were only sorry that they were not as big sinners and that they were not as big a corporation.

Hon. Mr. CASGRAIN: And the Government too were charging the same rate.

Hon. Mr. BENNETT: We will come to the Government after a while. I think my honourable friend would have just grounds for complaint, as a member of the Canada Steamships Company, that a rival company has this Government so under its fingers that it can lease vessels at prices which the Government is ashamed to mention in this House or anywhere else, and without the Canada Steamships Company being given even a chance at them. The rival company that has leased those vessels charges the farmers the highest prices asked in the combine.

Now let us understand the situation. First, there is a company called the Standard Company, which represented the Canada Steamships; then there is a concern called the Western Company, representing the so-called Matthews; then for a while there was the Tomlinson Company, which represented the Great Lakes Company; and there is something here somewhere in the evidence—I may be able to put my finger on it later—to the effect that the Canada Steamships Company or its representatives were not the only people who were getting those rates on insurance that mounted up to so many thousands of dollars, but that there were other companies concerned in the same way, and that you could not get space in any of the other companies' boats unless you permitted them to place the insurance, which, as I have already shown, was double the insurance rate that could be got by going on the market.

We go now to the evidence of Mr. Wolvin himself. At that time it was found that the Standard Shipping Company handled 74 per cent of the business. It of course was in this combine. Now, remember this was in the year of grace 1922, when my honourable friend (Hon. Mr. Casgrain), as a director of the Canada Steamships Company, and as one of the leading lights in that great family paper, the Montreal Herald, was possessed of great influence with this Government. There had been no interference with the combination of vessel men in 1922. The Government had a dozen vessels on the lakes and could either have gone into the combine or broken it up at once; but those vessels were tied up. I think four or five of them were tied up in the town of Midland. There were those vessels, splendidly fitted for the carrying of grain—five of them first-class freighters. Do not be misled by that story about those boats not being fitted for the carrying of grain, because five of them are first-class grain-carrying vessels of Canadian or American style. Many Government vessels were tied up at the dock and not put into competition with those companies—and here were the representatives of the companies sitting in Toronto and fixing the rates. They were able to exact 7 or 8 cents a bushel, getting returns that they had never dreamed of before, and there was Mr. Lee Wolvin, the representative of the Canada Steamships Company, dictating what should be the law regarding every person in Canada who endeavored to ship a bushel of grain on the Lakes. Now listen to this telegram, and remember that he felt assured that the Government would not punish them, experience having taught him that there would be no interference from the Government. Mr. Wolvin wired as follows to his agents in Winnipeg. Let me first explain that the parties referred to, Nye Jenks, are one of the largest grain-dealing companies in the United States, having their headquarters in Chicago. Mr. Wolvin wired his man in the office of the Standard in Winnipeg:

Nye Jenks working for another cargo Chicago-Buffalo, trying to write their own insurance. I am getting very tired of trying to uphold the situation of the vessel-broker. We are in a wonderful position to break every vessel-agent on the Lakes, and I want you to notify our Winnipeg agents that if one of them produces a boat to load at Chicago that I am absolutely through and will do business for nothing until everyone of them are out of the game, which you know I can do and will do. Solicit them all. Show them this telegram and tell them I mean every word I say.

So Mr. Wolvin says: "The Government is easy for us. Now let us go and threaten everybody who dares to carry at rates lower than ours."

I know this is all news to my honourable friend from De Lanaudière (Hon. Mr. Casgrain), but it is all in the evidence given before the Commission.

Now let us proceed a little further to show how great was the control. In Wolvin's evidence he says, as to the Great Lakes line, that it was more than half used by the James Richardson Company; that they had, by virtual control of the shipping of the Great Lakes Company, all the space available—that is, to the extent of one-half.

The worst feature of all this is, to my mind, the condition in which Canada finds herself with regard to the National Railways and the fact that notwithstanding these lines of railways and the elevators and enormous plants, these men were conspiring to drive the grain to Buffalo. Here is Mr. Wolvin's evidence:

Asked if the situation seemed to be that during the fall of 1921 rates to Buffalo were at all times considerably under the rates to the Bay ports, Mr. Wolvin said he thought they were and that Canada Steamships vessels and other Canadian vessels were hauling to Buffalo at these rates.

While they were getting all these benefits, they did not have to pay anything, as Mr. Wolvin states in his evidence. They did not need to have anybody on the road to bring business to their door, because it was all being provided out of the pockets of the farmers of the West in these enhanced charges.

I have said that not only did thousands of dollars go into the pockets of the brokers for the Canada Steamships Company, but they were all engaged in the same business. The Report contains the evidence of a man named Smith, who was a vessel-broker and had secured the business of the Matthews firm, which is also a large trading firm. He received this telegram:

Don't accept any grain at less than agreed rate, and give no insurance concessions.

So the Matthews Company were also holding down all the space in their vessels; first, in the rate to the 4th of May, and, in the next place, in the insistence on having 35 per cent on the insurance.

They were pretty strong in their position. All summer Government boats had been tied up and would not compete. The Government had power by Order in Council to abrogate the coasting laws and let the Americans come in. The Government would not do that. So, later on in this day's evidence, we find the statement of the witness who was making efforts on behalf of people who had grain to ship. He says:

Owners were getting crazy about the value of their boats, and were talking about 10 cents a bushel.

And I am surprised that they did not charge 10 cents a bushel. The Government would not have interfered; there was no danger of that. As a matter of fact, the rate ran up to 8 or 9 cents.

Hon. Mr. SCHAFFNER: Did the Government have the power at any time during the season to abrogate the coasting laws?

Hon. Mr. BENNETT: All I can say in answer to that question is that last fall the Government did so. I am glad my honourable friend has reminded me of that. The Government came out last fall and said: "Now we are going to abrogate the coasting laws," and how did they go after the vessel men? I will tell you what they did do, honourable gentlemen: they waited and waited; the rate was rising higher, higher, and higher; the insurance participation was going on; and in all solemnity the gentlemen composing the Government of Canada pass an Order in Council abrogating the coasting laws for the last trip of the vessels. I suppose it was the suggestion of the vessel men that the abrogation should apply to the last trip, because they would say, "We do not care a tinker's d--- for the last trip, as there will be no American vessels coming for the last trip"—I will tell you why. Everybody who knows anything about the matter is aware that if a vessel were to go into a Georgian Bay port away on in the month of December she would be frozen in there for the winter, and she would not be able to get out in the spring until two weeks later than she could get out of the port of Buffalo. On the western side of Buffalo is a large bay, at Erie, and all that a vessel would have to do if she could not unload at Buffalo late in the fall would be to move down and anchor at Erie, where there are hundreds of other vessels at anchor; and early in the spring she could move up to Buffalo, and discharge her cargo there, and then go for a cargo of coal.

This government would not dare to abrogate the coasting laws in September, when the farmers wanted that done—why? Because that would not have agreed with the wishes of the vessel-owners. The Government would not take action if the grain was coming forward. No abrogation then. But they thought the public would be simple-minded enough to be deluded by the action of the Government in abrogating the coasting laws for the last trip. I wonder if any grain at all came in on the last trip. I am told that one or two vessels came into Port McNicoll, which were, I think, the only vessels that took advantage of the situation; and I assume that they came in there because they probably had grain for distribution to Canadian mills.

Here is Mr. Wolvin's evidence again. The Canada Steamships Company have a large vessel called the Morden, which was at Port Arthur. He is asked the question. "Did you not refuse 3 cents to the Bay?" He admits that they did; but they took grain down to Buffalo a month later at 2½ cents. So there are ample grounds in this Repart for the finding of the Commissioners that there was unjust discrimination by those vessel-men against Canada.

Hon. Mr. BRADBURY: Somebody should be prosecuted.

Hon. Mr. BENNETT: If the honourable gentleman thinks this Government will prosecute any of the people concerned in what is described in this Report as being on the verge of criminality, he is badly mistaken. The Government will not interfere. All they will do is to pass an Order in Council for abrogation, and the vessel-owners are not at all afraid of that, because it will be only for the last boat of the season.

Now let me give you another case mentioned in the evidence to prove the existence of the conspiracy. A gentleman named Blecher, who had a quantity of grain to handle, stated that he wired to Mr. McCormick, of the Algoma Central, and offered him the current rate at Buffalo and the fixed rate at the Bay. And remember that that was the high price that the meeting had fixed. The reply was:

> Thanks for offer. Standard makes our grain charters.

Again Mr. Belcher wired Mr. McCormick another bid of 8 cents for any of the company's four vessels loading for November 1st to 7th, and the reply was:

> Have already refused eight cent business to Bay or Goderich for November. Do not intend chartering ahead until I see what conditions are.

Remember that was the Standard Company who were doing business for the Algoma Company. This was the time when Mr. Lee Wolvin said, "Let us make it ten cents." And I do not know why they did not make it ten cents, because they could have done it quite easily, as the Government was not going to turn out their vessels and the abrogation would be effective only for the one trip.

Here is the evidence of another witness, which I will quote to show the effect on his insurance:

> Had we written our own insurance at the rate we could have secured last year, our marine insurance would have amounted to $51,000, and the outturn insurance to $34,000, or a total of $85,000. Allowing brokers 35 per cent on their tariff, the cost to us would have been $126,000, or a saving to us of $11,000 in the year. Leaving aside the question of commission altogether, if we had been permitted to write insurance at the rates we could have got last year, our marine insurance would have cost $51,000 instead of $103,000. I computed also that if we paid 35 per cent on the tariff that we could have secured, and which seems to be a more reasonable charge, the saving would have been $29,000.

I am not going to agrue the question as to whose pockets the money comes out of, but I will quote Mr. James Stewart, the President of the Maple Leaf Milling Company. He says:

> The majority of the shippers either stated or left the impression that all additional costs paid by them in moving the crop worked back to and came out of the price to the producer.

This was stated very definitely by Mr. Stewart, who, in speaking of lake rates, said:

> It is of no great consequence to the grain dealer if you put the freight rate up to any figure you like, because the price is reflected back to the producer. The producer is really the loser, not the dealer.

I do not intend to deal much more with the evidence. It is plain that the Commissioners were quite justified in their finding that a combine existed.

Referring to the Commission's Report, at page 15, it will be found that on November 18th a 10-cent rate appeared. Please bear this in mind, that at the opening of the season of 1922, when there was the greatest risk of ice and detention, the rate, as proved in the first document that I quoted, was only 3 cents a bushel, and, correspondingly, it should not have been more late in the fall; yet the rates were up as high as ten cents a bushel then. The power possessed by the shipping companies, and particularly the blatant way in which they exercised it, is shown throughout the report. Here is a case mentioned on page 17. The Commissioners point out that on a vessel called the Midland King, on November 7, 1922, to Goderich, there was included one lot of wheat

at 4½ cents a bushel, another lot of wheat at 8 cents. In other words, after agreeing to carry grain for one man at 4½ cents a bushel, they found, I presume, that the vessel was not filled, and then someone came along who was eager to ship some wheat, and, knowing of the urgency, they simply slipped up the rate to 8 cents a bushel for him.

I have said that I did not think that the shipping companies were afraid of the government; and yet there were times when they thought they had gone so far that the West might make a successful protest. The West had in the Cabinet a Minister, Mr. Stewart, representing a riding in Quebec, a very convenient and safe place for him. The shipping companies thought that through him the West might really have some influence on this Government. So. Mr. Wolvin becomes a little alarmed, and on September 27, 1922—that is, when the 10 cent rate was in effect—Mr. Wolvin wired as follows:

> Better get those instructions to Winnipeg in writing about booking no more cargoes until this coasting law question settled. Our agreement was no new business. Make your instructions to them absolutely definite.

Now, the game was this. If the coastal laws were to be abrogated in September, then they would have to drop the rate from 8 and 10 cents a bushel; but if the intention was, as the vessel-men undoubtedly requested, that the abrogation should apply only for the last trip, then they could go on and make a rate of 10 cents. But these were rather troublesome times, for on the 15th of December, Mr. Hall, who was the clerk of Mr. Wolvin, wired him as follows:

> We are not chartering any more Canadian boats for September loading. Think it best to clean up what we have, and if we have open space we can get pretty nearly whatever we ask for it. We are doing some October, but thought perhaps we had better hold off on this also except with Sid Smith he is figuring half million lastaff abstract which we should supply him and then raise rate.

At some place in the evidence—I cannot put my hand on it at the moment—it is shown that Mr. Smith was a gentleman who was making a good deal of noise about matters. I think at this time he had an interest in the Winnipeg Tribune, and the shippers were getting a little afraid that the Government might come down on them. I do not quote further because honourable gentlemen have this Report in their boxes. If you turn to page 41 of the Report, you will find that it is established that in the summer of 1922 the insurance rate through the vessel-broker was 32 cents per cwt, when a rate of 15 cents per cwt. could be procured elsewhere.

So much for the year 1922. One would have thought that having made the profits they had, and having got double the prices they had got in years before, when they had paid huge dividends—because some of these companies have paid huge dividends—the Great Lakes Company paid 100 per cent—they would have been satisfied. I have seen cheques in the hands of the stockholders. The Canada Steamship Companies would no doubt have paid very huge dividends if they had not invested in so many ships on the ocean at fabulous prices—all of which has been pointed out in the public press in Montreal. It was not that the companies were losing money on the Lakes; they were making money hand over fist. As to the other companies—the Great Lakes Company and the Matthews Company—honourable gentlemen will find references in the Report, showing that they made flotations of stock and were making enormous profits.

Hon. Mr. DAVID: When the Government ships were used, to whom was the insurance paid?

Hon. Mr. BENNETT: I do not know who insured the cargoes on the Government ships.

Hon. Mr. CASGRAIN: They had to insure the grain that went on the Government ships.

Hon. Mr. BENNETT: I assume that the owner of the grain would pay for the insurance.

This matter comes home to the people of Canada, having regard to the enormous deficits which we have to meet on our railways, in a most appalling way, because, unfortunately, owing to a custom which they have in the United States, the Canadian transit trade is badly handicapped. At Buffalo there is a system of exchanging grain, or mixing grain, as it is called. Whether that is all done at Buffalo, or whether part of it is done at Fort William, I do not know. I do know, however, that the Government are appointing a Commission to look into these questions. At all events, there is no doubt that one-third of the grain outgoing through Buffalo is mixed grain. There are American shippers and Canadian shippers who prefer to have their grain go through Buffalo instead of through Canadian ports and over the Government railways of Canada—Why? Because they have this advantage of mixing the grain at Buffalo. One may fairly well ask why this is not done at the Georgian Bay ports. The reason, as it has been explained to me, is this. At the Georgian Bay ports there are a limited number of elevators, and as a consequence the grain is in rapid transit. I was a member of a Committee of this House that went into

this question, and if I had the report of that Committee here I might quote from it a statement made by the honourable gentleman from Portage la Prairie (Hon. Mr. Watson). My honourable friend took a great interest in this matter, and stated before the Committee that he had met grain-brokers in England who impressed upon him the desirability of having our grain go through Canadian channels altogether, because there would then be no opportunity of mixing it, and because our Canadian grain would get a very much higher grade in the English market than the American grain. That is something to be sought after. If we can divert all this grain to Canadian channels, we are not only going to get a higher grade for our grain in England and on the continent, but we are going to have the satisfaction of seeing the elevators on the Georgian Bay doing business.

What happened next? The year 1923 loomed up. Last fall there came a protest from the West. Unfortunately they had not had a good year out there. The people were in debt, and they had passed through a hard winter. So when this spring opened up, one might have thought that, having feasted on the very vitals of the unfortunate western farmer last fall, these companies would at least give him a breathing spell this spring. Do you think these harpies did that? Not for a moment. Early in the year they started by sending out a note of warning to the farmers that, although they had lived on him last year, they were prepared to live on him again. I do not know whether the town of Sarnia is a point where a great deal of grain-shipping is done; but was it not strange that this telegram should emanate from that town on May 9, before the grain began to move:

Sarnia, May 9.—That the season of 1923 would be one of the busiest in the history of Canadian shipping was the prediction of a well known navigation official here to-day. He pointed out that apart from the general improvement in business conditions it was known that no less than sixty-five million tons of ore would be required at Cleveland and other lower lake ports from the northern ore mines this season; and that traffic would engage, the bulk of the American fleet and there would be little competition with Canadian lines in the grain trade in view of the fact that the ore trade was more profitable.

Here was a note of warning to the farmer of the West: "Beware; we are after you." And it comes via Sarnia. It is a rather strange coincidence that the solicitor of one of these companies lives at Sarnia. Whether this emanated from him or not I do not know; but here was an intimation that the farmer was to be got after again. And he was got after.

Hon. Mr. BENNETT.

Under date of May 17, this appeared from Port Arthur:

Port Arthur, May 17.—In marine circles here it is stated to-day that a price war exists between the grain shipping companies and the companies owning steamships the latter demanding seven and a half cents per bushel to carry the grain eastward. As a result shipments of grain from local elevators have slackened off during the last few days and there is danger of their becoming plugged unless the situation improves. Yesterday three cargoes only left the harbor and to-day but one. It is reported that big American steamers refuse to carry the grain for less and that they are now being diverted to Duluth and Superior to carry ore eastward. The price demand is extraordinarily high in face of the fact that at the beginning of the season shippers paid five cents per bushel which was in itself higher than usual.

So, in 1923, although at the first of the season the rate was five cents, these people got together and made a rate of 7½ cents.

Not only is this militating against the carriage of grain by the Canadian National Railways, but against the carriage of it by the Canadian Pacific Railway, which has a very high-class railway from Port McNicoll to Montreal. Just in passing, I want to pay a little tribute to Sir Henry Thornton. At last someone is trying to do some business on the Grand Trunk, and God knows it is time. My only regret is that Sir Henry Thornton has attached to him some of the old barnacles of the Grand Trunk, sustained no doubt by the strong recommendations of gentlemen in this Government, because if there ever was a Government under obligation to anybody, this Government was under obligation to these old officials of the Grand Trunk who came to their rescue in the last general elections, when private desks were rifled—I will not say rifled, because they had keys—but opened, and private papers made public in order to do the work of the present Government. It is unfortunate that some of those men are still with the railway. There are men to-day under Sir Henry Thornton who were friendly with a certain concern of which I can tell the leader of the House, which owed the old Grand Trunk $100,000 for freight, of which not one cent was ever paid. That is the way the Grand Trunk was carried on for years; but Sir Henry Thornton evidently is going to act in a different way from some of the other Grand Trunk officials. I was pleased to learn that last week with a large locomotive they had hauled from Midland a train of 56 cars. The Canadian Pacific Railway does even better than that. Yet here are the Canadian National and the Canadian Pacific railways, with a shorter water route, and fully able to carry the Canadian grain to Montreal, prevented from doing so by the combination

of vessel-owners and with the connivance—I do not think that word is strong enough—of the Government.

Another scheme which has developed in the minds of these vessel-owners within the last few years is that it would be a good plan to fill Buffalo with grain from the Northwest and from western points and cause a congestion there; and then transship it into small vessels carrying from 75,000 to 100,000 bushels. That is something that is going to militate against the Georgian Bay ports. What happens? These small boats ply down the canal and between Buffalo and Montreal. They have a perfect right to do it, but I simply throw out this warning to the Government, because they will have to fight to get the trade away from Buffalo. With Buffalo congested the grain has to be moved in some way, and it cannot be done by way of New York because there are not enough vessels there to take it away. So last year they commenced taking it down in these smaller vessels; and I read in the Montreal Gazette the statement that the Great Lakes Company have added eight new boats to their fleet for that purpose, the Eastern Steamship Line 10, and other companies two or three others.

There is no possibility of stopping the gentlemen engaged in that trade. For instance, because of the danger to which vessels are exposed on Lake Huron and Lake Superior, they have to be steamed up to high pressure all the time; consequently they consume a great quantity of coal. But the smaller boats passing down through the canals are always running under check, and do not consume much coal. In the next place, these boats are of a very cheap class, having been bought in England and France since the war at ridiculously low prices. In addition to that, the labour of the men on the canal boats is much cheaper than the labour on the Lake boats. The man employed on the Upper Lakes is a high-priced man as compared with the other. He does not get his bonus at the end of the season unless he completes the season, and the fall is a dangerous time. For these reasons, the transit of grain from Buffalo to Montreal by smaller boats will work very strongly against the interests of the Canadian National Railway ports on the Great Lakes.

Let me deal now with another phase of this matter—because the Government always wants information, and Sir Henry Thornton wants information. He says that all he wants is the betterment of the Canadian National Railways. It is not going to help the Canadian National Railways to take away the trade of three different lines on the Georgian bay, and when these men showed manifestations of over-reaching the public this spring, the Canadian Government had on the Upper Lakes upwards of a dozen vessels, which could at once have been placed in the trade. I have heard the statement made in the other House that these vessels are unfit for the trade. At all events, the Government owns to-day five vessels—the Arthur Orr, the George Orr, the Kearsage, the McKee, and the Drummond—all first-class freighters, and to them could have been added what are known as the war vessels. The Government pleads that these vessels are under the control of the National Railways, and that they themselves have nothing to do with them. Surely, if the National Railway Management would not undertake to run the boats, it was the business of the Government to do so and to see that something was done this spring, because there is a perpetual cry from some of the members of the other House to put these boats on the market and sell them.

Hon. Mr. DANDURAND: And from the leader of the Progressives also.

Hon. Mr. BENNETT: It is because the leader of the Progressives is ignorant of the situation—and I say that without intending to be disrespectful to him. I do not think that amiable gentleman understands the situation at all, because to-day vessels are a glut on the market. Let me give an instance. Here is an item dated New York, April 18th:

> The offer for vessels was contained in a letter made public to-day, from Thomas H. Healey, business manager of the Union, to Albert D. Lasker, chairman of the Shipping Board, asking that he take the matter directly to President Harding.

That was an offer of $300,000 cash for three 12,000-ton craft, which it was proposed to acquire as the nucleus of a labour-owned and labour-operated fleet. A 12,000-ton vessel, as my honourable friend from De Lanaudière (Hon. Mr. Casgrain) knows, would carry nearly 500,000 bushels. What is the good of trying to sell vessels to-day when there is a glut on the market? Why not put them into operation yourself and endeavour to do something with them?

Hon. Mr. BRADBURY: And help the farmers.

Hon. Mr. BENNETT: The honourable leader of the House (Hon. Mr. Dandurand), in answer to a question to-day told me that two vessels, named the Drummond and the McKee, had been leased to the Great Lakes Company; but the most important part of the whole matter is not mentioned, namely, the price at which they have been leased.

It was bad enough to take those two fine vessels off the route and prevent them from competing with the combine. Perhaps some day we shall have a Royal Commission, or an inquiry by this House, and then we may learn how this Government is dealing with the property of the people of Canada in shipping.

Hon. Mr. DANDURAND: By the National Railway Board?

Hon. Mr. BENNETT: Our honourable friends cannot hide themselves behind the National Railway Board. If the National Railway Board, which is appointed by this Government, is not acting in the interest of the country, then ask the National Railway Board to resign. Ask Mr. Fairweather, in Toronto, to resign. You know his address—Yonge Street, Toronto.

Hon. Mr. DANDURAND: I thought we were giving them a free hand.

Hon. Mr. CASGRAIN: "No Governmental interference."

Hon. Mr. BENNETT: Did I say Fairweather? I should have said Gough. They are both in the same business, and people would have been no more surprised if Mr. Fairweather had been appointed than they were at the appointment of Mr. Gough.

Hon. Mr. CASGRAIN: Fairweather would have been a better name for shipping.

Hon. Mr. BENNETT: Yes. Perhaps it is not yet too late to make a change.

One of these vessels, at a favourable rating, would carry from Port Colborne 75,000 bushels. On the Upper Lakes it would carry considerably more. Assuming that a vessel carried 75,000 bushels at 8 cents a bushel she would get $6,000. I am making a low estimate, for the rate on that route has been 10 and 11 cents. She would easily make four trips a month to Montreal: that would net her $24,000. I am told that at a fair estimate it would cost $7,000 per month to operate her. Therefore there would be a profit on the vessel of $17,000 a month. In a seven month season the vessel would make a profit of about $120,000. If five vessels were operated, they would make $600,000. Now, will the Minister promise that at the next sitting of the House he will tell us at what figure those boats have been leased? Why do you not let the vessels do one or other of two things:—either let them go in and break up the combine, so as to give the farmer a chance, or else run them yourselves and make a profit of $600,000 a season out of them?

Hon. Mr. DANDURAND: At what rate per bushel?

Hon. Mr. BENNETT: At 8 cents per bushel from Port Colborne down.

Hon. Mr. DANDURAND: Do you expect that that figure will be repeated?

Hon. Mr. BENNETT: Well, if the combine that you have helped to bring about by putting your vessels in with the others works out as well as it did last fall, you will get the figure up to 11 cents. That is where they had it then.

Hon. Mr. DANDURAND: We may be wiser this year.

Hon. Mr. CASGRAIN: What was the average last year?

Hon. Mr. BENNETT: I have not the figure showing the average but I know that the rate went as high as 11 cents.

Hon. Mr. CASGRAIN: But what was the average?

Hon. Mr. BENNETT: I do not know what was the average. That was about the highest. What was the average?

Hon. Mr. WILLOUGHBY: 4·05 cents.

Hon. Mr. BENNETT: From Port Colborne to Montreal?

Hon. Mr. WILLOUGHBY: I have not that separate.

Hon. Mr. BENNETT: I know that from Port Colborne to Montreal it has been very high, and if the Government will promise to abrogate the coasting laws only for the last trip, the rate will be up to 11 cents this fall. No American vessels come in, to get frozen up.

My purpose in speaking on this question to-day is to try to have something done for that part of the country from which I come. Port McNicoll, Midland, Parry Sound and Collingwood all depend upon the Lake trade. Are you going to stand idly by and let a combine of vessel-men make the rate to Buffalo so low and to Georgian Bay so high that the trade will be attracted to the United States? When you have a fleet of good vessels, will you not put them into the trade to carry grain, or are you going to rent them to the shipping companies and let them make exorbitant profits, while the farmer pays for it all? The matter has become too serious for this country to treat it lightly, or to be regarded as a question of preferment for political friends. We very well remember that a few years ago there was an uprising in Winnipeg fraught with a great deal of labour trouble

for this Dominion, and I know from conversing with men who come from the West that if anything of that kind comes up again in Winnipeg it might be considerably augmented by the farmers of the plains, who know the treatment that has been accorded to them by the Government and by the shipping combines. The best that a Government can do for the people is to endeavour to make them contented and happy by promoting their material prosperity. It is high time for the Government to cancel the leases of those vessels on the lakes. Can the Minister tell me whether more than two have been leased?

Hon. Mr. DANDURAND: Was the question which my honourable friend placed on the Order Paper a general one, or did it refer only to the two vessels?

Hon. Mr. BENNETT: It referred only to the two. My honourable friend is not remiss in that respect.

The trouble is that this Government do not seem to interest themselves in what is going on. I observe from the House of Commons Hansard of yesterday that this question was asked by Mr. Stewart, of Leeds:

> Upon what terms were the freighters T. J. Drummond and J. A. McKee leased to the Great Lakes Transportation Company for the season of 1923, as to the price to be paid for the use thereof and conditions (if any) as to price to be charged for carrying grain.

And Mr. Graham's answer was:

> It is a very general practice to lease a ship at so much per day. I do not know what the rental is. We have a number of ships of our own on the Great Lakes fully equal to any demand that will be made upon us.

What is the good of the Minister saying that these ships will be fully equal to the demand? Why, you could have twice as many vessels on the Lakes to-day if you would go in there and charge a decent rate, because you would get the grain of the country. Take the case that I put the other day, that of the vessel Morden. Carrying 500,000 bushels at a 10-cent rate, she produced $50,000 on a trip of one week. And, according to the evidence given here of the value of a ship called the Matthewson, which is a vessel of about the same class, she had cost practically in wartime only $900,000. Here is this vessel of the Canada Steamships Company making on a single trip $50,000. I of course do not calculate her expense, which would not be very great. About $1,000 a day would easily meet it.

Hon. Mr. CASGRAIN: And for twelve months, too.

Hon. Mr. BENNETT: No, I do not consider that that would continue for twelve months. However, if you had an investment of $800,000 or $900,000, and could earn on it in a week $50,000, you would be doing pretty good business. That is a pretty fair return of one week for a vessel of that price.

The advice of the Minister (Hon. Mr. Dandurand) prevails in Council, and I am going to urge upon him at once, in the most wholehearted way, to go to his colleagues and say that any legislation along the line of abrogation of the coasting laws will put this Government in a very unenviable position. The reason is this. The matter would be left to the discretion of the Government, and you would be pressed by party friends and by vessel-owners whether they are party friends or not to make ridiculous rulings, such as you made last year, namely, that for abrogating the coasting laws for only the last trip. You ought to have legislation along the lines of that which has been passed in the United States—legislation so drastic that it will control the vessels for the whole season at fair and reasonable rates. The evidence before the Commission is so overwhelming that the profits have been enormous that it is the duty of the Government to see that the farmer in the West is given a chance.

Hon. Mr. DANDURAND: Do I understand that the honourable gentleman is against the abrogation of the coasting laws?

Hon. Mr. BENNETT: I am against the abrogation of the coasting laws if any Order in Council is made by the Government, having regard to the past, because I think it will be utterly powerless.

Hon. Mr. DANDURAND: I am referring to the principle of abrogation.

Hon. Mr. BENNETT: Generally?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BENNETT: In principle I am opposed to it, and for this reason. My honourable friend from De Lanaudière (Hon. Mr. Casgrain), or anyone else who understands, will tell you that a vessel of American register is in an advantageous position as compared with a vessel of Canadian register. That being the case, Canadian-owned vessels, if there were a total abrogation of the coasting laws, might register in the United States, and, if they did, all the superior men on the boats, like the captains and engineers, who have to have certificates of fitness, would be obliged to follow their vessels and become American citizens. For that reason I do not think the abrogation is desirable. But this Government

can, as I am advised, pass an Act along the lines of legislation passed in the United States. They can give to an impartial body of men the right to adjudicate as to what the rates shall be. With that as a club over the heads of the vessel-owners of this country, I think fair rates would prevail. With fair rates prevailing, the Canadian railways would be in a commanding position for the handling of the grain, and the national deficit would be considerably reduced. Therefore I hope that the Minister will prevail upon Council to introduce legislation for the appointment of the Railway Commissioners or some other body of men to see that justice prevails as between the vessel men and the grain shippers of the West. That is what I ask, not only for the good of that part of the country from which I come, but for the good of the West in particular.

Hon. A. B. GILLIS: As a Western man I wish to say a few words on this question. I will not attempt to go over the ground that has been so ably covered by the honourable gentleman who has just taken his seat (Hon. Mr. Bennett) and by the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby), who so clearly dealt with the Commission's Report a night or two ago. Indeed, I am not in a position to do so, for I have not yet had an opportunity of reading the Report. The findings of the Commission will undoubtedly lead to legislation to afford to the West some relief from the excessive lake freights under which we have been labouring. In that respect the Commission may be said to have accomplished an important service for the people of the West.

A year or two ago a commission was appointed to inquire into a matter of even more importance to the people of Western Canada, namely, the grain trade. You will remember that that commission made inquiries and began to unearth some interesting facts, at which the elevator men became very much alarmed and had an injunction issued to prevent the commission from proceeding further. Had that commission been allowed to proceed, discoveries would undoubtedly have been made which would have forced the Government of the day to enact legislation which would have considerably relieved the difficulties under which the people of Western Canada have been labouring. However, the commission was nipped in the bud, for reasons which were, I think, purely political, as well as on behalf of the grain dealers. In consequence of that commission being prevented from functioning, the prairie provinces have had to suffer great losses by reason of the doings of the Grain Exchange.

A great deal has been said, not in this Chamber, but elsewhere, about the deplorable conditions in Western Canada, particularly in the prairie provinces. I have lived in that country for more than forty years and have carefully watched its ups and downs, and I wish to say that, while still contending with many difficulties, we have in that country a people who never say die, but are always ready to do their utmost. The average farmer in any one of the Western provinces, who has devoted his time to farming and is not imbued with the spirit of speculation or with an ambition to greatly enlarge his holdings, is to-day, notwithstanding many drawbacks, as prosperous as the average farmer in any other part of the Dominion.

Hon. Mr. BRADBURY: More so.

Hon. Mr. GILLIS: That is the situation as far as the West is concerned. The tales of woe that we sometimes hear are to some extent due to the fact that a number of years ago the Government of the day made what was to my mind a very serious blunder in regard to the western provinces particularly the province of Saskatchewan. We have in the southwestern part of Saskatchewan the finest ranching country in the world, comprising large areas of land not fit for cultivation to any great extent. The ranching industry was practically killed by the opening up of that area for agricultural purposes. That was unfortunate, because the cattle industry is just as profitable as the grain industry—in fact, more so. Many of the complaints that are heard originate from the fact that in some sections of that district people have not had a crop more than once in three or five years. You will readily understand that it is impossible to prosper under conditions of that nature.

While it may not be quite relevant to the matter under consideration, the old question that has been a live issue in the western provinces from the very earliest days is still a live issue, namely, the question of freight rates. In the early ways, at any political meeting, whether in federal or provincial elections, if a speaker was at a loss for something to say it was always popular for him to bring up the question of the C.P.R. freights or the C.P.R. monopoly. One was always sure of an attentive audience upon that question. In the early days, as a result of agitation, we obtained concessions in the matter of freight rates. But what is our position to-day? We desired of course the removal of the C.P.R. monopoly; we wanted competition. Consequently we got competition and got too much

of it. The present situation, so far as that western country is concerned, is that we are paying practically the same freight rates as we paid away back in the early eighties. We have three transcontinental railways, but there is not sufficient freight for two of them. Consequently we have to pay high freight rates and we have also to pay a portion of the charge to the general revenue of the Dominion in order to meet the cost of the operation of those roads. I do not see that there is at present very much prospect of redress. If the roads are to be made to pay, as everybody wishes them to do, there is only one way to accomplish it, and that is to keep up the freight rates or to increase them. That being the case, there is comparatively little hope for improved conditions in that respect in the western provinces. Last year, when the Crow's nest agreement was revived after having been abrogated during the war, I think a mistake was made. Instead of having a reduction in freight rates on two commodities only, namely, flour and wheat, there should have been a general readjustment on all commodities from east and west, which would have stimulated interprovincial trade, which is so desirable. If we are to build up a Canadian nation, one province must trade with another, and the only hope I see for any change in that respect is in improved freight rates by a general reduction, and an assessment on the Dominion from one end to the other to make up the deficits that occur from year to year.

With regard to dissatisfied settlers, there has been considerable discussion in another place on the question of immigration The Government, I understand, proposes to make a considerable grant to what is known as the Western Colonization Company, for the purpose of bringing settlers into the country. There is no use of bringing settlers into the western provinces unless we can devise some scheme different to what has existed heretofore. If we want to bring in settlers and make them satisfied, we must adopt some method along the line of the Soldiers' Settlement scheme, which has worked out remarkably well. It would be very much better for the country to have one hundred satisfied settlers than to bring in one thousand men and turn them loose and leave them to rustle for themselves. It will take them a long while to become established. They are strange to the conditions existing in the country, and for that reason many of them become dissatisfied before they have a reasonable chance to establish themselves. Some scheme along the line carried on by the Soldiers' Settlement Board would, I think, work out successfully.

Owing to the dissatisfaction which exists in the West, we sometimes hear talk about secession. It is said that certain people there want to secede from the rest of the Dominion. That, of course, is all nonsense. You will find a few faddists in every community. There is no more loyal citizens to be found in Canada than the average citizen west of the Great Lakes. The citizens of the West are anxious to see the Dominion built up and become a great nation; at the same time they are going to fight for their rights to the last ditch, and it is such conditions as those which existed before the investigation of this Commission that have caused trouble and dissatisfaction. We want fair treatment; we want to see the Dominion prosper; and we must try to get together to bring about that end.

Hon. Mr. DANDURAND: Honourable gentlemen, I have listened with considerable interest to all that has been said on the inquiry which is before us. I suggested at a certain period of the debate that it would perhaps be well to await the legislation which the Government has promised to bring before Parliament at this Session as a result of the inquiry which was set up in the matter of the Great Lakes freight rates. I desire simply to inform my honourable friend from Simcoe (Hon. Mr. Bennett) that the coasting laws were not suspended without some diffidence, because of the limited authority of the Govenor in Council in the matter. That Order in Council was not passed for the purpose of checking high prices and regulating freight rates. The matter could not well be dealt with in that way. The suspension of the coasting laws in the last days of the season with the object of giving relief to the Western farmer who was rushing his grain to the head of the Lakes in order to get it to the foot of the Lakes, and it was hoped that the suspension would allow of a considerable storage being secured for the Georgian Bay.

My honourable friend has been so long in the political game that he cannot modify his style: he either defends or attacks violently, and he always sees the Government as a miscreant that must be felled. I enjoy his style. When I was young, I myself took part in public debates on the rostrums, and I can understand the value of a good blow. But facts speak for themselves. My honourable friend admits that the condition which developed last autumn was exceptional, and

was not absolutely the making of those shipping companies. They took advantage of a formidable movement of grain and a shortage of shipping to obtain all the profit they could get. The Government, like every citizen in Canada, was taken by surprise; but hastened to do what has been commended in this Chamber and throughout the country—they appointed a Royal Commission to determine the facts, and they have acted upon its findings.

I was in hopes that I could lay before this Chamber a Bill which was to be introduced this afternoon in the other House. I have it in my hand. If I had been able to read it before my honourable friend made his speech, I think I would have cut off about three-quarters of his remarks, and would have destroyed the point of the accusations or imputations which he made. Perhaps before the sitting ends this evening I shall be able to lay before my honourable friend the attempt of the Government to cope with the serious evil which we all realize has existed on the Great Lakes.

I suppose my honourable friend to my left (Hon. Mr. Casgrain) will be as anxious to read the Bill as my honourable friend from Simcoe (Hon. Mr. Bennett). I simply mention this in order that my honourable friend may realize that the Government is composed of men of good will, who are attempting to do their best, according to their lights, even though they may err. Sometimes we are wiser after the event. My honourable friend will share the responsibility with other members of the House of Commons who, year after year, blocked the efforts of a member of the House, Mr. Armstrong, who was trying to bring the matter of the freight rates on the Great Lakes under the control of the Railway Commission.

Hon. Mr. BENNETT: Let me say to my honourable friend that the abuse then was not nearly as bad as it is now, and that Mr. Armstrong's efforts were directed more to package freight.

Hon. Mr. DANDURAND: My honourable friend says the abuse was formerly not nearly so great. It appeared in an abnormally monstrous way last autumn, and the Government immediately set in motion machinery to inquire and seek a remedy. I do not know whether the remedy which is contained in the Bill will be satisfactory to the country or not.

Hon. Sir JAMES LOUGHEED: You are referring to the Grain Board, are you?

Hon. Mr. DANDURAND: I am referring to a Bill that is about to be introduced.

Hon. Sir JAMES LOUGHEED: I see by the paper that it has been introduced this afternoon. May I read? It states here that two Bills have been introduced—one by the Minister of Trade and Commerce and the other by the Minister of Marine and Fisheries.

Hon. Mr. DANDURAND: I have only the one Bill; I have not the one from the Minister of Marine and Fisheries.

Hon. Sir JAMES LOUGHEED: That deals only with the coasting laws.

Hon. Mr. DANDURAND: Yes. I have the Bill that deals with the control of freight rates on the Lakes. It is "an Act with respect to Freight Rates for the Carriage of Grain by Lake and River Navigation." As honourable gentlemen have evinced considerable interest in the Bill, I may be justified in reading it:

1. Any shipping company or any shipowner or person who carries or who offers, advertises or proposes to carry grain for hire between Fort William, or Port Arthur and any other port or place in Canada or the United States of America, by lake or river navigation, shall, within thirty days after the passing of this Act, or before entering into any contract for such carriage, file with the Board of Grain Commissioners for Canada a tariff of the rates which such company, owner or person charges or intends or proposes to charge for the carriage of grain as aforesaid, and thereafter from time to time if and when any such company, owner or person, changes, varies or proposes to change or vary the tariff or any item or charge thereof so filed, he shall, previously to the making of any such change or variation in the actual charges in respect of any shipment, file with the Board a copy of the tariff so changed, varied, or amended; and any such company, owner or person who fails or neglects so to file any such tariff within thirty days after the passing of this Act, or before entering into any such contract, or to file with the Board notice in writing of any variation or change in any tariff so filed or subsequently filed by him, or who charges, contracts or stipulates or receives for the carriage of grain between Fort William or Port Arthur and any other port or place in Canada or the United States of America by lake or river navigation, any toll, charge or rate in excess of that shown by a tariff which has been so filed by him with the Board, or in excess of the tariff last notified by him to the Board as aforesaid, shall be guilty of an offence and liable therefor to a penalty not exceeding two thousand dollars and not less than five hundred dollars, or to imprisonment for a term not exceeding six months, enforceable and recoverable upon indictment, or upon summary conviction before any stipendiary or police magistrate having the jurisdiction of two justices of the Peace, and moreover shall be disentitled to recover or to assert any remedy for the recovery of any freight for which he shall have stipulated at a rate in excess of that which shall have been notified to the Board in the manner aforesaid.

2. It shall be the duty of the Board to receive and tabulate all such tariffs and rates as may be filed with the Board as aforesaid, and moreover, to ascertain by all available means, the rates of freight which prevail or are exacted or required for the carriage of grain from Fort William or Port Arthur to any of the ports

or places aforesaid, and to consider and report to the Minister of Trade and Commerce from time to time any facts which may come to the knowledge of the Board and which tend to show that there is a deficiency of cargo space, excessive freight charges, or discrimination in rates with respect to the carriage of grain as aforesaid, and all shipowners and other persons engaged in the grain carrying trade in Canada shall, upon reasonable request, immediately furnish to the Board such information as they may possess relating to any of the matters aforesaid, and shall for any wilful refusal or neglect to furnish the same be guilty of an offence against this Act and be liable to a penalty recoverable upon summary conviction not exceeding one thousand dollars and not less than two hundred dollars for each such offence.

3. Where in the opinion of the Board the toll, charge or rate which any company, owner or person charges or intends or proposes to charge for the carriage of grain as aforesaid is unreasonable or excessive, or amounts to an unjust discrimination against any person, company or class of persons as compared with the tolls or rates for similar traffic between Canadian and United States ports, or between one port and another in either of said countries, the Board may prescribe such maximum rates as it may consider reasonable; such maximum rates so prescribed may vary or be limited in their application according to the time or season of shipping, and the Board shall indicate in its order fixing such maximum rates whether the same are to prevail until further order or the period or periods during which they are respectively to prevail; the Board may also provide for the variation of such rates conditionally, having regard to conditions to be specified in its order, and the Board shall in like manner from time to time as it may consider necessary or advisable reconsider and vary or modify any order made by the Board in the premises. Any company, owner or person who charges, contracts or stipulates or receives any toll, charge or rate in excess of the maximum rates so fixed by the Board shall be guilty of an offence and liable therefor to a penalty not exceeding two thousand dollars and not less than five hundred dollars, or to imprisonment for a term not exceeding six months, enforceable and recoverable upon indictment or upon summary conviction before any stipendiary or police magistrate having the jurisdiction of two justices of the peace, and moreover shall be disentitled to recover or to assert any remedy for the recovery of any freight for which he shall have stipulated or charged at a rate in excess of the maximum rates so fixed as aforesaid.

4. Every one who is a vessel broker or person engaged or acting as agent or otherwise in the chartering of any vessel or in contracting for the hire or letting of cargo space for the carriage of grain from Fort William or Port Arthur to any port or place in Canada or in the United States of America by lake or river navigation shall post up, or cause to be posted up, at or before the hour of ten o'clock in the forenoon of each day during which the Winnipeg Grain Exchange and the office of The Board of Grain Commissioners, Fort William, are open for business, and shall keep posted during the day for general inspection in a conspicuous place in the said Exchange and in the office of the Board of Grain Commissioners at Fort William, a statement in print or writing showing in detail the cargo space, time for shipment and destination for carriage of all grain for the carriage of which from Fort William or Port Arthur to any other port or place in Canada or in the United States of America by lake or river navigation he has contracted or entered into any charter on the day last preceding, or, if the day last preceding be Sunday or a holiday, during the two days last preceding.

5. It shall be unlawful for any person who is a vessel broker or person engaged or acting as agent or otherwise in the chartering of any vessel or in contracting for the hire or letting of cargo space for the carriage of grain from Fort William or Port Arthur to any port or place in Canada or in the United States of America by lake or river navigation to solicit any risk, or to issue or deliver any receipt or policy of insurance, or to collect or receive any premium in whole or in part, or to inspect any risk, or to adjust any loss, upon, for or in connection with any consignment of grain so to be carried.

6. Every one who contravenes any provision of sections four and five of this Act or who fails or neglects to comply with any of the provisions thereof to which he is subject, shall be guilty of an offence and liable therefor to a penalty not exceeding one thousand dollars and not less than one hundred dollars, or to imprisonment for a term not exceeding three months; or, if a corporation, shall be liable to a penalty not exceeding three thousand dollars, and not less than five hundred dollars; and any such offence may be prosecuted and the penalty therefor enforced or recovered either upon indictment or upon summary conviction before any police, stipendiary or other magistrate having the jurisdiction of two justices of the peace.

7. This Act is intended to regulate the shipping rates of grain transported for interprovincial, foreign or export trade, and accordingly shall not apply to grain carried locally to be ground or consumed in the province in which the shipment originates, but the burden of proof that any shipment of grain is within this exception shall rest upon the carrier.

Hon. Mr. ROBERTSON: Perhaps this may not be the proper time to discuss the matter, but I would like to make one observation. May I point out to the honourable leader of the Government that it is in my opinion very important that the Government should consider also, in this legislation, a requirement such as is already in effect with reference to railway rates, namely, that there shall not be a higher rate charged for a shorter haul than is charged for the longer haul. It has been very forcibly brought out this afternoon that the charge for hauling grain from Fort William to Midland was double what was charged for hauling the same quantity of grain from Fort William to Buffalo, to the disadvantage, besides, of our railway lines in Canada. The railway regulations specifically and clearly provide that a railway company shall not charge a higher rate for the shorter haul than for the longer one, and I think a similar provision might well be included in this proposed legislation. I mention this for the consideration of the honourable leader of the Government.

Hon. Mr. DANDURAND: As I have said, I have not before me the Bill introduced by the Hon. Mr. Lapointe, the Minister of Marine and Fisheries, but I see that he has given notice of a resolution to amend the Canada Shipping Act to allow the Governor in Council to admit vessels of any foreign

country to the coasting trade of the Dominion. These two resolutions grow out of the Report of the Royal Commission.

The discussion was concluded.

PRIVATE BILLS

THIRD READINGS

Bill 105, an Act respecting the Canadian Order of the Woodmen of the World.—Hon. Mr. Foster.

Bill K5, an Act respecting the Calgary and Fernie Railway Company.—Hon. Mr. Blain.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

CANADA TEMPERANCE ACT

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 43, an Act to amend the Canada Temperance Act.

He said: Honourable gentlemen, if any other member of the Chamber desires to continue the debate on this Bill I will postpone my remarks; but if nobody desires to speak, I will say a few words in closing the debate.

Hon. J. D. TAYLOR: Honourable gentlemen, this Bill is ostensibly intended to put British Columbia on the high plane of Ontario with respect to the regulation of the liquor traffic. I mention Ontario particularly, because that is the place where we happen to be, and where, through the reading of the local press, we are most conversant with what happens under regulations such as a Bill of this kind would bring about in British Columbia, if it does all that is promised by its promoters.

While this Bill originates in the House of Commons, to use a familiar phrase, it is quite apparent from an examination of the records that its real origin is far distant from that august Chamber, and that it has been made in Victoria—and so carelessly made as to challenge criticism by any observant reader of it—made in Victoria in contravention of the provisions of the Constitution, which guarantee to the citizens of British Columbia, as well as to the citizens of other parts of Canada, certain rights, among others, the right of interprovincial and international trade, both of which rights are assailed by this request from the Government of British Columbia, so casually accepted by this Government.

While we are in effect declaring this Act to be for the general advantage of Canada, it behooves us to go a little carefully into it, and to ask why so exceptional a favour should be given to this measure. We are told, as something we should accept as an unanswerable reason, that the people of British Columbia want it, that the Legislature of British Columbia wants it. When we hear that, we are reminded of other requests that the Legislature of British Columbia, speaking for the people of British Columbia, has been urging upon this Government. For instance, for many years we have been asking for the control of the fisheries of British Columbia, which are of even more importance than the liquor traffic in that Province, and which, in our opinion, have suffered very seriously from administration at a place so far distant as Ottawa. We have not been surprised that our request has not been granted, because the answer has been logical—that the control of the fisheries has been confided by the Constitution to the Federal Government, and being so confided to that Government should remain there. We have asked for the control of our lands in the railway belt, which were presented by British Columbia as part of the bargain for the C.P.R. We are told that the control must remain where it is, that being part of the bargain. To take a simpler and smaller matter, we have asked almost unanimously through the legislature, over and over again, and through our members of Parliament, for the privilege of a customs officer at the port of New York so that we may take the advantage which nature intended us to have from the construction of the Panama Canal. Again we are told that this interferes with some commercial arrangements in eastern Canada, and that we must forego our ambition. But when it comes to the liquor traffic, which also is confided to the Federal Government, we find this to be in a class absolutely by itself, and that the request of the legislature is to be regarded as something sacred and something which this Parliament must of necessity observe.

Under these circumstances, it is very fitting that we should ask what is the moving spirit in this request. I notice in a remarkable letter read in this House, when this matter was last before us, these significant words:

> You in the Federal field are faced with this question —you depend for your continuance in office to a very considerable extent upon the success of the Party in the Provincial field and the continuance in office of Provincial Liberal Governments. You need a Liberal British Columbia, and you need it very badly.

In all that remarkable letter, it seems to me that there is more truth in the passage which I have just quoted than in any other part of the letter.

Hon. Mr. DANDURAND: But my honourable friend is not doing justice to the writer when he does not read the succeeding paragraph, because he says that the Liberal Government of British Columbia will only be maintained if there is good government in that Province.

Hon. Sir JAMES LOUGHEED: Oh, he did not mean that.

Hon. Mr. TAYLOR: If the honourable gentleman will excuse me, I will give an even more significant reason out of the same letter. It reads as follows:

> Very substantial contributions will be offered to the campaign funds of all parties.

I take the liberty of thinking, if it might seem improper for me to suggest, that that factor perhaps had more influence with the writer of the letter than the good government of the Province of British Columbia.

Of course, this prosperity of the Liberal party in British Columbia does not strongly appeal to me. In fact, as a citizen of British Columbia, I would not be sorry—indeed, I would be very delighted—if we could return to the happy condition of unexampled prosperity which we enjoyed in that province during the 15 years of Conservative administration before the unfortunate change in the hysterical period of 1916. So far as the success of the Liberal party is concerned, that, as I say, does not appeal to me.

Hon. Mr. DANDURAND: But there was a fly in the ointment—the railway bonus.

Hon. Mr. TAYLOR: I do not want to digress, but I am quite willing to discuss any issues brought up. There was no fly in the ointment under the Conservative Government —under the McBride Government, the best Government British Columbia ever had. The McBride Government gave to Canada the most valuable portion of the Canadian National Railway system—the portion that more than anything else is apt to make that railway system a success. I refer, of course, not to the Grand Trunk Pacific monstrosity, but to the Canadian Northern Railway, the best railway ever built in Canada—built on the credit of the province of British Columbia, and as to which British Columbia would probably not have lost one cent of money or been out in any way. In fact, we are not losing a cent of money directly now, but we are at this disadvantage: that, after having built the railway to bring to us the grain trade of the prairies, which is our right on the coast, under an arrangement by which we would control the traffic rates on that railway, the Dominion Government seized it and put into effect a system of rates which have seriously handicapped our ambition to use that road as a grain traffic route through British Columbia. As to the other railway, if honourable gentlemen would like to hear about it, we could just as sharply contrast the programme and performance of the Conservative Government in British Columbia with the calamity which their successors have brought upon the Province in connection with the Pacific Great Eastern Railway.

As I was saying, the success of the Liberal party not appealing to me, it seems only fair that at the outset I should review the standing of the parties who have come before Parliament asking for this legislation. I do not mean their standing in a political sense, but their standing with reference to this question and in relation to this Parliament in which the question is now being discussed. We are entitled to ask whether they come to Parliament with clean hands, because it is a very special request that they are making of us, and in my mind the character of the applicants has a very material bearing on the case. First of all, are their hands clean with respect to the electorate of their own province? Because, after all, the electorate of the Province are the people most to be considered. These applicants who come to Parliament professing to speak for the electorate of the Province—are their hands clean, and is their record clean with respect to the electorate in connection with this measure?

I have only to state a few outstanding facts to enable the House to answer that question for itself. British Columbia, as honourable gentlemen no doubt know, has never been a prohibition Province. On no occasion when prohibition has been voted upon in that Province has it received a majority of the vote of the electorate. It came nearest to receiving a majority in the reference of 1916. When that reference was made to the people, it was proclaimed from every platform that a vote in favour of prohibition would not mean any interference with the inherent right of every citizen of British Columbia to import for his own use from any place outside of British Columbia, but that the effect of the vote would be solely to check the sale of liquor by retail in the Province. So clearly was that understood that the Government put it into their statute. This statute was referred to the people by the referendum of 1916, and after the referendum and the general election, with a new Government in power, there was a new Act put through the Legislature.

And the new Act of 1917 repeated the words of the Act of 1916 which had gone before the electorate, for this is what it said:

Section 57. While this Act is intended to prohibit and shall prohibit transactions in liquor which take place wholly within the province of British Columbia, except as specially provided by this Act, and to restrict the consumption of liquor within the limits of the province of British Columbia, it shall not affect and is not intended to affect bona fida transactions in liquor between a person in the province of British Columbia and a person in another province or in a foreign country, and the provisions of this Act shall be construed accordingly Nothing in this Act shall be construed to interfere (a) with the right of any person to import from without the province liquor for bona fide use in his dwelling-house.

Hon. Mr. DANDURAND That is what Act?

Hon. Mr. TAYLOR: That is the Act of 1916, repeated in the Act of 1917.

Hon. Mr. BEIQUE: What clause?

Hon. Mr. TAYLOR: It is section 57 of the Act of 1916.

Hon. Mr. DANDURAND: That is what is called the Prohibition Act?

Hon. Mr. TAYLOR: Yes, the Prohibition Act?

Hon. Sir JAMES LOUGHEED: The Act under which the traffic is now carried on?

Hon. Mr. TAYLOR: No.

That was the contract between the present Government of British Columbia and the electorate of that province. In 1920, there being dissatisfaction with the operation of the Prohibition Act, which failed to prevent the consumption of liquor in British Columbia and made hypocrites of the whole population by sending them to medical officers for prescriptions, on which they drank almost as freely as they are drinking now under Government control, the situation became an intolerable public scandal, and public sentiment demanded some change. An organization known as the Moderation League fathered a new reference to the people of British Columbia based upon this question:

Which do you prefer?
(1) The present Prohibition Act?

Or

(2) An Act to provide for Governmental control and sale in sealed packages of spirituous and malt liquors?

That is the Act referred to in the references from British Columbia as having been carried by the substantial majority of 35,000. It was so carried.

Hon. Mr. BEIQUE: Which Act?

Hon. Mr. TAYLOR: The Act of 1920.

Hon. Mr. TAYLOR.

Right Hon. Sir GEORGE E. FOSTER: The referendum.

Hon. Mr. TAYLOR: The referendum of 1920, upon which the present Act for the control of the liquor traffic is based.

Again, in that contest it was plainly stated on platform after platform that this reference was not to be construed as interfering with the right of private importation—that it had nothing to do with private importation. Any honourable gentlemen who will take the trouble to look at the newspapers of that day will see in the advertisements of the respective parties that stress was laid upon that—that the prohibition party, for instance, in their literature made it plain that this scheme of Government control put farther off than ever the desire of the prohibition party to stop the private importation of liquor. The Government party were just as emphatic on their side in stating that no interference with private importation was intended. To make it perfectly plain that such was the understanding of the Legislature and of the Government, when the Legislature met in 1921 there was enacted what is known as the Liquor Control Act, which specifically exempts from the operations of the Act liquor in warehouse, and also liquor that had become lawfully possessed, that is, through private importation under the law at that time. The section with reference to warehouses reads as follows:

49. (1) Nothing in this Act shall prevent any person from having or keeping liquor for export in his liquor warehouse or place of business, or engaging in or carrying on the business of importing liquor from a place outside the province or exporting liquor to a place outside the province.

That is the law of British Columbia to-day, and it is in defiance of that law that the Government of British Columbia, the applicants for this measure, are before Parliament to-day.

I think I have shown that, so far as their undertaking with the electorate of British Columbia is concerned, they do not come here with clean hands; that, having got the first concession from a too confiding electorate, they have gone behind the backs of those people and come in by a side window to have the Parliament of Canada place in their hands a power which they have no right under the constitution to exercise. I think I have made it plain that so far as the electorate are concerned, the provincial Government's hands are not clean.

They undertook, in the next place, in their pledges to the electorate, to supply them with good liquor, to put down the bootlegging which had flourished under the Prohi-

bition Act, and to give them liquor of the highest quality and most wholesome grades. Are their hands clean with respect to that pledge? We had a legislative investigation a few months ago into the charge that liquors so inferior that they had hitherto been unheard of in British Columbia, where the people have always been rather high-class in their drinks—liquors of vile quality were being offered from the Government Liquor store. Before that committee of inquiry it was proved that about sixty-nine varieties of Scotch whisky alone were being purchased by the Government; that is, through its Liquor Control Board, of course. The Liquor Control Board, I may say in passing, is a purely political board. There is a professional politician, a man who has been a political candidate over and over again, at the head of it. A professional politician from the Yukon —and when I say "from the Yukon" that tells the story—is one of his colleagues; and the only check upon them is the third member, who is not an active politician or active business man, but was a school inspector. That is the British Columbia Liquor Control Board. They bought 69 varieties of Scotch whiskies alone, fully three-quarters of those varieties being brands never before heard of in the Province of British Columbia, and introduced now solely because this political Liquor Board were buying from every peddler who could bring influence enough to bear upon them to secure a sale. It came out before this committee of inquiry that one of their purchases on a large scale—I forget the exact quantity, but it was a material quantity—was so very bad that, after putting the bottles upon the shelves of the various liquor stores throughout the Province, they were compelled by the outcry of the first few victims of this brand to withdraw it from circulation; and when they withdrew it from circulation they applied to it the attention of what they call the blending department, and the blending department applied prune wine and electricity and other devices known to the trade. Anyone who is at all acquainted with the liquor trade knows, when he hears of prune wine, that an adulterant is being used for the purpose of giving the smoothness and the oily appearance incident to age. He knows that prune wine is used for that disguising purpose and for nothing else. The evidence was that, thanks to the prune wine and the electricity, all this stuff, that was so vile that it could not be sold by itself, was put forward as a special blend of the Province of British Columbia, and was sold to unsuspecting customers at the full value of good whisky.

Hon. Sir JAMES LOUGHEED: Under a new label, I suppose.

Hon. Mr. TAYLOR: Under a new label—a special blend of the Province of British Columbia.

Hon. Mr. DANDURAND: Did it become popular?

Hon. Mr. TAYLOR: The unfortunates did not know the difference.

Hon. Mr. WATSON: That is all right, then.

Hon. Mr. TAYLOR: The stuff did not kill instantly. It was not like the chicken whiskey of which some honourable gentlemen may have heard.

Hon. Mr. WATSON: What about the squirrel brand?

Hon. Mr. TAYLOR: Chicken whisky and squirrel brand are very much akin.

Without wishing to detain the House too long, I will give you another sample of the way the Government kept their promise to the people of British Columbia to supply them with good liquor at a cheap price. At a certain stage there was established at False Creek, in Vancouver—note the happy choice of location—that is some artificially made land in the harbour—a place where they make California Old Port, that is, something that is put out labelled "California Old Port," with an imitation of the label of the famous "Convido Old Port," the label looking exactly like it, with the same general design and the same size of letters, but instead of "Convido," the word, "Bonvino." And this old port, made while you wait on False Creek in Vancouver, was put up without requisition on the shelves of the Government liquor stores in the Province. That fact too came out in the investigation. So satisfied were those people that their goods were exactly what the Government liquor stores desired that they did not wait for any requisition, but sent their stuff broadcast to all the principal stores before any requisition was received; and the lightning speed with which they made this was shown in a couple of letters on the file. One order was received for three or four cases of this port, and the answer came that unfortunately they had none in stock, but they would make some and supply the order in a couple of days, and this vendor got his "California Old Port" from False Creek in two days.

Now, I ask any honourable gentleman to say whether, on this recital, the Government of British Columbia have kept faith with the electors of that Province in the matter of giving them good liquor at a cheap price. Would any honourable gentleman in this House, being aware of the fact, say that we should take away from the people of British Columbia the right that they possess to go into the markets of the world and buy real California Old Port if they want it, or buy whisky of approved and recognized brands if they want that, without being subject to having "Bonvino" and prune juice served out to them by the Liquor Board of the Province of British Columbia?

I have dealt with the quality of the liquor. I want to say something next as to the price.

Hon. Mr. WATSON: What about the kick? You have not said anything about that.

Hon. Mr. TAYLOR: This may be a joke to the honourable gentleman from Portage la Prairie, but it is no joke to the people of British Columbia. As I stated at the outset, the plea of that letter, that it is to the advantage of the Liberal party in the Province and in the Dominion, does not appeal to me. I want to be shown some other advantage before I accept this as a Bill which should receive my support in this House.

I spoke about the quality. I will tell you now about the price. The people of British Columbia pay the highest price in the world for the liquor sold to them. A good bottle of Scotch costs in the neighbourhood of $5 for the reputed quart. That would be about $7.50 for a real quart of good Scotch. Of course there are very heavy taxes on this, of recent years. There is a heavy customs tax, and there is a heavy excise tax on rye, and the Government is expected to make a substantial profit through dealing in the whiskey. Those factors force the price up high enough without artificial stimulants being applied, as they are applied by the Province of British Columbia through the Liquor Board. These artificial stimulants are in the form of easy money paid out as commissions to those who peddle the unknown brands to the Liquor Board.

An instance of that came before the Public Accounts Committee in the inquiry to which I have already referred. Making a pretense of laying all their cards on the table, they brought before the Public Accounts Committee all the official reports and documents, and they produced a collection of cheques and drafts, which, as any honourable gentleman knows, would be very innocuous under ordinary circumstances. However, these cheques and drafts, while numerous and very uninviting, did attract the attention of an enterprising member of the Committee, who looked into them to see if perchance he might get some inspiration from them. On one of the drafts he found an endorsement in big red letters. Those of you who are familiar with drafts know that when a special endorsement is to be made with respect to a draft, it is usual to put it on a slip and pin it to the draft; but in this case that precaution was neglected, and there was written across the face of the draft: "Do not pay without reference to our accompanying letter of instruction." The member of the committee seeing this, asked for the letter, just as we asked for that so fateful letter that came down here the other day, and he was told, just as we were: "Why, these letters are private. The bank of course returns the cheques and drafts, but it does not return the letters." Well, he asked that an order of the Committee be issued for the letter. The Government supporters immediately said: "But we have no authority over the banks, you know. They are under Federal jurisdiction, and an order from this little Provincial committee would not go with them." The Committee member, being still resourceful, said: "But this is the bank with which the Government does most of its business, and perhaps if we sent a polite request, they will comply with it, although not obliged to do so." That suggestion prevailed. Next day the officer of the bank was present with the letter, and this is what the letter said:

On receipt of.....

being the price to be paid by the Government—

—remit.....to us and pay..... pounds. shillings and pence—

—which being translated into dollars, amounted to about $6,500—

—to Bert Read, a copy of whose signature will be sent to you.

To make the story as short as possible, difficulties developed in the bank. Bert Read, I may say at once, was a fictitious person; no such person existed. A difficulty developed in the bank because they were loath to pay $6,500 to someone who simply wrote like the supposed Bert Read, and they asked for some further proof of identity. It became apparent that there would be great difficulty in getting that money; so a message was sent to New Zealand, from which direction this Scotch whisky had been brought to British Columbia—a rather roundabout route,

you will see—and the answer came from New Zealand to ignore the reference to Bert Read and to pay instead to another person named; who, it turned out, was the invalid business partner of a son of a member of the Legislature, and this son of the member of the Legislature was getting $6,500 of easy money on this one purchase. It is because commissions of that kind are multiplying and are all-prevailing in connection with the liquor transactions of that Board, that we have to pay the exorbitant price we do pay in British Columbia for whisky. I ask again, on this recital, do the Government of British Columbia come to this House with clean hands in their application to be given further control of the liquor business in British Columbia, and to get such a cinch upon it that nobody can possibly buy a bottle without paying his share of the commission to the Bert Reads who are fastened upon the Government.

Hon. Mr. BENNETT: Was the man who sold the liquor in the liquor business?

Hon. Mr. TAYLOR: No, he was not in the liquor business. This was, so far as I know, his first transaction, and possibly his last in the liquor business.

Hon. Mr. BENNETT: Was he in partnership with the member in the business?

Hon. Mr. TAYLOR: No. The man under whose name the commission was paid was the invalid partner of a son of a member of the legislature. I should have added, to make quite plain the connection of this son with the incident, that another letter disclosed was from this son of a member of the legislature to the purchasing agent for the Board, which read like this: "Dear Mr. So-and-so: with respect to the order you were to receive from me, the brand is so-and-so, the quantity is so-and-so, and the price is so-and-so, and the order is to be addressed to this address in New-Zealand." So it was brought exactly home that the whole transaction was of this political nature, and that the invalid partner's name was simply used as a blind when the subterfuge of the fictitious Bert Read had failed.

Do the applicants come with clean hands in respect to their relations with this Government? That is getting nearer home to the business now before us. Have they kept faith with this Government in their previous transactions here? When the Prohibition Act came in in 1916 and 1917, the Government at Ottawa was not in political sympathy with the new Government of the Province of British Columbia, but, realizing the difficulties of the situation in British Columbia, where we were to have prohibition on one hand and freedom to import liquor from Quebec and Ontario on the other, and to export liquor from the Province, and realizing that this meant the passage of a considerable quantity of liquor through the Province of British Columbia, and that there should be some decent check upon that liquor during its passage through the province, the Government of the day—that is, the Conservative Government, or the Unionist Government, I forget which —voluntarily notified the Province of British Columbia that, so far as export warehouses were concerned, so far as the importing and exporting trade was concerned—the trade that had to be licensed by the Dominion Government in order to hold liquor for any purpose without paying all the customs and excise charges on receipt of it—they would decline to issue licenses except upon receiving the express consent of the Government of the Province of British Columbia. Honourable gentlemen will appreciate that that was a very friendly and a very decent and proper offer to be made by a Government at Ottawa to a Provincial Government with which it had no political sympathy. One would naturally think that the recipients of this advantage would say: "We must be very careful in our dealings with Ottawa; they are being very square with us, and we must show them that we do not abuse the confidence they are placing in our administration of this new law." Is that what the province of British Columbia did? I am almost ashamed when I say so often, "Is that what the province of British Columbia did," because I am proud of the Province of British Columbia, and graft is not natural to that Province. We are having our first experience of this nature out there—our very first experience of a Government of the kind we have now. I feel that it is due to myself and the other citizens of the Province to say that when I refer to things which bring the blush of shame to the brow of British Columbians here, I am not reciting them as something natural to that Province. They are unnatural and strange to us.

It very soon began to be noised abroad in the Province that any applicant for a license from Ottawa whose license was referred to the Government at Victoria could not get the endorsement of the Provincial Government unless he paid a very substantial sum of money, to put it plainly, in the way of blackmail. These rumours became so prevalent that one day in the Legislature the leader of the Conservative Opposition drew attention to them, and moved that a committee of inquiry

be named by the Legislature to examine into these reports, particularly the reports that large sums of money were changing hands in consideration of the endorsement of Federal licenses for export warehouses. The motion was refused by the Government on the ground that there was no evidence in support of it, that it was simply a fishing expedition, and that the member making it must give names and particulars before a motion of that kind would be entertained; and every member supporting the Government voted with the Ministers to suppress the demand for the inquiry, on the ground, mind you, that there was no indication that there was any real truth in it.

But what happened? The incident was referred to by one of my colleagues from British Columbia the other night. The next day a newspaper in the city of Vancouver published a photograph of a cheque for $3,000, given for securing the provincial endorsement of an application to the Federal Government for a warehouse license; and this $3,000 was given to a firm of whom the senior member was a member of the Legislature and had voted the day before with his colleagues to say that he could not entertain this demand for an inquiry because there was nothing to show that there was any truth whatever in the allegation.

I am not reciting fables here: all these stories, lurid as they are, are part of the official record of the Legislature of British Columbia. I ask again, do these applicants come with clean hands with respect to their relations with this Government? Or do their actions in extorting blackmail or permitting the extortion of blackmail in connection with the endorsement of applications for Federal licenses assist in putting them out of court now, and justify us in saying to them: "We have trusted you once; you have abused our confidence; we cannot again extend to you the confidence which we were glad to extend to a Provincial Government at the outset."

Another incident of their relations with the Federal Government, though not disgraceful, shows the ungenerous attitude of the Government of the Province, and the narrowness of the treatment that may be expected from them whenever they have full power and when they get through legislation of this Parliament the handsome concessions and privileges over which you would think they would be loath to quarrel with their generous patrons at Ottawa, who, at this time, were not the Conservative Government or the Union Government, but the Liberal Government. There came a time when the excise and customs duties on liquor were doubled. The Government Liquor Board in British Columbia alone, of all the dealers in liquor there, left in warehouse over the Budget stage a very large quantity of liquor which they had in their possession. They alone were nipped by the increase in the duties. I am not sure of the amount; I do not know that I ever heard it; but I should think it would be in the neighbourhood of $250,000 or $300,000 that they had to pay in excess for their stupidity in not taking out their liquor. Instead of making the manly avowal that their inexperience had caused this, they took the ground for the first time that they were not obliged to pay customs duty on this at all, but that because the liquor was bought in the name of the Crown it was free of customs duty. I brought this matter up last year, and since then I think it has been finally settled. At all events, they have had this Government through two courts in the endeavour to prove that they were entitled to dodge the tax on the liquor on which they are making $3,000,000 or $4,000,000 profit a year. This incident, as I say, is not of the disgraceful nature of those I mentioned before; but nevertheless it shows the indisposition of the Government of British Columbia to play the game even with a friendly Government. And, in connection with this tax, the same Attorney General whose letter disfigures the pages of Hansard of this House, made the public statement when he was twitted with his lack of capacity in being stuck for the extra duty, that evidently the trade of Canada had been tipped off by the Ottawa Government, and that his Government had not been. From forty years' acquaintance with affairs at Ottawa, I feel free to say that there never has been in connection with any Government any warrant for any suggestion that in advance of a Budget anyone had been tipped off to get his goods out of warehouse or to leave them in. Yet this Attorney General of British Columbia had so little sense of decency in public affairs as to make that odious implication against a friendly Government. I ask: does he come with clean hands in respect of his relations with this Government? Are his hands clean with respect to this Parliament? We have a letter on Hansard, read last night, saying that his words meant nothing when he said that large sums of money would be used to debauch Parliament. "Far be it from me," he says, "to mean anything by that." He meant nothing at all. But in advance of the accidental discovery of that letter in this Chamber, the writer had broadcasted through Canada, through personal de-

livery of it and through causing the anonymous publication of such parts of the contents as were supposed to be damaging to the Conservative members of the Senate—there is no question about that. We are all perfectly familiar with the publication here six weeks ago which amazed us because of its extraordinary character, and as to which no origin was indicated in the paper publishing it, but which we found in time to be identical with the so-called confidential letter from the Attorney General of British Columbia to the Solicitor General of Canada. Does he come clean with respect to this Parliament? I think there can be only one answer to that.

While I am on the subject of that letter, I would like to point out that if the letter was not an official letter, if it was purely personal and confidential, as he says in his latest communication to the Speaker of this House, then there is no application at all before Parliament for this legislation. We have taken a printed slip received through the mail, and through the action of the initiating Chamber have put it on its way to becoming an Act of Parliament; and yet we accept from the man who we supposed sent us this slip officially the statement that his letter was not official at all, and that there was no official letter. Before we give a Government of that kind any concessions at all, it seems to me that we should have an application for them.

We all remember that the two Houses were deadlocked last year over the Bill then before us. It was absolutely essential to the peace, order, and good Government of British Columbia last June that we should pass that Bill exactly as presented to us and exactly as presented again in another place this year. On the last day of the Session the Committee of Management was deadlocked for three or four hours on that subject. The matter was so important that neither side would yield an inch. Incidentally there were two subjects before that Committee of Management, and we all know what has happened to one of them in the meantime. We find this year that the matter so essential to the Government of British Columbia last June is not what they want now at all, because that is not what we are being asked for in this Chamber to-night. It is true a Bill was introduced in another place to the same effect, but in its passage there it was materially altered, and we have now a Bill of an utterly divergent nature. The purpose is not to stop any possibility of bootlegging in British Columbia—a possibility which is so graphically described by those who tell about scores of cases of liquor being put on shipboard, and how, before the ship gets beyond the three-mile limit, it is slid over the side on to the friendly floats of the bootleggers. We have no application to stop that now. No doubt many honourable gentlemen who have not studied the Bill, but have simply heard it talked about, think that that is the object, but the application before us is simply to substitute one collection of possible bootleggers for another collection of possible bootleggers. We are now asked to give unlimited facilities, not to the export warehouses, but to distilleries and breweries. I appeal to any prohibitionist; what does it matter to a prohibitionist, if bootlegging is being done, whether it is done by an export warehouse, which in the case of a responsible warehouse means a wholesale dealer in liquors, or whether it is done by an incorporated distillery or brewery? I cannot see that we should be improving the situation, even if it required improvement, by substituting for the mushroom warehouse of the past the mushroom distillery of the future. and in saying that I speak advisedly. We have had only one distillery in British Columbia up to the present. That distillery made only rye whisky, in common with all other distilleries in Canada. Since this House has been asked to pass the present Bill there has been published in the British Columbia Official Gazette the notice of incorporation of a second distillery in that province, called, I think, the Consolidated Distilleries, with a capital of $5,000,000. Seemingly it has been attracted to the Province of British Columbia by the advertisement given before this Parliament of the special concessions that we are offering to distilleries and breweries in that Province.

Are the Government of British Columbia clean with respect to this present application, in coming to us now and asking us to substitute distilleries for export warehouses, and pretending that it is the same thing as that for which they applied last year, and which the Senate prevented them from having? I will give you an instance to illustrate what I mean in stating that the facilities for bootlegging would be the same under this Bill as they are at present. We all read in the press the other day of a large seizure of liquor off the coast of Victoria, at Discovery Island. Three or four American sloops were found taking on a cargo from some Canadian sloops, and the liquor was seized jointly by the Federal and Provincial police. Was that bootleggers' liquor? No. The report says that all this liquor bore the brands of reputable distilleries and breweries, duly licensed in British

Columbia. And at the very time when we are reading of the bootlegging that has been carried on, not with bootleg liquor, but with liquor from licensed breweries and distilleries, we are asked in the name of prohibition and temperance to pass a Bill giving very valuable concessions to those very breweries and distilleries.

The Government at Victoria and the Attorney General of British Columbia are perfectly familiar with these facts. Is the Attorney General of British Columbia straightforward in coming to this House and asking for this legislation, as he persists in doing to this day, when he knows what happened under the eyes of his own officers only a few days ago? Is he straightforward in coming to this House with his present application when the resolution of his Legislature is expressly to the contrary. This is the resolution of the Legislature:

That the Federal Parliament be requested at its next sitting to enact legislation providing for the prohibition of the importation of intoxicating liquor into British Columbia for use therein, except by the Provincial Government.

That is not the application now before the House, and, realizing that fact, we are entitled to ask whose application is before the House? Not the application of the Legislature of British Columbia, but an application made off his own bat by the gentleman who wrote that scurrilous letter, which, being challenged, he immediately withdrew as meaning nothing. Now, has his application been as loosely framed as was his letter? and, being warned by our experience with the letter, should we take seriously his application?

I venture to say that there is hardly an elector of British Columbia who knows what that gentleman is asking at Ottawa. I read in a leading organ of the Government a couple of weeks ago, under flaming headlines, a report of the successful passage of this Bill through the House of Commons. It was in a paper published at Victoria and friendly to the Government, and pleased that success had crowned the efforts of the Attorney General to get something from Ottawa. At the end of the report, which was perfectly correct, in referring to the Bill without explaining precisely what it was, the editor undertook to add a little comment of his own to make perfectly plain to the people of British Columbia what it was that the good Parliament of Canada was passing for them, and this was what he voluntarily added at the end of the article:

An exception is made in the case of manufacturers and exporters.

Hon. Mr. TAYLOR.

Honourable gentlemen will find that in the Victoria Times, at the foot of the article announcing the safe passage of this measure through the House of Commons, and hailing it with acclaim as something giving freedom to manufacturers and exporters. When the Bill comes here it expressly excludes exporters whose habitat is British Columbia. There is this element of truth in the footnote added by the editor of the Times, that it does give freedom to exporters provided they are situated in Ontario or Quebec. The Bill as now before us puts no bar whatever against the very same bootlegging, if originating in Ontario or Quebec, that the Attorney General of British Columbia says has been carried on from British Columbia warehouses by liquor being placed on board ships ostensibly for export and being slipped off before the ships pass the three-mile limit.

I would like to call attention to another point that I am sure the people of British Columbia do not understand. We read a great deal in the press now about the situation at the port of New York, under the new American liquor law forbidding vessels to bring liquor, sealed or unsealed, into the port of New York. That is precisely the condition to be created in respect to the ports of British Columbia by the Bill now before this House. Any honourable gentleman who reads the Bill will see that under its provisions no ship coming into British Columbia can bring in there a pint of liquor—that by this subterfuge the Government of British Columbia will have taken control not only of interprovincial traffic, but of international traffic as well; will have made the port of Victoria just as dry as the port of New York and the port of Seattle are made under American Acts. I have said that I thought no one in British Columbia really understood what is being offered to Parliament in the name of the people of British Columbia. So far as ships are concerned, I am confirmed in that opinion by a newspaper article which I have before me. I will read only a short extract. The heading tells the tale. It reads: "Sailors get cut-rate booze—Provincial Liquor Department gives special prices to attract trade of ocean vessels;" and the article goes on to say that, taking advantage of the situation created at Seattle and San Francisco and other competing ports on the Pacific, the Government of British Columbia have resolved to make British Columbia ports as attractive as they can to foreign-bound vessels by putting on a special drive on all classes of liquor. I think that I can interest the House more by quoting some of the prices offered than by giving a

long recital. The article ends up with this statement:

> Other liquors will be sold at similarly cut prices. Gordon's Gin can be got at 61 cents a bottle and Gilby's at 62 cents.
>
> Thirty-five per cent over-proof Jamaica Rum will be sold at $3.20 a gallon.
>
> Quart bottles of champagne, Moet and Chandon, will be only $1.76.

That is a special drive by the Government of British Columbia to attract ships foreign-bound from British Columbia ports. Now let us follow that out.

Hon. Mr. HARMER: Is that the advertisement of the British Columbia Government, or is it just an irresponsible reporter's idea?

Hon. Mr. TAYLOR: That is the statement of a member of the Senate of Canada. I take the responsibility for the statement. Scotch whisky is quoted there on the same scale.

Hon. Mr. PROWSE: What are the freight rates from British Columbia?

Hon. Mr. TAYLOR: In answer to my honourable friend I will say that the freight rates via the Panama Canal are very low. The shipment would take some time, but the rates are low.

Let me put practically to this House what we are asked to do in being asked to pass this extraordinary Bill, interfering with ocean traffic, interfering with transcontinental traffic, interfering with the personal liberty of every citizen of British Columbia, and interfering with the large and legitimate overseas trade of some wholesale warehouses that have been established there for fifty or sixty years. We are asked to pass a Bill that would interfere in all those ways, for the purpose of stopping bootlegging; yet at the same time the Government is offering to put on board all foreign-bound vessels Scotch whisky at about $20 a case. It sells on shore now at $60 a case. We are told that liquor put on those foreign-bound ships hardly reaches the three-mile limit before it is slipped over the side and either despatched into the United States or distributed over British Columbia; yet the Government of British Columbia are offering an inducement of $40 a case and making a special drive in order to bring about that condition.

Hon. Mr. DANDURAND: At what price does that article say the Moet and Chandon champagne would be sold?

Hon. Mr. TAYLOR: At $1.76.

Hon. Mr. FOWLER: Are you sending for some?

Hon. Sir JAMES LOUGHEED: How many cases would you take?

Hon. Mr. TAYLOR: It goes without saying that that price does not include the Dominion customs or excise when the liquor goes on foreign-bound ships. That is the explanation. Still the contradiction between the hifalutin letters of the Government of British Columbia and its actions is so great that it ought to impress this House that there is something more to this case than appears on the surface.

You will naturally ask, "What is there to this case?" I do not know what there is, but I am more than 21 years old, and I have had a little experience in watching affairs and observing what usually happens when opportunity is offered. I see the vision of one or two distilleries given the monopoly of supplying to the Government of British Columbia ten to twelve million dollars' worth of whisky a year, at their own prices. I realize what possibilities there are in a situation of that kind, and what a firm hand any Government, provided it is that kind of Government, can have upon a Province such as British Columbia if it has uninterrupted access to the possibilities presented by that picture. I am reminded of the suggestion that very substantial contributions will be offered to the campaign funds of all parties, and I am wondering whether this is a threat or an invitation.

That suggestion was made in that letter from the Attorney General of British Columbia to the Solicitor General of Canada, and the statement is now added: "This is a private communication". Keep it mum. I wonder whether there is any possibility that a man of the type who would write a letter of that kind would be influenced in his desire to get power so great as this by the possibilities arising out of it?

For all these reasons, and for others with which I will not detain the House, I am opposed to this Bill. I had almost said I was opposed to the principle of the Bill. I think that would have been a fatal error, because there is no principle to the Bill. As I see it, it is absolutely unprincipled and without any basis in reason or in argument; without any appeal to any friend of temperance, to any friend of prohibition, and least of all to any friend of good straight government. I know it is not wanted by the people of British Columbia. The prohibitionists of British Columbia, through their official organ, have

highly commended the Senate for its action of last year in refusing to give the Government of British Columbia the absolute control over the liquor traffic which that Government asked from us. The Conservative party in the legislature, who last year agreed to the Government application, have seen the light in the meantime and have followed the Senate. The Conservative party this year were a unit in opposing the Government's application, their reason being very largely the incidents in the Public Accounts Committee which I have cited, showing the use the Government makes of its opportunities. Who is there left in British Columbia to want it? The prohibitionists do not want it; the Conservatives do not want it; it is a certainty that the liquor trade—that is, the people who hope to return to a condition under which they can again sell liquor—do not want it. Who is there left to want it except the one political party whose spokesman put before us this high ideal that it is to his political advantage in the Province and the political advantage of his party in the Dominion to pass this, and that there are in sight substantial contributions to the campaign funds of both parties?

I would say that if Parliament is sincerely desirous of giving to the people of British Columbia what they want, Parliament will treat that Province as it is entitled to be treated under the Canada Temperance Act, and will say to them: "We invite you to take the opportunity of a plebiscite on this subject." So far as I am concerned, if a plebiscite be put before the electors of British Columbia, and they make any request by a majority under that plebiscite, I will support it; but without authority of that kind from the people of British Columbia I will not be a party to fastening upon them the features proposed by this Bill.

Hon. F. L. BEIQUE: Honourable gentlemen, I had not intended to speak on this Bill at this stage; but, after the fine picture which the honourable gentleman has given us of his Government in British Columbia, I feel that I should take this opportunity of saying a few words.

The honourable gentleman has chose to impeach in very strong terms the provincial Government and the Attorney General of British Columbia. I am not in a position to refute his accusations, nor do I believe I am called upon to do so. If the British Columbia Government is what the honourable gentleman claims it to be, I hope that there will soon be a change of Government in that province. However, I have to bear in mind the fact, without imputing any badness to the honourable gentleman, that he is a strong supporter of another political faith, and in consequence, I believe, may be influenced.

As I understand our duty, it is to try not so much to accede to the desires of political parties in any province, but to accede to the desires expressed by the people of the provinces; and I must call attention to the fact that we are asked to pass this Bill not only by the Government of British Columbia, but that it is supported by some five or six other provincial governments.

Hon. Mr. DANDURAND: By all of them.

Hon. Mr. TAYLOR: Will the honourable gentleman permit me a question? Do those Governments know what the measure is? Is it the first measure or the second measure?

Hon. Mr. BEIQUE: The honourable gentleman knows that all provincial Governments receive the Bills as they are printed for the Federal House; and how is it that the Prime Minister of Quebec or of Ontario or of Manitoba—

Hon. Mr. POPE: Manitoba has just had a vote on that question.

Hon. Mr. BEIQUE:—or of Saskatchewan or of Alberta have taken the trouble to write letters or send telegrams without knowing what they were talking about? Even if they had not the Bill, they were perfectly informed by the press. The matter has been discussed over and over again by the press of the country.

Hon. Mr. TAYLOR: If the honourable gentleman will permit me to say so, I think he will find that every provincial Government spoke only at the solicitation of the Attorney General of British Columbia, and how much reliance we can place in him we know now.

Hon. Mr. BEIQUE: The honourable gentleman is quite mistaken. We had a Bill of the same nature.

Hon. Mr. TAYLOR: No.

Hon. Mr. BEIQUE: And the Bill was strongly desired—

Hon. Mr. TAYLOR: This is a different Bill.

Hon. Mr. BEIQUE: It is practically the same.

Hon. Mr. POPE: It is all settled: Quebec wants it.

Hon. Mr. BEIQUE: My duty, as I understand it, is to try to find out what is the desire of the population of the province. As far as the province of British Columbia is concerned, I will refer very briefly to the statute to which the honourable gentleman has referred. The honourable gentleman called attention to the statute of 1916, which was the Prohibition Act, and referred this House to section 57, saying that the Act was to affect certain transactions in liquor. He said that it was not intended to prevent importation. I will not read the clause which was read by the honourable gentleman, but will refer to clause 10, which the honourable gentleman has not read, and which is the main clause of the Act. It says:

Except as provided by this Act, no person shall, within the province, by himself, his clerk, servant, or agent, expose or keep for sale, or directly or indirectly, or upon any pretence, or upon any devise, sell, or barter, or offer to sell or barter, or in consideration of the purchase or transfer of any property or thing, or for any other consideration, or at the time of the transfer of any property or thing, give to any other person any liquor.

Under that Act there was an absolute prohibition to sell liquor, except under the provisions of the Act. That is the first expression that we have from the province, as represented by the Government.

Hon. Mr. PLANTA: I do not wish to interrupt the honourable gentleman, but I think he is unintentionally misleading the House. He refers to a section of the Act which prohibits any person from having liquor for sale. The section referred to by my honourable friend from New Westminster (Hon. Mr. Taylor) is a different clause, which reserved to the people the right of importing liquor for their own use.

Hon. Mr. BEIQUE: Quite so. I said I did not think it was necessary to repeat clause 57, which is to the effect that the Act is not intended to prevent persons importing liquor for their own use. I merely call attention to the fact that this was a prohibition measure. This was the first expression of opinion on the part of the Province as represented by the Government; and so far as that Government was concerned, it was a Conservative Government—a Government in which the honourable gentleman had confidence.

What was the next step? It was the referendum which took place in 1920. The people were asked: "Which do you prefer—1. the present Prohibition Act, or 2 an Act to provide for the Government control and sale in sealed packages of spirituous and malt liquors"? And the honourable gentleman said that a very large majority, some 35,000 odd, voted, not for the first, but for the second alternative. Not being content with prohibition as it was, they expressed a very strong desire to go much further, and be more strict by exacting that liquor be sold only in packages. We know what that means.

What was the next step? The next step was the passing of the Liquor Control Bill, which, in 1921, gave effect to the will of the people. Section 26 says:

Except as provided by this Act, no person shall within the province, by himself, his clerk, servant, agent, expose or keep for sale, or directly or indirectly or upon any pretence, or upon any device, sell or offer to sell, or in consideration of the purchase or transfer of any property, or for any other consideration, or at the time of the transfer of any property, give to any other person any liquor.

27. No vendor, and no person acting as the clerk or servant of, or in any capacity for any vendor, shall sell liquor in any other place, or at any other time or otherwise than as authorized by this Act and the regulations.

Without going into details—for I want to take as little time as possible—let me point out that under this Act, giving effect to the will of the people, the Government took control of the sale of liquor in packages and allowed the sale of liquor only to persons who had permits. So it was decided to give effect to the will of the people that the Government not only should have the exclusive control of the sale of liquor, but would exercise it very strictly, and sell liquor only in packages, and only through their own representatives. Surely that was intended to prevent the sale of liquor through importation by bootleggers, or by persons who were acting in violation of the law.

Now the Government of the province are stating that they want to put down abuses; and the honourable gentleman seems to admit it, because he says there are very grave abuses on the part of the breweries, but he seems to submit to the infraction of the law on the part of the wholesale importer.

Hon. Mr. TAYLOR: I am sure the honourable gentleman does not want to misrepresent me. That was not the effect of my argument at all.

Hon. Mr. BEIQUE: I am perfectly willing to accept the explanation of the honourable gentleman; but I understood him to say: What is the use? What we are having from the wholesale importers we are having from the brewers. It is better to get rid of one even if the other remains. I have noticed also that the honourable gentleman is afraid that instead of one brewery there will be two.

Hon. Mr. DANDURAND: Distilleries.

Hon. Mr. BEIQUE: But we have this expressed will of the people that the sale should be controlled most strictly, and we are told now not only by British Columbia, but by all the Provinces, so to speak, that they desire to be given the means of giving full effect to the legislation which the people desire to have. I have taken that position, not only this year, but from the time of the Doherty Bill, which I helped to pass—and I think the honourable leader on the other side will not deny that I helped him very much in passing that Bill.

What was the object of the Bill? It was recognized that under the Constitution legislative powers are divided, some being vested in the provinces and others resting with the Dominion Parliament; that the Provinces are not vested with the necessary power in regard to temperance legislation or the sale of liquor; that we should supplement their powers so that they may deal with such matters in a way that will give effect to the wishes of their people That is the position which I took seven or eight years ago, and it is the position I have maintained to this day and will maintain. I claim it is our bounden duty to enact whatever supplementary legislation is necessary in order that a Province may give its people what they desire. I think that is the only question before us. We have been asked by most of the provinces, if not all, to supply the power which they do not possess. For my part I will certainly support the Bill.

The honourable gentleman (Hon. Mr. Taylor) has referred to what has taken place in New York. He is afraid that the ports of British Columbia may become entirely dry, like New York. But I think the honourable gentleman knows as well as I do that it is claimed by all nations that it is a violation of international law to prevent vessels entering the port of New York, carrying liquor not for sale but for use on the vessel itself. The liquor remains on board the vessel. A vessel would not be prevented by the passing of this Bill from entering a port with whatever liquor it was desired to have for use on the vessel itself.

Hon. A. E. PLANTA: Honourable gentlemen, the case of the people of British Columbia has been so very ably presented by my honourable friend from New Westminster (Hon. Mr. Taylor) that I almost hesitate to say anything, lest it might detract from the splendid presentation which he has made. But there are some features of the case which I wish briefly to touch upon, and I promise, honourable gentlemen, that I will not take long.

It has been said by the honourable the Attorney General of British Columbia in his famous letter, and by the press of the country inspired by that honourable gentleman, and it has been said in this Chamber to-night by the honourable gentleman who has just taken his seat, that the opposition to the application of the Attorney General of British Columbia for the enactment of this Bill number 43 is political. I take strong exception to that statement. It is perhaps unfortunate that most of the honourable gentlemen in this Chamber from British Columbia happen to be in the Opposition, but I take it that all honourable gentlemen in this House deal with principles and do not allow their actions to be governed by political expediency. I am sure it was so when the vote was taken last year, and I am sure it will be so again this Session.

It has been said, because honourable members of this side of the House voted against the Bill last year, that they were in league with the bootleggers and rum-runners. I voted against the measure introduced last year, and I intend to vote against the present Bill, and I am neither in league with bootleggers nor rum-runners. I have no interest, directly or indirectly, in the liquor traffic. I have never yet obtained a permit to purchase liquor from the British Columbia vendors—not because I had a large supply on hand when the Act came into force, but because I am almost a total abstainer; and, as far as I am personally concerned, it would never worry me if there were never another drop of liquor distilled. I do not think it is right that that accusation should go out. It has even been used in the Province of Ontario in the present election campaign. The Conservative members of the Senate have been pointed out as being opposed to the measure which is now before Parliament, and to the Bill of last year, and it is rather expected that the Senate may treat Bill 43 now before us in the same manner as the Bill of last year was treated. I would like to remind honourable gentlemen present, and the newspapers which make those statements, that it was a Conservative Government in Ontario, if I know anything about the matter, which first introduced prohibition legislation into this Province, and as a result it went down to defeat. It was also a Conservative Government in British Columbia which took the first step to give the people of British Columbia an opportunity to have prohibition in

that Province, and it also went down to defeat, because, for some reason or other—I do not know why—the prohibitionists were so ungrateful that they voted for the other side. So it cannot be said by any stretch of the imagination that the Conservatives are in league with the liquor interests and are opposed to any prohibition legislation.

But it is not a question of prohibition that we have to deal with nor yet is it a question of the greater control of the liquor traffic. It is a principle that we have to consider—the principle of retaining for the people of British Columbia that right which the people of every other Province enjoy. I was glad to hear the honourable member who has just spoken refer to legislation which he had assisted the honourable leader on this side of the House to pass, in order to give expression to the will of the people. I believe that the people should have what they desire. Now, it has been pointed out very ably by the honourable member for New Westminster, and by other speakers on this question on a former occasion, that the people of British Columbia had expressed no desire for this proposed legislation; on the other hand, they have expressed the desire to retain the right of private importation. If I could satisfy honourable gentlemen on both sides of this Chamber to-night that such is the case, this Bill would in my opinion get short shrift from both sides, regardless of the political party to which members may belong.

When the honourable leader of this House (Hon. Mr. Dandurand) was presenting this matter the other day in this Chamber, I made the statement that the people had voted for Government control on the express understanding that they were to retain the right of private importation. The honourable gentleman challenged that statement; nay, he did more—he defied me to produce a newspaper in which any such statement was published. We people of British Columbia know very well, and it has already been stated very definitely and positively, that that was the express understanding. It was so stated from the platform and in the press, and I know that if I had at my disposal or could refer to the files of the newspapers of the Province of British Columbia, I would be able to produce not merely one but many newspapers in which editorial comment such as I have stated was made upon that subject. I have not been able to do so, but I have found a statement which was made by the Premier of British Columbia at the time this question was being discussed, just prior to the vote. He is quoted in the Sun, of Vancouver, which was, and so far as I know is still, the official organ of the Liberal party in that province. On October 17, in the year 1920, the Premier, in speaking on the subject, said in part:

> The object of the Government is to obtain a mandate from the people for its guidance in future. Whatever the public ask we will try to give. The Act as it now stands was never intended to prevent a man from obtaining liquor for use in his own home.

I would ask honourable gentlemen, what does that mean if it does not mean just what I have said?

Hon. Mr. DANDURAND: I do not admit that.

Hon. Mr. PLANTA: The honourable leader shakes his head; but where else was a man to obtain liquor?

Hon. Mr. DANDURAND: From the Government Commission.

Hon. Mr. PLANTA: That would have been a rather superfluous statement for the Premier to make, would it not? There was no Control Act at that time. I would like to remind my honourable friend that the Act to which the Premier was referring was the Prohibition Act.

Hon. Mr. DANDURAND: If my honourable friend will allow me, I will tell him how I understand it, taking the situation as I see it in my own Province. We in Quebec have always contended that we were against the saloons and the bar; that bars and saloons should be closed; but that no man should be denied the right to have in his own house what he pleases.

Hon. Mr. POPE: Yes, but he had to get it through the Commission.

Hon. Mr. PLANTA: I am sure that that is what the Premier meant, and I am sure that he meant nothing else. But perhaps this will satisfy my honourable friends, for I am sure they are ready to be convinced. In the same newspaper, of the 19th of October, and perhaps on other dates—I did not look any farther—there appeared an advertisement for the Prohibitionist Party, a full sheet in length and almost a full page in width, in very bold type, cautioning the electors how to vote and what effect their vote would have on the handling of liquor. This is what they say in bold type:

> Don't forget that every vote for Government sale means a definite mandate to the authorities—

A definite mandate to the authorities—for what?

Remember, amongst other things, it deprives the Province of the right to stop the importation of liquor, the cause of most of the trouble in enforcing prohibition.

Then there is a note:

Under Dominion law a province which has adopted prohibition may, by a majority vote, when such a vote is sought by the Legislature, shut off importation. A Province which is not under prohibition cannot do so.

That is what appeared in the public press as from the Prohibition Party—pointing out to the people that the legislation would not in any way interfere with the right of private importation. There is no doubt whatever in the mind of anyone who was in British Columbia at the time that the right of private importation was not to be interfered with by the passage of the Government Control measure. The people were sick of prohibition. They wanted Government control. They wanted better control than prevailed under prohibition in the sale of liquor, and they put that control into the hands of the Government, expecting that the Government would control the sale of liquor. We from British Columbia know, and it has been very well pointed out to-night, that the Government do not control the sale of liquor. The Government make no attempt to control the sale of liquor. They will sell liquor to any man who has the money to pay for it, and in any quantity for which he has the money to pay, without any question as to what he is doing with it. They know very well that many of those men who are purchasing wholesale quantities are not purchasing it for their own private consumption. There has been plenty of evidence in the Province of British Columbia of men having been caught in the act of bootlegging and not prosecuted. It so happened—it may have been a coincidence, but it is a fact nevertheless, that they were friends of the Government. There has been, not merely one, but a number of such cases.

The object of this Bill is said to be to enable the Government to prevent bootlegging. I contend that that is not the chief object of this Bill at all, and I think I can substantiate my statement that the Government are not so anxious to stop bootlegging as they are to have a monopoly of the liquor business. I would like to quote the Premier again. He was reported in the same newspaper, the Sun, of November 4, 1920, two weeks after the vote had been taken:

Speaking at Golden, B. C.—

The night before, I presume—

The Premier had said: "It will be necessary for the province to obtain from the Dominion the power to forbid importations except upon Government account, for we will have to establish an extensive and an expensive plant in connection with the liquor business, and will therefore want all the revenue to be derived from a monopoly of the sale."

We know that the profits of the business of the Government have already been huge. They do not need this extra business of which the private importers are depriving them. They do not need it in order to pay for this expensive and extensive plant. They have already an abundance of money. They charge most excessive prices and are making tremendous profits. So it is a false pretext to say to this Parliament that they find they are unable to put down bootlegging and rum-running unless they are given a monopoly of the importation. The real reason is that they want to monopolize the business in order to get so much more profit; and incidentally their friends will get a commission on the sale of liquor, because most of the liquor is purchased through friends. That is a well-known fact. There are many people in British Columbia who have obtained an agency for some distillery just for the purpose of selling a thousand or so cases of liquor to the Government at an excess price, so that they may get a rake-off, but I have never heard of any Conservatives having been given an order for any liquor. In fact, I think that in the same investigation that my honourable friend (Hon. Mr. Taylor) referred to, it was shown that the Government Control Board could have purchased liquor through a Conservative agent for a less price than that at which they purchased the same brand of liquor from a friend, so that is the real reason why this Bill is asked for.

But the point I wish to emphasize is this: that in every other province of the Dominion the people are given the right to say whether or not they want prohibition. I claim that this Bill is a prohibitory measure, and that it should not be passed until the people have been given an opportunity to express their views on the question. If the Government are sincere, why do they not go to the people? They have been challenged to do so, but they have not accepted the challenge. They have been challenged to bring on an election in the city of Vancouver, where there has been a vacancy ever since the last Federal election, and they have been challenged to make their administration of the liquor business the issue. But they have not accepted the challenge, because they know just what they would receive. The Government are on the eve of an election, and they are in a quandary. They know that when the people get an opportunity of voting they are going to vote them out of office. They are trying to retrieve themselves, and in this way. In

the last election their return was bought and paid for by the liquor interests—I say that advisedly—on an understanding that at the first Session of the Legislature, when the Liquor Control Bill was brought down there would be a clause in it allowing the sale of beer, in some way or other, similar to that in vogue in Quebec. The Premier, I believe, would not stand for that, and disregarded the promise which had been made by the then Attorney General. They betrayed the liquor interests, and they know they have not much to expect at their hands in the next election, and they are trying to square themselves with the prohibitionists, and to obtain the whole prohibition vote. That is why they are coming here and asking for this measure—for that and for the purpose of building up a still greater campaign fund.

To show that these are not my own views only, and that the question of the right of public importation is a live one in British Columbia, I am going to read a telegram which I received a day or two ago. This is not marked private and confidential, so perhaps it was intended that I should make use of it. It is from Charles Wilson, K.C., former Attorney General in the Provincial Government. It is addressed to myself, and is as follows:

Opinion here strongly in favour of retaining right to import. It should only be destroyed after plebiscite

That is the stand which I take. That right to import should not be taken from the people except by the will of the people. Why does this Parliament suggest, as it has suggested in the Bill which is before us, taking away from the people of British Columbia the right that the people of every other Province enjoy?

When this question was voted upon in my constituency, it was carried by a majority of two to one. I may say that the total majority of 35,000 represented 33 per cent of the vote cast. In my own constituency the vote was two to one for this Government control measure, on the distinct understanding that the people would have the right of importation.

I do not want to delay the House any longer, but I would like to close my remarks by quoting from a newspaper published in Nanaimo, B.C., of recent date, to show that the statements which I have made are a fair expression of the views of the people who voted for Government control, as expressed by the editor of this paper. This, I may say, is not a Conservative newspaper, but an independent paper, and well known to be so. It is the Daily Herald, of Nanaimo. On the 30th of May, the day on which, I believe, this notorious letter of the Attorney General's was read in this Chamber, this article appeared:

It depends upon the action of the Senate whether or not the people of British Columbia are to retain their present right to import liquors from outside countries. The House of Commons, at the instance of Attorney General Manson, and the Oliver Government, has already passed an act prohibiting private importation. The Senate last session threw out a similar measure, and it only remains now to be seen what it will do on this occasion.

The action of the Oliver Government is consistent only on the assumption that a monopoly in importation would enable it to make still greater profits on its liquor business. When common-sense amendments to the Liquor Act have been asked for in the Legislature, it has taken the position that it could not grant them because of the wording of the plebiscite which was submitted to the electors. There was nothing in the wording of the questions submitted to the people which gave the Government a monopoly in importation. Yet without any reference to the people from whom it received its authority to carry on its liquor business, it is now appealing to Ottawa for power to prohibit private importation.

Attorney-General Manson and his Government claim that it is impossible to stop bootlegging and properly enforce the provisions of the Liquor Act unless it is given this monopoly in importation. It is for the electors of British Columbia to decide whether this is the real motive behind the Government's application to Ottawa, or whether the true reason is not the sordid one of increasing the profits from the administration of the liquor business. After all, it is deeds, not words, that count. From the very beginning, the Government has run its liquor business with the one idea of making as much money as possible out of it. It has charged an extortionate price for all its goods, and some of the whiskies it has offered for sale have not been fit for consumption. The wholesale liquor houses, after paying extortionate license fees, and without the credit of the Government behind their operations, have always been able to undersell the government stores. There, in a nut shell, is the reason for the Government being unable to stop bootlegging.

And, in any event, the people themselves gave the Government the authority to carry on a liquor business. Since the last plebiscite there have been agitations for amendments to the Act calling for the sale of beer by the glass under Government regulation. The Government has always pleaded that under the terms of the plebiscite it could not accept these amendments, and the Legislature has voted them down. Why, then, override the rights of the people in this application to Ottawa for a monopoly in importation? Since the Government has exercised its right to impose a Provincial tax on imported liquors, why go to Ottawa at all? And surely under all the circumstances and the history of this question, and in view of the democratic claims advanced in the name of Liberalism, the Government would have done much better to refer this issue to the people before taking any action whatsoever.

That, I am sure, expresses the sentiment of a very large majority of the people of British Columbia. The fact of the matter is that the present Government have not been controlling the liquor business to the satisfaction of the people. They have made it easy for bootlegging; they have made it as easy as possible to obtain liquor in all corners of the

Province. They even meet the tourists down in the corner of the province where they come in from the United States, and have established vendors there so that the tourists can get liquor without travelling very far. They are making a bid for the business wherever it can be got, and I say that the people of British Columbia do not want the Government to have any more control than they have at present. I am convinced that when the people are given an opportunity they will put in power a Government that will control the liquor business. Attorney General Manson may be very sincere. I know nothing about Mr. Manson, and would not say anything against him; but the letter read in this Chamber the other night certainly lays him open to very severe condemnation. He is a young man, inexperienced, and not big enough for the job—and that is where the whole trouble lies. I sincerely hope the members of this honourable House will not give to the present Administration in British Columbia further powers which the people of the Province have not asked for.

Hon. L. O. DAVID: Honourable gentlemen, if this legislation were asked for only by the Government of British Columbia, for the reasons given by the honourable members who have just spoken, and which are, I think, well founded, I would vote against the Bill; but as this legislation is requested by the other Provincial Governments, whose hands are clean, and who desire a proper control of the sale of strong liquors, I will vote for the Bill.

Hon. Mr. DANDURAND: I take it for granted that I must close this debate.

Right Hon. Sir GEORGE E. FOSTER: Before my honourable friend proceeds to do that, will he allow me a few words? If it is intended to close this discussion to-night on the second reading, I should like to say a few words before we go that far, and I will try and not make my remarks too lengthy.

The legislation which is before us, it appears to me, ought to be decided upon its merits. We have a Bill which comes to us from the other House. It is a Bill which, when presented to that House, was of much the same nature as a Bill presented and discussed last year, and which met with the reception which we all bear in mind at the present time. The Bill as presented in the House of Commons this year was not much, if any, different from the Bill presented last year. But it passed through the other House and came to us in a form which is quite different in some respects from the form in which it was introduced into the other House. In some respects I believe this Bill to be good; in other respects I believe it to be deficient and capable of very much modification to better and strengthen it in order to achieve the purpose aimed at, namely, to prevent bootlegging in the Province of British Columbia. My position is somewhat difficult, as I explained to honourable gentlemen last year. On principle, I would much rather that the business of controlling the sale of intoxicating liquors was not in the hands of a party Government; and last year I voted against the measure largely because of my conviction with reference to that.

There is no necessity for my going over the arguments that I used last year. In many respects I believe that making the Government the liquor seller of a Province has in it elements which are vicious, and which, in the end, will not attain what I think is the evident purpose of the people of this country —to achieve a condition with as little abuse of intoxicating liquors as it is possible to obtain. I do not suppose the most optimistic believe that we will ever see the day when the use of intoxicating liquors as a beverage will be absolutely refined out of this country or out of the other countries of the world. But the progress which has been made in the past towards better habits in that respect—greater moderation, greater temperance, and the achievement of all that has followed along that line—gives us hope that in this, as in every other great social movement of the time, we are progressing in a way which leads to a social state of far greater comfort and efficiency than we have enjoyed in the past.

There is a difficulty for one who is not an inhabitant of the Province of British Columbia—a Province which is all too distant from us in some respects—to size up just the situation, or to determine what may be the average opinion of the mass of the people with reference to this debatable and very complex question. I have tried as far as I possibly can to size up the situation, and my course with regard to the measure is, I think, fairly clear before me. The proposed legislation has had the advantage of last year's debate in both Houses. It passed the House of Commons unanimously. There have been criticisms in the other House with reference to the Government of British Columbia; criticisms perhaps on the system in vogue there; but, after all, when the measure was amended and put into its present shape it passed the House without any disagreeing vote. It comes to us from the House of Commons in a second year and with the

assent of the House as a whole. I give full credit to honourable gentlemen in this House who represent the Province of British Columbia. I do not in the least impugn their motives, their principles, or the lines that they take. But I must, I think, come to this common-sense conclusion, that the members representing British Columbia in the House of Commons, members who were elected by their constituencies and have to go back to their constituencies, ought to have, and I will give them the credit of having, knowledge and conviction at least equal to those of their honourable colleagues in this House; and the members of the House of Commons from British Columbia have not found it necessary or advisable to vote against this Bill, but have given it their support. It comes to us in its second year in a much improved condition. If it had not been very much improved I should have voted against it. It is a very different Bill from that which we discussed and upon which we acted last year.

With reference to the letter that has been written and the position which the Attorney General of the Province of British Columbia occupies, I do not want to be too strong in criticism, but must exercise my own judgment. I find no excuse for the letter. I find no excuse for its spirit or its expressions, and I cannot see how an Attorney General of a Province could have taken the positions which were taken by the present Attorney General and claim that his course had been consistent and straightforward in this whole matter. But I do not think we are here to legislate because an Attorney General does this or does that, or because of his mistakes one way or another. The Bill is before us as a matter of legislation, and it seems to me that it is my duty as a member of this House to consider the Bill for one purpose alone: what is the object which it professes to attain? Does the Bill as it is couched at present attain that object? If it does in part, then there is something to support, and as it passes through the House we can try to make it perfect if that can be done, or as nearly perfect as possible, in order that the object which it professedly has in view may be attained. That is the position that I take with reference to that matter.

My difficulty is just this. I have never seen a more general expression of opinion in the press and amongst the public of any Province regarding—what shall I say?—the failure of this system as it is being administered in British Columbia to carry out the purposes for which the Act apparently was enacted. During the last two years you could not take up any daily or weekly newspaper of that Province without finding an expression of opinion as to the laxity with which the Act has been enforced or attempted to be enforced; and I do not make any discount at all on the statements that have been made by honourable gentlemen here to-day as to what has come out in the investigations. I think that the situation in British Columbia is an absolutely bad situation, and I think that if we can do anything in this Senate to make it better it is our duty to do it. And I take this attitude as well: British Columbia regulates its own affairs; British Columbia is under its Government at the present time; the men and women in British Columbia, who are the electors of that Province, have this matter before their own eyes from day to day, from week to week. It is surely not for us to interfere in the strifes between parties or with the administration by the party at present in power, with reference to their local affairs and try to straighten them out. It is the duty of the constituencies in British Columbia to deal with the Provincial Government, and when the proper time comes to hold them to strict account for their laxity and their failure in performance. We should have a very sorry time of it in this Legislature if we undertook to correct provincial administrations in all the Provinces of this Dominion, and I do not think that we would ever succeed in doing that. It is for the provinces themselves to do it, and if statements that have been made here and have appeared in the press of British Columbia are true statements, as I have no reason to doubt, I mistake the people of British Columbia if at the very first opportunity that offers they do not administer the medicine which is necessary for laxity in performance and for failure in this respect.

I can see the almost unlimited possibilities that a Government possesses which has absolute control of the liquor traffic in a Province like British Columbia. They must be mighty virtuous not to commit mistakes and errors into which can be woven a good deal of partizan and political interest from time to time. Yet there is another question which I think we must examine. We must choose between just these two things. I hate like the very mischief to put this control into the hands of a party government, which almost invariably will use it for party interests in one way or another. I hate that, but at the same time I hate bootlegging worse than I hate the control which a Government

may have when there is given to it all the power for which it has asked, and there is thrown upon it the responsibility of doing its duty by the Province in the administration of the Act. What do the friends of prohibition and even of moderation in British Columbia say? They go to the Government and say: "Look at this, look at that, and look at the other. Why don't you stop this infernal business of bootlegging, which you yourselves, every organ of public opinion, and every association which has spoken of late has made so prominent with relation to lax administration in British Columbia? Why do you not stop it? Why do you not perfect your administration?" The only answer given is: "The Senate of the Dominion of Canada will not give us the power that we ask. We have asked for this power from the Dominion Parliament. The Commons have approved of giving it to us, but when we go to the Senate it says, 'No, we will not give it to you,' " They rely on that excuse. If the Senate in its wisdom sees fit to give this control, and with it impose upon that Government the absolute responsibility and the duty of seeing to it that an honest and efficient administration is given, you take away their last excuse and you leave them bare and naked before the people of British Columbia, who, if I do not mistake that people, will judge them according to their merits and their demerits.

There is another aspect. This bootlegging business is bad not only for British Columbia itself; it is not only vicious in all the influences that surround it or proceed from it; it is breaking down—

Hon. Mr. PROWSE: Will my honourable friend allow me to ask him one question? Why refer only to British Columbia at this stage? Does not this affect every Province? Why does the honourable gentleman want to mention only British Columbia?

Right Hon. Sir GEORGE E. FOSTER: My honourable friend can quite see that it affects every Province. He has just as good eyesight as I have and can read the Bill as well as I, and he has just as good a mind; but I am directing the argument to the point from which arguments have chiefly come, and I am taking that one Province as the particular example of my argument at the present time. I say this bootlegging business is bad for the Province, but if it suits my honourable friend better, I will say it is bad for any Province—just as bad for Nova Scotia as it is for British Columbia, and just as bad for New Brunswick or for Quebec as for British Columbia. Bootlegging is a bad and vicious thing, and there is hardly anything that you can cite which tends to break down and lower public respect towards law and order more than a bootlegging or rum-running business conducted on the basis of the old slave trade, because there is absolutely no principle or scrupulousness in it. It is for money that the bootlegging is done, just as it was for money that the slave-running trade was carried on. It is for money also that the immigrant-running business in the United States is even now being carried on upon a large scale. I have no tenderness of heart and no scruples at all in proceeding against bootleggers of whatever type they may be.

Bootlegging is equally bad in its effects in destroying the good neighbourhood and comity which ought to exist among the provinces of this Dominion, which in one way or another are all interested in the elimination of that kind of traffic. It is in the common interest of good-will in Canada that no one province should be allowed to disturb what is the settled policy regarding the control of liquor traffic in a neighbouring province by allowing itself to become a centre for bootlegging into that neighbouring province.

There is another aspect which to my mind is just as important, namely, our attitude towards the neighbouring country to the south. There is a comity between nations just as there is between provinces in our own Dominion of Canada, and that comity consists in an absolute and constant respect by each country for the laws of the other. It is not to the credit of Canada that to-day, from the Province of Quebec, from the Province of Ontario, and from the Province of British Columbia there is a steady, uniform, organized attempt to break down the laws and destroy the administration of the laws of the neighbouring country. You cannot let a body of men in Quebec, Ontario, British Columbia, or any other Province, combine for the sake of gain to carry on operations in disrespect and violation of the laws of the United States in this matter without bringing back upon you the reflex of that situation. It destroys respect for your own laws and it eats into the very vitals of that which is most precious in a country, respect for law and order. Respect for law should not cease because you cross a line of latitude or an international boundary. It is the foundation of the strength of the United States; it is the foundation of the strength of Canada; and if you allow open disrespect for and violation of the laws of your neighbour, it comes back upon yourself and destroys your own respect for law and good order. That

consideration is also involved in this measure. I have already given notice of, and I intend to impress upon the attention of honourable gentlemen, some emendations to this Bill which will make it more difficult for unscrupulous men to violate the laws of a prohibition sister province or a prohibition neighbouring state, and I am sure that if we can come to an agreement upon these provisions they will add very much to our own self-respect and to our good name.

These are some reasons which bring me straight up against the question: is it possible to stop bootlegging unless you stop the general importation of liquor into the Province? There is my dilemma. If you make it possible for one body to import you must make it possible for all. You cannot simply say, "We will allow John Jones, who is a most respectable family man, to import what liquor he wants for his own use, without let or hindrance, yet we will not allow Timothy Smith, who may not be so good a type of citizen, to import liquor". There must be a general law, and if the general law is that any person in any province may import liquor for himself, then to my mind it is impossible for the administration to stop the illicit traffic in liquor or bootlegging, for it will be carried on by means of the accumulations of private importation. It will be found that the general law is not well administered and is broken. There is my dilemma. I am prepared to say this, that I believe that the stopping of bootlegging and the restoration of respect for law and order are in my opinion of more moment than any objection there may be to allowing a Provincial Government to have control in order that it may stop bootlegging, and then leaving the issue with the province itself. If the Provincial Government, with those powers, does not carry out the law and does not do that which they profess they wish to do, and only need this measure in order to enable them to do, the people of the Province will, I think, quickly deal with a Government so lax and lacking in its administration.

I make these remarks to clear my own position. It is a matter of some difficulty, and I have thought very seriously and closely upon it, and, if the House accepts the second reading, I go to the consideration of this Bill with the idea of making it as perfect as possible. My honourable friend here (Hon. Mr. Taylor) pointed out what I think is a very great possibility—that if the Act is left exactly as it came from the Commons, you may easily substitute a worse combination for bootlegging than you have at the present time but it is possible to make that legislation so tight and so strong that neither the one nor the other will be able to do bootlegging, and that is what I think the Senate might very well give its attention to.

These are the reasons which impel me to vote for the second reading of the Bill, with the idea that it is susceptible to very considerable amendment. One or two clauses in it are, I think, absolutely vicious; but when we come to them we can take them up and use our best judgment with reference to them.

Hon. Mr. DANIEL: I do not just remember the Bill that was presented to us last year, but I notice that the honourable Senator from De Salaberry (Hon. Mr. Béique) states that this Bill is just the same as that of last year, while the right honourable gentleman who has just spoken (Right Hon. Sir George E. Foster) states that it is quite different. I wanted to ask the right honourable gentleman if he would point out the difference between this Bill and the Bill of last year.

Right Hon. Sir GEORGE E. FOSTER: I will not take up time in pointing out all the difference. The chief difference to me is this. The Bill as it came down last year and the Bill as introduced in the House of Commons this year, was an absolutely vicious one, and inconsistent with the statements of the Attorney General in that he provided if that legislation passed, that there might be exporting houses in British Columbia.

Hon. Mr. DANDURAND: No.

Right Hon. Sir GEORGE E. FOSTER: And he asked that these exporting houses, which he has denounced over and over again as being the prime difficulty in carrying out this Temperance Act, should be rendered possible through the permission of the Attorney General of British Columbia. The absolute prohibition of importation was not to apply to exporting houses which received the assent of the Government of British Columbia, and got an Order in Council for their establishment. But before they got that they had to go to the Government; and that put a power into the hands of that Government that I say is a vicious power. The Bill did not actually create an exporting house, but it created the possibility of hundreds of exporting houses, each one of which was to get its authority to become an exporting house from the local Government. I say a Bill of that kind is vicious, and I could not vote for a clause of that kind. In the Bill that comes to us now, that is entirely expunged, with the exception of the brewery and the distillery. I have very strong opinions with reference to the

breweries and distilleries, which I will be able to give to the House when we come to that point.

Hon. Mr. DANDURAND: On this very question, the Hon. Mr. Stevens, who is a representative of British Columbia of no mean standing, said, when discussing the measure, and interrupting the Minister of Justice:

Will the minister permit me to interrupt him. To make complete the objections he is reciting, we object and we claim that the Attorney General in conjunction with the proper officer of this government has that power now just as completely as this bill gives it to him. Secondly the claim that by this bill this parliament is foregoing its rights, transferring its rights into the hands of the Attorney General, without definitely stating that the importation will cease.

That is to say, as the Bill was introduced in the Commons, the exclusion of warehouses or export houses would only be obtained if an Order in Council was passed by the Provincial Government asking for it. The Minister of Justice answered:

I was going to say to the hon. member that we do not intend to transfer that right to the Attorney General. The hon. member concluded his remarks yesterday by saying: "Well, I will not oppose the legislation" I understood that he was disposed to vote in its favour; but even with that declaration of his I want to try and satisfy all my hon. friends opposite and the people of British Columbia in this matter. I come here in all sincerity and I want to make the legislation I offer workable. There was a plebiscite in the province of British Columbia.

In discussing the situation, he goes on to say that he will move to strike out the clause which leaves it in the hands of the British Columbia Government, or any other Provincial Government, to request the Federal Government to prohibit customs warehouses or export warehouses, and will exclude them from the privileges under this Act. Now, what remains in the Act? It is very simple. It says:

Subject to the provisions of subsection two of this section, and notwithstanding the provisions of this or any other Act to the contrary, no person shall import, send, take or transport into any Province in which the prohibitions of this subsection are in force any intoxicating liquor.

That is a general prohibition. Now, here is the exception:

The provisions of subsection one of this section shall not apply to:

a. Intoxicating liquor which has been purchased by or on behalf of, and which is consigned to His Majesty or the Executive Government of the Province into which it is being imported, sent, taken, or transported; or any board, commission, officer or other governmental agency.

There is a general prohibition, except that it shall not apply to the Government or its agents. Nor shall it apply to:

The carriage or transportation of intoxicating liquor into and through a province.

That is for the public carrier. Nobody objects to that. And:

c. The importation of intoxicating liquor into a province by any person duly licensed by the Government of Canada to carry on the business or trade of a distiller or brewer where the intoxicating liquor so imported is imported solely for the purpose of being used for blending with or flavouring the products of the business or trade of a distiller or brewer carried on by him in the province, and while kept by him in the province is kept in a place or warehouse which conforms in all respects to the requirements of the law governing such places or warehouses, and is used solely for blending with or flavouring the products of his said business or trade as a distiller or brewer.

It is simple. If this Act were to pass as it is, first, no one except the Government would be entitled to import liquor into the province of Quebec, or into British Columbia under its present system; and, secondly, the public carrier who passes it through in bond, and the distiller and brewer who use it for blending and flavouring purposes. The distiller, of course, has a license from the Federal Government, as also has the brewer. I do not remember having seen this exception in favour of the distiller and brewer in the Bill of last year, and I have no satisfactory explanation as to why this provision is contained in this Bill; but I have a statement from the Attorney General of British Columbia that he does not see why the brewer should be included, and asks that he should be taken out.

Hon. Sir JAMES LOUGHEED: What about the distiller?

Hon. Mr. DANDURAND: I am ready to go into the question of allowing the distiller the right to import for blending or flavouring, and to find out whether that is justified.

Right Hon. Sir GEORGE E. FOSTER: I would ask my honourable friend to fortify himself on that point with some technical information. What has a brewer to do with blending and mixing? Not a thing.

Hon. Mr. DANDURAND: Let us take it for granted, unless there is a champion of the brewer here, that we are agreed on that point.

Right Hon. Sir GEORGE E. FOSTER: The distiller is supposed to make whisky out of certain ingredients which are allowed him. He does it under Dominion license, under Dominion supervision. There are all the necessary provisions for refining it down from the raw state where it cuts a man's throat as soon as he puts it into his mouth, to what you call the oily, effluent state when it becomes mellowed. But that is done by natural processes, and, although there is a clause somewhere in the Inland Revenue Act which provides for possible compounding, I do not think in the

history of this Dominion there has been a single license issued by the Inland Revenue Department for the compounding business. At least, I am told there is none now. If a distiller wants to compound, let him fight it out with the Dominion authorities, and let it be done under their supervision. But if you put that clause in, I do not see why you should not have just as many great mixing establishments as you have distillers and brewers. That is a point that I should like to see made very clear.

Hon. Mr. DANDURAND: I feel the same way; and we have an urgent request from the Attorney General of British Columbia that the word "brewer" should disappear. He may believe that the distiller has some rights under the Federal law, and that he cannot insist upon him being removed from the Bill. We, in our judgment and wisdom, may remove him if we wish. If we strike out the third clause we leave two agencies that can receive liquor in provinces having Government control—the Government itself, or its agents, and the Government carrier. I confess that when the Bill came to this Chamber last year, I never suspected for a moment that I was falling into the mire of provincial politics and wrangles. I discovered that there was some kind of appearance of party prejudice in the latter days of last Session, and when the Bill came back I did not know whether it would be received with the same suspicion or whether it would appear in the same form. I am happy to find that it is in another form, and that the principal objection from the members of the House of Commons representing British Columbia has been eliminated by an amendment presented by the Minister of Justice.

Like the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) and the honourable gentleman from De Salaberry (Hon. Mr. Béique), I am unable to follow my honourable friends into the questions which they have raised as to the application of this law in the Province of British Columbia. I know nothing about it. I have never met and do not know the Attorney General. I understand that he is a new member of the Government and quite a young man. I may say that since the adjournment of last week I have gone through the correspondence that he has had with the Federal Government, and from it I would gather that he is desirous of stopping bootlegging and making this Liquor Control Act as workable and satisfactory as possible to the people of the Province of British Columbia. Whether he will succeed I do not know. There is one man in that Administration that I do know, the Hon. John Oliver. I have never heard one word that has affected my estimate of the reputation of that honourable gentleman; on the contrary, I have heard nothing but the highest encomiums of the Prime Minister of British Columbia. I have met him, and he has struck me as being a splendid specimen of humanity, physically, mentally, and morally. I think he has been called "Honest John Oliver."

Right Hon. Sir GEORGE E. FOSTER: That always makes me suspicious.

Hon. Mr. DANDURAND: He springs from the soil. He has led a hard life, having been a pioneer in British Columbia. I have heard him tell his story at a Canadian Club luncheon and he struck me as being a man I could trust. I have from him this telegram of the 1st of June:

> Re Canada Temperance Act. Have read our Attorney General's wires to Speaker and yourself. Most unfortunate that letter was thought to reflect on Parliament because am satisfied was not so intended.

Hon. Mr. FOWLER: That does not sound very honest.

Hon. Mr. DANDURAND (reading):

> Trust incident now closed and that legislation will have Senate's early approval. This Province urgently needs this amendment to end present intolerable traffic.

What is the object of this Bill? It is to do away with the private importation of liquor in provinces having Government control of the sale of intoxicating liquors, and also with exporting houses, whether bonded or not. I draw attention to the words "bonded or not," because there are exporting houses that are bonded and exporting houses that are not.

The objections to the Bill are, first, that the people of British Columbia have expressed themselves on the principle of private importation; and, second, that warehouses should be done away with without this legislation. Taking up the second point, I will admit that bonded or customs worehouses can probably be eliminated by the joint action of the Provincial and the Federal authorities without this Bill. I say "probably," because it is a debatable question whether the Federal Government, under the general law as we have it to-day, has the right to refuse a license for a customs warehouse. We all agree that anyone can import into the country alcoholic liquor and that he can pay the duty at the port of entry or can warehouse that liquor. It is doubtful whether the Government could refuse a license—and I have heard the doubt expressed by legal gentlemen—if the proper premises were offered by the person importing

it, and if he is ready to comply with the regulations of the Department. Be that as it may, it would take some time to withdraw a license that has been granted by the Department of Customs, because the tradition and the habit in the Department, when a license is first granted, is to say that it need not be renewed: it is a license sine die. It can be withdrawn under certain conditions, but when it is withdrawn usually a couple of years are allowed to permit the holder of the license to dispose of the goods that he has warehoused.

Hon. Mr. POPE: That statement is not correct, so far as the Province of Quebec is concerned. The honourable gentleman is misled.

Hon. Mr. DANDURAND: On what point?

Hon. Mr. POPE: On the point that you cannot withdraw in fifteen minutes the license granted, without giving any time for the disposal of the goods—that the Government of Canada, having granted the privilege of a bonding warehouse, cannot withdraw it any time.

Hon. Mr. DANDURAND: On this point I have the statement from the Minister of Customs or his Deputy, in answer to Mr. Manson, the Attorney General of British Columbia, that generally two years, or four if necessary, are allowed when a license is withdrawn, in order to give the licenseholder a chance to dispose of the goods that are in the warehouse.

Hon. Sir JAMES LOUGHEED: That is a matter of discretion.

Hon. Mr. POPE: The instances I refer to in the province of Quebec are very recent. The licenses were withdrawn without any opportunity whatever being given; and I know what I am talking about.

Hon. Mr. DANDURAND: All I can say is that I have seen the official correspondence from the Department which makes that statement, and I suppose that the Department knows best what is the rule and practice governing the matter.

Hon. Mr. FOWLER: But the Department says, "Generally speaking."

Hon. Mr. DANDURAND: Yes.

Right Hon. Sir GEORGE E. FOSTER: There might be some instances of gross violation, in which you would not allow an hour.

Hon. Sir JAMES LOUGHEED: It is a matter of discretion.

Hon. Mr. DANDURAND: But, honourable gentlemen, this affects only customs warehouses, and not export warehouses, which have no bonding privileges. These will continue to exist and develop if we do not pass this Bill. I have thought that the two Governments, the Provincial and the Federal, could possibly eradicate from a province the customs warehouses under the law as we have it, although there is that question of the right of the Dominion to refuse a warehouse license. Under the present law the export house that asks for a bond cannot be reached, and it would continue to exist. Some honourable gentlemen in this Chamber may favour the suppression of the bonded warehouse without being desirous of taking the further step of prohibiting private importations, but I warn them that these export houses, which are trading concerns, suspected of selling in and out of the Province and of furnishing the bootleggers with liquor, will overnight become private importers; and immediately the export house without the bonding privilege will be on a par with the private citizen who imports for his own use. The only difference between the export house and the private importer is that the export house must declare itself as a trader, as it is importing for export in large quantities. By making a declaration to this effect it comes within the regulations and the taxation power of the Province. That is the only difference between the export concern and the private importer. The very day that the exporter is wiped out as a trader he will become a private importer for his own use, with the opportunity of seeking profit by selling by night.

Hon. Mr. FOWLER: The Government would have a very good opportunity of ascertaining whether he is a bona fide private individual importing for his own use, or whether he is a person importing for bootlegging purposes. That might be determined by the quantity that he would import. Then the Government could make him close up just the same.

Hon. Mr. DANDURAND: I realize that the Government officers could keep an eye on private importations, but the private importers will find means to protect themselves. Instead of A importing 20 cases of Scotch, he will have perhaps ten confederates who will each import two cases, and the quantity imported will seem to be quite reasonable and moderate. If ten confederates can co-operate in that way, twenty or fifty may do so. As the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster) has said, if the door is

open to any person in a province to import, how can government control be assured?

Hon. Mr. FOWLER: I do not think there would be much trouble arising in that way.

Hon. Mr. DANDURAND: I believe that if we are bent upon curing the evil of bootlegging we should pass this Bill in toto. All the provincial governments are agreeable to it. I quoted the Assistant Attorney General of the province of Quebec, who answered my inquiry as to the stand of that Province. The Prime Minister was away, but when he returned he sent me a very strong telegram declaring that the province of Quebec was solidly behind this measure.

Hon. Mr. DANIEL: It would give him a monopoly too.

Hon. Mr. DANDURAND: Well, it would give him control, and where the people have voted for Government control, have they not voted an effective control?

Hon. Mr. FOWLER: Yes, but they thought they would still retain the right of private importation.

Hon. Mr. DANDURAND: I said that the Attorney General of Alberta had expressed his opinion in favour of the Bill. I had not the despatch. I have it now:

> Kindly transmit full statement to members of Senate in such way as you consider advisable. Quote on behalf Government of this province desire to express entire approval Bill 43 to amend Canada Temperance Act as submitted by Attorney General of province of British Columbia. Enactment of this Bill will greatly facilitate administration and enforcement provincial liquor legislation, and sincerely hope it will receive favourable consideration. Respectfully submitted.
>
> (Signed) J. E. Brownlee.

Hon. Mr. DANIEL: Does that refer to this Bill or the Bill that was introduced in the House of Commons?

Hon. Mr. DANDURAND: The Bill that is before us, because the despatch is dated the 5th of June.

Hon. Mr. TAYLOR: But it says, "As submitted by the Attorney General."

Hon. Mr. DANDURAND: No.

Hon. Mr. TAYLOR: You said that.

Hon. Mr. DANDURAND (reading): "As submitted by Attorney General of Province of British Columbia."

Hon. Mr. TAYLOR: But he does not know what is submitted.

Hon. Mr. DANDURAND: He knows what Bill is before us.

Hon. Mr. TAYLOR: But he does not know what has been done with it in the Commons.

Hon. Mr. DANDURAND: Why quibble? If the Attorney General of Alberta was ready to accept the Bill as submitted by the Attorney General of British Columbia, or supposed to be submitted by him, and as introduced in the Commons, would he not more readily accept a Bill which seems to commend itself to the judgment of this House as being much superior to the one that was introduced.

Hon. Mr. BEIQUE: And this has been passed unanimously by the House of Commons.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TAYLOR: I wish to take exception to that statement. While there was no vote in the House of Commons, the Bill was not passed unanimously there, and it is not fair to say that it was.

Hon. Mr. DANDURAND: There was no vote called for, but Hon. Mr. Stevens stated that what he disliked in the Bill particularly was that the suppression of the export houses was left to the good-will of the Attorney General, to whom the Federal power was transferred; and the Minister of Justice said: "Although you stated that you would not oppose the Bill, I will go as far as I can to satisfy British Columbia and my honourable friends, and I will strike out that clause regarding the custom houses." Then there was not one word of objection from the lips of the Hon. Mr. Stevens.

Hon. Mr. FOWLER: What about New Brunswick? Was there any word from New Brunswick?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: Let us hear it.

Hon. Mr. DANDURAND: My honourable friend will find it in the report of the discussion which took place ten days ago.

Hon. Mr. TAYLOR: Will the honourable gentleman say whether it was struck out at the instance of the Minister of Justice of Canada or of the Attorney General of British Columbia?

Hon. Mr. DANDURAND: I might reply to my honourable friend by asking what difference it makes to the Bill; but I will answer my honourable friend. I have the statement of the Attorney General of British Columbia that from the outset he has been in favour of striking out that clause; but in corresponding with the Attorney General of the province of Quebec he came to the conclusion that the Attorney General of Quebec wanted to have power left with the provinces to declare when

and how export houses should be eliminated. That is absolutely in accord with the Bill as it is. I may say that I have read the correspondence with the Minister of Customs covering more than twelve months, and I have come to the conclusion that he was ardently in favour of the closing up of importing houses. But I will come to that point in a moment.

Hon. Sir JAMES LOUGHEED: Can we not deal with all those subjects in committee?

Hon. Mr. FOWLER: I would like to ask what the Attorney General of New Brunswick said.

Hon. Mr. DANDURAND: I should have to look it up. I read it some days ago. However, I am anxious to close this debate, and I may be able to do so if I am given five minutes more.

Hon. Sir JAMES LOUGHEED: Why not give the Bill the second reading?

Hon. Mr. FOWLER: I hope the honourable gentleman (Hon. Mr. Dandurand) is not concealing something of importance.

Hon. Sir JAMES LOUGHEED: We can deal with all these subjects in committee. Why continue until midnight to discuss this question?

Hon. Mr. WATSON: It is a dry subject.

Hon. Mr. DANDURAND: I want to say in closing that I have examined into the cases which the honourable gentleman from Victoria (Hon. Mr. Barnard) cited to show that the Attorney General had agreed to the opening of new importing houses in the past twelve months, although he pretended to be in favour of closing them up.

Hon. Sir JAMES LOUGHEED: Nothing turns on that.

Hon. Mr. DANDURAND: I have verified the fact that there have been three renewals, simply transfers, and if he did not consent to the transfer the old warehouses would have remained. One of the five instances mentioned was that of a car that went to Cranbrook and was there paying demurrage. He allowed a warehouse for the purpose of disposing of that car, and when it was disposed of the license lapsed.

Hon. Sir JAMES LOUGHEED: The House is not interested in that.

Hon. Mr. DANDURAND: And he agreed to a fifth one, which had been agreed to by Mr. Farris, his predecessor. When he came into office and was asked to confirm the approval, he found that the parties had opened their warehouses—I do not know whether it was in Vancouver or Victoria— and had gone to considerable expense; he therefore said he would not withhold his consent. It was given just as he came into office. However, his policy has invariably been to refuse any demand for warehouses, and I have verified the statement that he made in his letter by examining into the file of the Department. I mention this only because there is no one here from British Columbia to raise his voice in favour of that Government, and I suppose on all such questions as this there are two sides. I make this declaration simply to free the Attorney General from the accusation of insincerity. He seems to have been very desirous in his correspondence with the Minister of Customs to stop the bootlegging that came from the warehouses and the export houses.

I hope that, after this explanation we may go into Committee and try to improve this legislation without regard to any local considerations, but solely for the best interest of Canada.

The Hon. the SPEAKER: Honourable gentlemen, the question is on the second reading of Bill 43.

Hon. Sir JAMES LOUGHEED: This is subject, of course, to amendment in committee.

Hon. Mr. DANDURAND: Yes.

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

BANKRUPTCY BILL

PROPOSED AMENDMENTS

On the Order:

House again in Committee of the Whole on Bill 139, an Act to amend the Bankruptcy Act.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I would suggest that honourable gentlemen agree to give this Bill fifteen minutes' consideration in Committee, because the honourable member from De Salaberry (Hon. Mr. Béique) must leave to-morrow morning.

Hon. Sir JAMES LOUGHEED: I should be only too glad to assist in every possible way the consideration of this Bill, but it is idle to talk of considering a Bill in fifteen minutes and at half-past eleven at night. I was going to suggest to my honourable friend that he place upon Hansard the suggested

amendments and we can give them full consideration between now and the time when the honourable gentleman has an opportunity of presenting them.

Hon. Mr. BEIQUE: That is what I was going to suggest. I will hand in the amendments, so that they may appear in Hansard.

Hon. Sir JAMES LOUGHEED: We will read them with great interest, I assure you.

[The proposed amendments are as follow.]

1. That paragraph (t) of section 2 of the said Act be amended by substituting for the word "respectively" the word "generally", and by adding after the word "business" the words "as they generally become due".

2. That section 9 of the Bill be amended by adding the following as subsection (2) to section 8A on page 3:

(2) Any person appointed as custodian pursuant to the provisions of this Act shall during the term of his office as such custodian be deemed to be an officer of the court and shall when so appointed forthwith give such security for the proper performance of his duties as shall be prescribed by general rules.

3. That subsection 8A of the Bill, page 3, be amended by inserting after the words 'perishable goods" the following words "And under the direction of the court may carry on the business of the debtor for all conservatory purposes."

4. That the following be added at the end of subsection 8B of section 10 of the Bill, page 3; "But in no case extending the delay for the realization of the security beyond the term stipulated in the instrument under which the security was created or after six months of interest on the debt have accrued and remain unpaid. If the debt is overdue or to mature within a delay of six months from the date of the assignment or receiving order, the judge may grant a delay not exceeding six months from such date."

5. That subsection 3 of section 11 of the Bill be amended by substituting for the words "in the custody" the words "under the authority".

6. That subsection 5 of section 11 of the Bill be struck out and the following substituted:

"(5) Upon the appointment of the trustee by the creditors the Official Receiver shall complete the authorized assignment by certifying thereon the name of such trustee, and such assignment shall thereupon subject to the rights of secured creditors, vest, as of the date of the acceptance and filing of the said assignment, in the trustee all the property of the debtor."

7. That section 15 of the Bill be amended by striking out subsection 3 thereof and substituting the following as subsection 3:

"(3) Subsection three of section thirteen, as enacted by chapter eight of the Statutes of 1922, is amended by striking out the word "two-thirds" in the thirty-third line and substituting the words "three-fourths", and by striking out the words, "the holders of two-thirds in interest of each class of the shares of such corporation debtor", in the thirty-seventh and thirty-eighth lines, and substituting, "a majority representing three-forths in value of the holders of each class of shares of such corporation debtor present in person or by proxy at such meeting."

8. That subsection 5 of section 15 of the Bill be further amended by adding after the word "estate" in the forty-seventh line, page 5, the following: "Provided that if a composition, extension or scheme is proposed by the debtor before the expiration of any existing extension, composition or scheme, such last mentioned extension, composition or scheme shall not be deemed to have been made on a previous occasion within the meaning of paragraph (j) of section fifty-nine.

9. That subsection (c) of section 20 of this Bill be amended by substituting for the first part of the said subsection, commencing with the words "The sale of" and ending with the words "have the same effect" the following word:

"(c) The sale of such immovable property, unless a written consent to the contrary is obtained from each hypothecary or privileged creditor whose claim has been duly registered, or unless the sale is made subject to hypothec or privilege of any such creditor not so consenting, shall be made at public auction at the place prescribed and after advertisement as required for the sale of immovable property by the sheriff in the district or place where such immovable property is situate, provided that in case of a sale of property situate in more than one district or place the court may direct a sale of all such property as an entirety at one place, to be specified in the order, and after such notice as the court may direct, and any sale at public auction under the provisions of this paragraph shall have the same effect."

10. Subsection 1 of section 26 of the Bill is amended by adding at the end thereof the following: "The Official Receiver or his nominee shall preside at the first meeting of creditors and shall decide any questions arising in connection with the appointment of the trustee by creditors, and any creditor may appeal from his decision to the court.

11. Section 31 of the Bill is amended by striking out the words, "debtor has his locality for the purposes of this Act", in line forty-eight, page 10, and line 1, page 11, and substituting therefor the words, "demised permises are situated".

12. Subsection 1 of section 32 of the Bill is amended by striking out the word "debts" in line thirty-six, page 11.

13. Subsection 65A of section 35 of the Bill, page 12, is amended to read as follows:

"65A. There shall be one Official Receiver in each Bankruptcy District or Division who shall be deemed to be an officer of the Court and who as such Official Receiver shall have and perform only such duties and responsibilities as are prescribed by this Act and Rules, and shall be appointed by the Governor in Council.

14. Subsection 1 of section 51 of the Act, 9-10 George V, Chapter thirty-six, as amended by section thirty-nine of the Act 11-12, George V, Chapter seventeen, is amended by adding thereto the following:

"Fourthly, claims resulting from injuries to employees of the insolvent debtor to which the provisions of the Workmen's Compensation Act do not apply, but only upon moneys paid or payable to the insolvent estate by persons or companies guaranteeing the insolvent debtor against damages resulting from such injuries."

14. Amend the Bill by inserting the following additional section after section twenty-one thereof:

"21A. Section twenty-seven of the said Act is amended by inserting the words "an Interim Receiver or Custodian or" after the word "if" in the first line of the said section and by inserting the words "borrow money and give security on any property of the estate by a mortgage, pledge, or otherwise, including security under the provisions of the Bank Act", after the word "obligations" in the second line of the said section, and by inserting the words, "including obligations for money so borrowed" after the word "made" in the fourth line of the said section.

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

THE SENATE

Friday, June 15, 1923.

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

Prayers and routine proceedings.

RETURNED SOLDIERS INSURANCE BILL

FIRST READING

Bill 203, an Act in respect of the Returned Soldiers Insurance Act.—Hon. Mr. Dandurand.

SOLDIERS CIVIL RE-ESTABLISHMENT BILL

FIRST READING

Bill 204, an Act to amend the Department of Soldiers Civil Re-establishment Act.—Hon. Mr. Dandurand.

PENSION BILL

FIRST READING

Bill 205, an Act to amend the Pension Act. —Hon. Mr. Dandurand.

DIFFERENTIAL RATES AGAINST HALIFAX

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Is it the intention of the Government during the current session of Parliament to take any steps that may be necessary to abolish the differential freight rate of one cent per hundred pounds, which is now effective against the Port of Halifax in favour of Portland, U.S.A., and St. John, N.B.?

2. If legislation in the matter is unnecessary will the Government otherwise cause the differential to be abolished?

Hon. Mr. DANDURAND: The matter of abolishing the differential freight rate of one per cent per hundred pounds does not require any legislation. The question is under consideration by the Canadian National Railway Board, and it is expected that a decision will be announced shortly.

Hon. Mr. TANNER: I may be allowed to say to my honourable friend that this is a matter of some importance. I understand that the Board of Railway Commissioners in 1911 decided that legislation was necessary, and on that ground refused to deal with the matter. I made inquiry of the Railway Board and they very kindly sent me a copy of the decision of the Board, the ground being taken that this differential is fixed by the statute of 1899, which confirmed the agreement for the extension of the Intercolonial Railway to the city of Montreal, and that that, being a special statutory revision, overrides any powers vested in the Railway Board under the Railway Act.

Hon. Mr. DANDURAND: I am glad the honourable gentleman has risen to make that statement. I will ask that this question remain on the Order Paper until Tuesday, and I will transmit the remarks of my honourable friend to the Department, and we will have a further answer.

ADJOURNMENT OF THE SENATE

MOTION

Hon. Mr. DANDURAND moved:

That when the Senate adjourns to-day, it do stand adjourned until Monday next at 8 o'clock in the evening.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Bill Y5, an Act for the relief of Mary Elizabeth Conkey.—Hon. Mr. Blain.

Bill Z5, an Act for the relief of Margaret Marie Pope.—Hon. Mr. Bennett.

Bill A6, an Act for the relief of Loretta May Girard.—Hon. Mr. Bennett.

Bill B6, an Act for the relief of Birdena Frances Wallace LeMay.—Hon. Mr. Blain.

THIRD READING

Bill X5, an Act for the relief of John Samuel McDonnell.—Hon. Mr. Barnard.

JOINT COMMITTEE ON LEGISLATION

REPORT CONCURRED IN

Hon. Mr. BELCOURT moved concurrence in the Report of the Joint Committee of both Houses appointed to consider the following matters:

1. The forms of Bills and the best means of affording information and assistance in the consideration thereof at all stages of legislation in both Houses of Parliament;

2. The better distribution of the work of legislation between the two Houses;

3. The practical operation of the provisions of The Senate and House of Commons Act, R.S.C., 1906, Chapter ten, respecting the attendance of Senators and Members of the House of Commons, and the expediency of making any alterations in those provisions.

He said: Honourable gentlemen, I think the House will be favourably disposed towards all of this Report, particularly the first and second parts. I think we have at last succeeded in getting in very clear, definite and concrete language just what ought

to be done with regard to the printing and reprinting of Bills coming before this House, and I have no doubt that, if the recommendation of the Committee is fully and carefully carried out by the law officers, as well as by the gentlemen in the Departments who draft Bills, we shall find our work in this House greatly facilitated and improved, and it will take us less time to transact business.

The Committee, comprised of members from both Houses, was unanimous with regard to every recommendation in the Report. A similar Report is of course being laid before the other Chamber, and it is hoped that it will receive there the approval which it deserves.

The first part of the Report deals with the sessional indemnity, attendance, etc. I think we are all agreed that the law was very vague and difficult to interpret, and I express the Committee's hope that what is recommended will be found much more lucid, much more to the point, and in accordance with the legitimate desires of members of both Chambers.

The motion was agreed to, on division.

INTERPROVINCIAL TRADE

MOTION—DISCUSSION CONTINUED

The Senate resumed from May 2 consideration of the motion of Hon. Mr. Barnard:

That at least two of the vessels now owned by the Government be placed on service between British Columbia in the west and Quebec ports during summer months and Nova Scotia and New Brunswick ports in the winter months, for the purpose of assisting in the development of our Natural Resources, and to increase the interprovincial trade between Eastern Canada and Western Canada, and that such service shall be increased as business demands.

Hon. J. D. REID: Honourable gentlemen, after this matter was discussed by the honourable gentleman from Victoria (Hon. Mr. Barnard), I moved the adjournment of the debate for the reason that I have always taken great interest in the question which he raised, and I desired to say a few words upon it. It is my intention to suggest that a couple of Government steamers be placed on the service mentioned; but before doing so I must refer for a few moments to the Canadian Government Merchant Marine.

An annual statement was issued by the directors regarding the Canadian Government Merchant Marine. Copies have been circulated among the members, and an article has appeared in the press with reference to the operation of that service. I notice also by the newspaper reports that the criticism has been made in another place that the statement shows a loss of $9,649,478.72 for last year, and it has been urged that if the Government would dispose of the Merchant Marine there would be an annual saving to the people of this amount. The press also has been criticizing the operation of that service. In my judgment, however, the result of disposing of the Merchant Marine would not be what is predicted. The annual report shows that last year the gross revenue received was $9,705,786 and the operating expenses were $12,089,976, leaving an operating loss of $2,384,189; but the Board of Directors have added to that loss the following items:

Interest accrued on notes to Government	$4,078,277
Reserve for depreciation	2,932,000
Reserve for outstanding liabilities	40,000
Reserve for doubtful debts and claims	96,000
Interest on Government advances	118,000
The total is	$7,265,289

The point I wish to make is this, that if the Government did sell the Merchant Marine they could not get for it the amount that it has cost the country. The vessels cost in the neighbourhood of $70,000,000—in other words, an amount between $160 and $200 per ton. If they were sold to-day they would not in my judgment net even 25 per cent of that amount, because the maximum cost of constructing vessels prior to the war was $50 per ton, and the price to-day would not be over that figure, and these vessels, having been used, would not bring the amount which newly-constructed vessels would cost. Therefore, instead of $70,000,000, the Government would probably not net more than $700,000 or $8,000,000 if they disposed of the fleet, and the interest on the difference between what they would get and what the vessels cost the country would have to continue to be paid in perpetuity or until the amount had been paid off. So from the $9,000,000 loss, in which the interest is now included, that should be deducted in any calculations made for the purpose of showing what would be saved annually by the disposal of the Canadian Government Merchant Marine. I mention this because I intend suggesting that some vessels of the Merchant Marine be put on the service between British Columbia and Eastern Canada and if vessels are put on that line it would not be fair to include the annual interest on the $200 per ton which vessels built during the war and for war service cost.

I am interested in this matter for various reasons. First, it is my opinion that in the

interest of Canada as a whole the natural products and manufactures of Canada, whether produced in the East or in the West, should be kept within our own boundaries if at all possible.

British Columbia, the farthest west of the Provinces, produces to-day natural and manufactured products that we can use in Eastern Canada, but they are products on which it would not be justifiable to pay the high railway freight rates. I might mention lumber and timber, mineral products, and other goods produced in British Columbia. We in Eastern Canada require the large timber that is produced only in British Columbia, but we cannot use it in Eastern Canada because of the very high freight rates that it is necessary to pay if it is brought by rail. Consequently in Eastern Canada we have to import long, and heavy timber and lumber from Georgia and other parts of the United States. I claim that it would be in the interest of Canada to leave the Eastern Canada market for British Columbia for products such as I have mentioned. It is in the interest of Canada to keep money in this country instead of sending it abroad. Furthermore, we could keep more men employed in producing those goods in British Columbia, rather than give the employment to people producing goods to the south.

Again, it would be to the advantage of Eastern Canada to establish the steamship line proposed, because in British Columbia large quantities of products are used which are produced in Eastern Canada. I refer to manufactured products that cannot be shipped by rail to British Columbia because of the high freight rates. Let me give just one example. In the city of Sydney, Nova Scotia, one of our great manufacturing industries produces steel rails. Wire rods are also manufactured. Large quantities of nails are produced, I understand, in St. John. Large quantities of hardware are available in Montreal. The other products which might be shipped from Eastern Canada are too numerous to mention. I mention some of them just to show that those goods which we do not now send to British Columbia ought to be sent there if there is any possible means of doing so, so that British Columbia might not be compelled to purchase similar goods from across the line.

However, the goods which I have mentioned cannot be shipped from British Columbia to Eastern Canada, or from Eastern Canada to British Columbia, unless a cheaper transportation rate is available. The only way to make it available is to do as the United States has done. Since the Panama Canal has been constructed there have been established in the United States several lines of steamships. True, they are operated there by private companies, but they are steamers of the same size as our Canadian Government Merchant Marine vessels, and they are operating between San Francisco and New York, Boston and other United States ports. Those vessels are doing it, and making money. Therefore, if they are sending goods that are produced in the eastern United States to the western United States where they are not produced, and vice versa, why should not we do something of the same kind in the interest of our country? If we can do this, and can produce more goods in Sydney, Montreal, St. John and our other eastern cities, more labour will be required, and our natural resources will be developed.

In addition, there is no reason whatever why vessels leaving Vancouver or Victoria should not call at the West Indies ports, as the United States vessels do, and there is no reason why they should not call at New York on their way around. In doing that they could take the products of British Columbia to the West Indies or to New York, or they could take the products of eastern Canada to those ports.

There has been an agitation in British Columbia for a long time to have a customs officer appointed at New York. British Columbia people are said to purchase large quantities of goods at New York. They want these goods to be taken from New York to British Columbia ports. That would mean that a foreign vessel calling at New York would pick up this traffic and take it to British Columbia ports. In the past objections have been raised by the Government to this being done. One of the reasons is this: that if the goods are placed in a foreign vessel there is no way in which the Government can exercise control over them until they are again landed at a Canadian port. Under the bonding privilege a car of goods shipped in Canada may pass through the United States, and a Government seal is placed on the car. When the car comes back into Canada the Customs officer removes the seal, so that the goods have been under the control of the Canadian Customs all the time. I would like to make a suggestion as to how assistance might be given to the people in British Columbia who purchase in New York or other American ports goods that they cannot get elsewhere. They are willing to pay the duty. We have steamers on the Atlantic, the Pacific, and the St. Lawrence, that are being operated by the Government. The captains of those vessels have been made Customs officers and Preventive officers. On this proposed route

of Government-owned steamers, in my opinion there could be no objection whatever to the captains being sworn in as Customs officers. When a vessel arrived at New York to take on goods going to British Columbia the captain would take them in charge and deliver them to the Canadian ports and see that the duties were paid. This would be a great advantage to British Columbia, and would remove a grievance about which the people of that Province have been complaining for some time.

Complaints have been made about the operation of the vessels that we now have running to the West Indies. I claim that it is not fair to say that private corporations can operate vessels on that route without loss, and that the Government cannot do so. Let me say why. Our vessels have taken large quantities of our products to the West Indies, and even if they made no profit whatever, but simply paid expenses, they have advertised our products, and have been a good investment for Canada. These vessels trade with the West Indies in consequence of a treaty passed by both Houses of Parliament under which Canada agreed to put steamships on this route; and four, I think, of these vessels were constructed for that purpose. They have been operating without any subsidy whatever. It has been stated that they are operating at a loss, and that that is one of the reasons why they should be sold, because Governments cannot operate them as successfully as private individuals. For a great many years we have had a private corporation operating steamships to the West Indies from Halifax and St. John. I think it is the Royal Mail Packet Line now; it was formerly for many years called the Pickford and Black line. It is stated that these vessels can make money. Of course they can; and so could our Government Merchant Marine if it were put on the same basis, because every year we vote $350,000 of a subsidy to the Royal Mail Packet for the operation of this service. If we would give our steamships operating to the West Indies $350,000 as a subsidy, we too could show a profit on that service. But of course that cannot be done.

In the Estimates you will find many services to which we are paying subsidies. We are paying a subsidy to a steamship line to South Africa, and we are paying subsidies on the Pacific. These private companies are making money, but the Government vessels are operating without any subsidy, and not only that, but they were built for war purposes at the cost of $200 a ton, whereas they could have been built before the war or now for $50 a ton. Yet, they are expected to make a profit on operations, and to pay interest on $200 a ton, or four times as much as the vessels with which they are competing.

There is another way in which these vessels could be of assistance to British Columbia and the West, and perhaps to the eastern Provinces as well. British Columbia purchases a considerable quantity of goods in England and in foreign markets that must come across the Atlantic. These goods must now be shipped to Montreal in the summer, and to St. John or Halifax in the winter, and from there must be carried by rail to the Pacific coast. If the proposed route were in operation, the goods could be shipped to Halifax, St. John, or Montreal, and it could be specified in the bill of lading that they were to be handed over to such and such a steamer going to British Columbia.

Hon. Mr. DANDURAND: At New York?

Hon. Mr. REID: Or at Halifax or St. John in the winter, or Montreal in the summer. For instance, if you had a vessel leaving Montreal in the summer or Halifax or St. John in the winter on the first of every month for British Columbia ports, there is no reason that I can see why goods for British Columbia should not be shipped across the Atlantic to be handed over to such and such a steamer sailing on the first of the month. In this way these goods would get a through rate from Montreal, Halifax or St. John of 50 cents per hundred pounds. I mention 50 cents because that is the highest rate that I have heard of either before or since the war. I understand that the rate from New York to San Francisco is 40 cents. It may be asked, "What difference would that make?" 50 cents a hundred means $10 a ton, and I am satisfied that if we had a regular line running that would take steel rails we would get the benefit of the market of British Columbia for steel rails. I am satisfied that the same thing is true of nails and other goods such as I have mentioned. Let us compare that rate with the rates prevailing now and see where we stand. Take hardware, for instance. If you take it by rail in carloads the rate runs from $1 per hundred pounds to $1.54. On other articles the rate runs to $2.43. If you do not have a full carload, there is a difference. In less than carload lots the rate is $2.76, or $55 a ton as against a rate of $10 a ton by water. On some articles the rate is as high as $3.60 a hundred. Anyone can see at a glance that it is absolutely out of the question for manufacturers of eastern Canada to compete in the markets of British Columbia if they have

to ship in less than carloads; and even in carloads it is almost impossible. Therefore I say it is up to the members of both Houses of Parliament to take up this matter and see that our own trade is kept within our own country.

Now, who will object to this? Of course the railways will object. There is no doubt about that. But I cannot see that it will interfere very seriously with them, because if they are not getting the trade now, how will it hurt them if it is shipped by water? Even were this to hurt them a little, surely it is to the advantage of Canada to increase her market within her own boundaries, and to keep her money within the country.

There is another point. If we do not take advantage of our own vessels and give the two extremes of this country the benefit of the cheapest transportation possible, then some private concern will take hold. As a matter of fact, that is what is being advocated now, and, as far as I am concerned, I would hold up both hands for a private corporation placing vessels on this route if the Government will not do it. There are sure to be applications from private corporations to undertake this, because I cannot believe that the agitation in British Columbia to get the benefit of the markets of eastern Canada, and the agitation in eastern Canada to get the benefit of the markets of British Columbia will not avail in time and result in the placing of a line of steamships on this route to give the people that to which they claim they are entitled. If a private corporation does apply, I venture to prophesy that their very first act will be to come to the Government and ask for a subsidy similar to the one being given to the line between the Maritime provinces and the West Indies, and there is no doubt that such a proposal would go through. The members of the House of Commons from the East and from the West would insist on their rights, and the Government would have to accede to the request or go out of power.

Hon. Mr. DANDURAND: Could we not give two of our non-paying ships instead of bonuses?

Hon. Mr. REID: I will come to that in a moment.

Hon. Mr. SCHAFFNER: What class of goods would that ship carry either way?

Hon. Mr. REID: In British Columbia they produce many things—lumber, long timber, canned goods, mineral products, and so on. Then, the other way, from East to West, they would carry hardware and steel rails and manufactured products such as agricultural implements. Agricultural implements are bulky and freights are high, and they could be carried on a vessel at much cheaper rates. I could give you a long list of manufactured products which I believe could be kept in our own country.

Then I would suggest that, in placing these vessels, we do as the United States have done. Their vessels are so constructed that they can be used not only for carrying freight but also for carrying a certain number of passengers. The passenger fares almost pay for the trip. The vessels that are running between California or other ports on the Pacific coast and ports on the Atlantic coast carry, I understand, about 50 passengers, and there are always a good number on board.

In the treaty made between the West Indies and Canada it was specially mentioned that the vessels must be so constructed as to carry not only freight, but also passengers. We have two steamers that I know of, the Canadian Farmer and another, that were constructed to carry 30 or 40 passengers. Why should we not put on a couple of those vessels that are not paying? In my judgment they would be just the kind of vessels suitable for the traffic that I have mentioned. We are paying for a couple of other vessels $350,000 in subsidies to do similar work. Give them a subsidy—any amount that is reasonable—and put them on this route, and in my judgment they will pay.

I have a rough estimate of what it would cost to put these vessels in operation. I inquired from the Department what a 3,500-ton vessel would cost to operate, and the statement has been given to me that the cost of operating one steamer, the T. J. Drummond, was $8,325 per month. That is roughly $100,000 a year. I understand that the steamers I have mentioned, in the service to the West Indies, cost a great deal more —probably three times as much, or $300,000 a year for operation. That includes wages, victualling the passengers and crew, repairs, insurance, and everything else. Now, I claim that if those vessels were to get a fairly full load each and every time, they would not merely pay, but would make money. At all events, whether they do or not, it is of great advantage to our country, both east and west, to increase our production by providing a western market for the manufactured goods of the east and by providing a market in the east for western products. I claim that if it is to our advantage to subsidize vessels to carry our products to the West Indies, it is likewise to our advantage to subsidize a service which would give extra markets within our own country. When I speak of subsidizing this

service I mean that we might meet any little loss that would occur in the operation.

Hon. Mr. SCHAFFNER: Will the honourable gentleman excuse me? Do I understand that he favours subsidizing vessels for carrying trade from East to West by the Panama Canal?

Hon. Mr. REID: I say that to-day the Government of the Dominion is subsidizing vessels that are going, say, from Canada to South Africa—

Hon. Mr. SCHAFFNER: That is different.

Hon. Mr. REID: —and from Canada to the West Indies, in order to send our products to those markets. I say that if Canada is willing to pay such subsidies, we should also be willing, even at a little expense, to furnish additional markets for British Columbia in Eastern Canada and for Eastern Canada in British Columbia and the West; and, in speaking of the Government subsidizing this trade, I meant that if we put vessels on the service and give a rate between Pacific and Atlantic ports of 50 cents per hundred pounds, and if in the end there should be a loss on the operation of the vessels amounting to say $50,000 or $100,000, that should be regarded as practically a subsidy for the purpose of promoting trade between the two ends of Canada, and developing our growing country.

Hon. Mr. SCHAFFNER: I see what is apparently a difficulty that might be raised by the farmers in Alberta or persons interested in the coal business. We are trying to find some means whereby coal may be transported from Alberta to Ontario. If the trade between British Columbia and Eastern Canada were subsidized as proposed, would not the suggestion be made, "If you are going to subsidize vessels, why not grant a subsidy for the carrying of coal or wheat?"

Hon. Mr. REID: I cannot see why the farmers would object. It might be of great advantage to the farmers of Alberta, for instance, to have goods shipped around to the Pacific coast, so as to avoid the long rail haul. Furthermore, I believe that it would be to the advantage of the farmers of Alberta, Saskatchewan and Manitoba for the Government to keep a certain number of the Merchant Marine vessels, and put them on a service between Port Arthur and Montreal, or between Port Arthur and the Georgian Bay ports, instead of selling them, even if no money were made out of the service. That would be of benefit to the farmers of the West and would be the best means of preventing combines—a far more effective means than any legislation you can pass in this Parliament. If the vessels were owned by the Government, members on both sides of the House would see that they did not charge exorbitant rates.

Hon. Mr. SCHAFFNER: I do not wish to interrupt the honourable gentlemen, but I am much interested in what he says and would like to ask him, would there not be a difficulty in subsidizing vessels for one sort of trade without subsidizing other sorts?

Hon. Mr. REID: I was going to add this. Suppose that the vessels were put on, as I have said, between Port Arthur and Georgian Bay ports or Montreal and they lost money. That would be equivalent to granting a subsidy. I claim that it would be to the interest of our provinces, and particularly the farmers of the West, to do that. I am quite willing, as far as I am concerned, to stand by any Government that will keep the vessels in that service for the advantage of our great Northwest. If that is done, will it not be of great help to the farmers of the West? Are you not helping the population of British Columbia if you give them an opportunity to sell their goods in Eastern Canada, the West Indies or New York. Many of the products to which I have referred are produced by the farmers. Why should not some of the vessels of the Canadian Government Merchant Marine, instead of being given away, be placed in that trade? If there should happen to be a loss, would not that be better than the granting of a big subsidy to other parties, to make a lot of money out of it? That is the point I wish to make.

Hon. Mr. SCHAFFNER: Why could not the same thing be done regarding the trade with the West Indies and South Africa?

Hon. Mr. REID: I agree with my hon. friend. Why should it not be done? Of course, there is this difficulty, I may say in answer to the honourable member. We are now running a service to South Africa. In the Estimates that we have before us there are some subsidies, such as that of the Canada and Newfoundland steamship service—$35,000 a year. We are running vessels there without any subsidy, and of course they lose money, while we give the others $35,000. To the Canada-West Indies and the Canada-South Africa services we pay $320,000 a year, and it is complained that the vessels running there are losing money.

Hon. Mr. SCHAFFNER: Has the mail service anything to do with that?

Hon. Mr. REID: They carry the mails. I do not know whether the Post Office Department pays them extra for that or not, but surely the honourable member will understand that Government steamers may carry the mails just as well as private vessels. If they receive the $320,000 a year, I do not see why they too could not carry the mails. However, I do not think that has anything to do with the loss.

We have the Canada-South Africa steamship service subsidy of $136,000 a year. The cry goes out that there has been a loss of nine millions. How could a vessel running to South Africa without any subsidy whatever compete with those of the private corporations? The private corporation running a service from Montreal is making money, but it receives a subsidy of $146,000, enough to operate the vessel for a whole year. I claim that some of the vessels of the Government Merchant Marine, instead of being disposed of, should be used in these services. That is the point that I wish to make.

The objection has been raised that the United States Government have lost money on the operation of their Marine. Of course they have no railways to work in connection with it. We have our great National Railway system, and, while there must be private steamship companies, still I believe it is in the interest even of the railways and of Canada as a whole that we should not be in the position of being without a Government-owned steamer. You cannot operate 22,000 miles of railway without having some steamers. The Canadian Pacific Railway is not without vessels, and all other large railway systems, whether owned by the Government or by private corporations, in any country in the world, have large steamships connected with them.

Hon. Mr. SCHAFFNER: Will the honourable gentleman pardon me again? I would like to get some information on a point with which I think he is familiar. Whenever the suggestion is made that the Government-owned ships should carry cattle or even wheat on the Great Lakes, we are told that they are not fitted for the purpose. I wanted to ask somebody why they were built if they cannot carry cattle across the ocean, or carry wheat successfully from Port Arthur to the eastern ports. Perhaps the honourable gentleman can give me a little information as to why they were built.

Hon. Mr. REID: The only answer I can give to the honourable gentleman is this. When these Government vessels were constructed for operation on the Atlantic—they were constructed, of course, during the war—

Hon. Mr. SCHAFFNER: Largely after the war was finished.

Hon. Mr. REID: No; only five or six were constructed after the war. All the rest were constructed during the war.

Hon. Mr. SCHAFFNER: After 1918.

Hon. Mr. REID: But, as I understand, the 3,500-ton vessels, and smaller vessels as well, were constructed in up-to-date style and fit for any service on the Atlantic or the Pacific. I have seen the statement to which the honourable gentleman referred. It has been made throughout the country—

Hon. Mr. SCHAFFNER: It was made in another place.

Hon. Mr. REID: And made in another place. I will tell you my opinion as to why it is made. I have no doubt that the Canadian Government vessels, or nearly all of them, are just as good as any of the vessels that operate on the Atlantic or the Pacific, but it is not considered to be in the interest of the two great railway systems of Canada to let the information go out to the public that they are fit for any service. The Management of our Canadian National Railways will never admit that these vessels can be used for any service that would take away freight or lower the rates between the East and the West.

Hon. Mr. SCHAFFNER: But the railways cannot carry across the ocean. That would not apply to the ocean.

Hon. Mr. REID: So far as the ocean is concerned, the vessels are just as fit for ocean service as the steamers of the Canadian Pacific Railway, with this exception, that some Canadian Pacific steamers, as well as vessels of other lines, have been specially fitted up for cattle transport. I see by the press that some vessels are being constructed at present. There is no reason why the Canadian Government vessels could not be constructed in the same way. As I understand the situation, the railways do not want to admit that our steamships are of the kind that would be required. As the honourable gentleman knows, we have an arrangement with two other large steamship lines that are at present operating in connection with our Canadian National Railway system. Contracts have been made with those two lines, operating in connection with the Canadian National system a passenger and freight service. These steamship lines, as well as our

railways, would not want to admit that our own ships are fit for anything. The people managing the railway and steamship services should be made to understand that our vessels are going to be operated in the interest of our country as a whole.

Hon. Mr. SCHAFFNER: I presume the honourable gentleman is aware of the statement made in the other House, that, although the Old Country is trying to buy our cattle, there is no steamship space available. Yet five or six of our ships have been tied up at the wharf doing nothing.

Hon. Mr. REID: Our own ships were not built specially for the cattle service. For that purpose it is necessary to build stalls, etc., and to have the steamers fitted up specially. The honourable gentleman has of course read in the press that the Government have been urged to put some of their own steamships into the service, and they are now fitting them up. It is said that it will take a month or two to fit the vessels for the carrying of cattle.

Hon. Mr. SCHAFFNER: And they can be made suitable for that purpose.

Hon. Mr. REID: And they can be made suitable for that purpose. There is no doubt at all in my mind about that. If they are built for freight, you have to convert them. You might say the same thing of one of the large 7,000 or 8,000-ton vessels. They will tell you she is not fit for passenger service—why? Because she has not got cabins constructed. But if you put her in drydock and build cabins on her, she is just as fit for passenger service as any other vessel.

Hon. Mr. WATSON: I understand that those ships are too small to put in the cattle trade—that they will carry only 200 head of cattle, and will not stand the storms as well as larger ships.

Hon. Mr. REID: Of course, that answer can be made; and in one way it is true. But I would differ with that statement, in this way. If I did not want to be favourable to this proposition I would make that statement, and I would have in mind these vessels of 2,500 tons which were built for the Great Lakes. But no one can make me believe that the vessels which run from 2,500 to 12,000 tons, and which are built as strong as any vessels in the world are not suitable.

Hon. Mr. WATSON: The 12,000-ton vessel is suitable all right.

Hon. Mr. REID: Does the honourable gentleman say that a 7,000 or an 8,000-ton vessel is not large enough?

Hon. Mr. WATSON: The discussion that I have seen in the press has been with regard to 3,000-ton vessels.

Hon. Mr. REID: If I wanted to contend that these vessels were not suitable for that trade, I would have in mind the 27 smaller vessels; but if I wanted to use the ships, I would say that we have a certain number of vessels that could be made suitable by the building of stalls in them. Those vessels run from 6,000 up to 12,000 tons; and no one can make me believe that they would not be as good as any other vessel if they were converted.

Hon. Mr. SCHAFFNER: How many of those have we?

Hon. Mr. REID: I have a list of them and will give them. They are: Canadian Voyageur, about 5,000 tons; Canadian Pioneer, 8,480 tons; Canadian Miller, 8,390 tons; Canadian Spinner, 8,393 tons; Canadian Aviator, 5,166 tons; Canadian Seigneur, 8,391 tons; Canadian Importer, 8,381 tons; Canadian Exporter, 8,380, tons; Canadian Trapper, 8,367 tons; Canadian Hunter, 8,350 tons; Canadian Runner, 8,407 tons; Canadian Winner, 8,840 tons; Canadian Mariner, 8,470 tons; Canadian Highlander, 8,440 tons; and others. No man can make me believe that vessels constructed by a man who was supposed to be one of our best ship engineers, and the plans of which were submitted to other engineers before the ships were constructed, to see that they were of the best up-to-date type, are not fit for this trade. Of course, they were built during the war to carry freight; but if you construct cattle stalls in them they are just as good as any other vessels crossing the Atlantic in that trade. They are large vessels of the type that all the other marine companies are building for carrying freight, and out of which they are making money. I do not say they are suitable for passengers; they might have to be larger for that. But these 8,000-ton vessels are larger than many ships now operating on the Atlantic and the Pacific. If we inquire from those who are operating, they will probably say these vessels are not fit to go between the Atlantic and the Pacific; but if you put cabins on them they are just as good as any vessels that were constructed before the war or since.

Hon. Mr. BARNARD: In that connection may I just mention to the House that a

vessel, one of a line of three, that I travelled on from San Francisco to Baltimore last winter was under 3,500 tons, and had excellent accommodation for about 120 passengers, and the passenger list was full all the time.

Hon. Mr. REID: I have taken much longer than I intended, honourable gentlemen. I only wished to make a few remarks. I feel very deeply interested in this matter, as I do also in the Canadian National Railway system. I believe that both that railway system and the Canadian Government Merchant Marine have a great future. But so long as we cry down the operation of these boats, there is not much future for them; and so long as we in this House or the members in the other House, or the public press, try to educate the public to believe that the operation of these vessels is costing us $9,000,000 per annum, and that if the operation is continued it will continue to cost us $9,000,000 per annum—which is not in accordance with the facts—public opinion will be against their operation and it will be impossible to continue it. So long as the public are led to believe that private corporations can carry this traffic and can make it pay, without being told that the private corporations are getting large subsidies from the Government, while our ships are not, it is almost impossible to make them understand that it is in their interests to operate these vessels for themselves.

I claim that these ships are just as good as any ever built, and that instead of giving them away—for that is practically what it means—and in perpetuity paying the interest on $60,000,000 or $65,000,000, we should operate them and take advantage of our own markets, keep our money within our own country, develop our own natural resources, employ more men, and give the public the benefit of cheap transportation. I claim that this would be of advantage to not only British Columbia on the West, and Quebec, Nova Scotia, New Brunswick and Prince Edward Island on the East, but that we in Ontario and the central provinces would reap the benefits much greater than I can attempt to describe.

Hon. F. L. SCHAFFNER: I had no intention of saying anything with regard to this matter. It has been very interesting to me, and I think the address to which we have just listened should be very useful. I think I am stating the fact when I say that the Government—not only the present Government but the late Government—is responsible for these ships being tied up at the wharves in Halifax, St. John, and other places, as they have been. I suppose the leader of the Government in this House will make some remarks. I am not making any criticism at all, but am trying to find out why we are paying a deficit of $9,000,000 a year on this investment of $60,000,000 to $70,00,000, when at the same time these ships are not in service. The ex-Minister of Railways (Hon. Mr. Reid) has said here to-day that many of these vessels are above 6,000 tons capacity, and could quite easily be refitted to carry wheat or cattle—and I think he even went so far as to say they could be made suitable for passenger traffic. I say let us get together and find out why this is not being done.

Hon. Mr. REID: In the first place, I do not believe any honourable gentleman in either House will criticize the expenditure of $70,000,000 for these vessels, with the possible exception of the expenditure on four or five vessels, the contracts for which were given after the war. In other words, about $60,000,000 of this expenditure was for construction during the war. It was absolutely necessary, and it was unanimously agreed in both Houses that the money should be spent in carrying on the war.

Let me also explain another point in connection with that. The question has been asked why, instead of building 4,000 or 5,000-ton vessels, we did not build a number of vessels of 10,000 or 12,000 tons. One of the reasons is this. We were sending these vessels across to France with food products and war supplies, and if a 12,000-ton vessel was torpedoed, down went probably 700,000 or 800,000 bushels of wheat, whereas if three or four smaller vessels were sent off, probably three out of four would get to the other side. That was the policy that was agreed upon by every person on both sides of politics.

The honourable gentleman from Manitoba (Hon. Mr. Schaffner) blames both Governments for the ships being tied up at the wharves. If anyone is to blame, of course the Government is responsible. The late Government handled these vessels as well as they could. When we started constructing them, nobody expected that they were going to be operated in the future to pay a dividend on a cost that was four times greater than it had been prior to the war. After the war the traffic that had existed prior to the war ceased. Prior to the war there was a great traffic between this country and European countries—we had traffic with Germany, Austria-Hungary and France—and that we have not yet got back. But time will bring it back. Immediately after the war there was a dearth of freight, and United States vessels

and vessels owned by the Australian Government, as well as our own, were tied up. But the European countries are becoming more settled, and trade is growing. If we want that trade, instead of sending trade commissioners to all these countries to get the trade for private corporations, let us send these vessels to gather it together.

I am not blaming this Government for keeping the vessels in harbour. A number of these vessels, probably 25 or 27 of them, are too small for ocean traffic; but I believe that if they were tied up at Port Arthur and used in the spring and fall for bringing down the farmers' grain, it would be a good deal better than giving them away. There are another 40 vessels of the type I have mentioned that are good for ocean traffic; but so long as this agitation against them is kept up, just so long will there be a lack of development of trade and a lack of assistance to the industries of Canada.

Hon. J. A. McDONALD: Being a shipper from the East, I have been very much interested in the remarks of the honourable gentleman. We used to ship hundreds of pianos to British Columbia, but a freight rate of $25 to $35 per piano practically killed the industry. Do I understand the honourable gentleman to say that shipments can be made by water at about 50 cents per hundred? Is not the accommodation on vessels sold by measurement? In any case, does the honourable gentleman propose that one of the Government steamers should be stationed at Vancouver, and one at Halifax or St. John, and that the date of sailing should be advertised so that shippers could prepare their shipments? How soon could such a plan be put into operation?

Hon. Mr. REID: I would start in this way. I would say that on the first day of each month a vessel should leave Montreal, and I would advertise that fact. Freight—it might be pianos or anything else you wish—would be collected and sent to the warehouse and loaded on the vessel ready to sail on the first of the month. The vessel would then go to New York, and the captain, who would be a Customs officer, would pick up any freight there for British Columbia, and then the vessel would go on her way to the Pacific Coast.

Hon. Mr. McDONALD: Would Halifax be a port of call?

Hon. Mr. REID: Halifax, St. John, and the West Indies. On the same day of the month another vessel would leave Vancouver coming back. And as trade developed I would put on more vessels.

Hon. Mr. McDONALD: What steps could be taken to accomplish this, and how long would it take?

Hon. Mr. REID: If you are going to take these two vessels that are in the West Indies trade, it would take just the length of time required for one of them to get to Halifax or St. John and the other one to Vancouver, and that should not be very long. On the other hand, if they are going to keep those steamers there, they would have to fit up a couple of steamers for tourists, and it might be a month or two before they could get started. That is all there is to it. If they were only going to carry freight, they are all right at the present time.

Hon. WM. ROCHE: Honourable gentlemen, before we take leave of this subject I would like to say a word or two upon it. I have listened with very great interest to the remarks of the ex-Minister of Railways. Of course, a large amount of tonnage was built, as has been stated, during the war. Perhaps there was too much built as an experiment. There might have been a lesser number of vessels. But it must be remembered that for years there had been a great agitation for the subsidizing of shipbuilding and for the Government to give encouragement to the yards to build vessels for the various trades in which Canadian ships might be engaged. Without a special knowledge of the construction of these various vessels, one would be very much astray in deciding what would be the proper route upon which vessels should be put. I agree with the ex-Minister of Railways, but, as the vessels have been built at so costly a price, it would be folly to sell them for little or nothing at the present time, when the markets are most depressed, and there is a large amount of tonnage on sale. I do not know what the small vessels built upon the lakes were like. I do not know what their horse-power is; I do not know what are their construction and scantling—whether they are up to the requirements of Lloyds, or whether they are strong enough for the Atlantic.

Hon. Mr. REID: I can assure the honourable gentleman that they were classed A-1 by Lloyds.

Hon. Mr. ROCHE: For the transport of cattle by a vessel it is not necessary that the vessel be of huge size. A vessel that has tween-decks can carry cattle in the tween-decks and upon the upper deck, at small expense. The vessel would be available for that purpose, but it would also carry grain in the lower holds. Many articles which

would be available or offering could be carried on the return voyage.

Now, with regard to the utilization of small vessels in all our maritime ports and on the Atlanttic, there are Norwegian ships of about equal size, that are employed in all the ports, the trade routes, where small vessels are necessary because of the absence of depth of water or for other reasons, and they earn a great deal of money, because on account of their small size they can enter ports where large vessels could not enter. I do not see why those vessels which were built upon the Lakes and elsewhere for the purposes of organized trade should not be utilized in seeking business in competition with the Norwegian, for we have the whole capital of the Government behind us, and even if they did not make money, still it would obviate entirely the great loss which must ensue if those vessels are now sacrificed.

So much for the small vessels. Now, with regard to the vessels which were constructed at Halifax, I happen to have observed them. They are as well built as any of the vessels built in any of the yards. I believe that they are constructed with tween-decks, so that they would be available for any purpose where there would be a sufficiency of cargo, in competition with the subsidized boats which run from Halifax and St. John to the West Indies. Those boats are 30 years of age. They have passenger accommodation, it is true. I do not know what their engines are. Probably they are the old type of engine. We pay $340,000 for those. The three steamers that were built at Halifax can maintain a speed of 12 knots an hour, which is the speed of those vessels. I believe that passenger accommodation could be constructed in the tween-decks and on the upper decks of any of those vessels; and I think that some of the vessels constructed in the St. Lawrence are of the same model and built in the same way, and that passenger accommodation could be afforded for a very small amount, and those vessels could be run upon paying routes. The routes to Barbados, Demerara and the islands of the Windward West Indies are paying now. They carry large quantities of Canadian flour and other products. There is no reason why boats of Canadian construction, which are as good as the other boats, or better, should not be put upon those routes and a saving made of the whole amount of the subsidy paid at present for British and other steamers.

I have spoken now of the small boats, and also of those boats which would be capable of running to the West Indies. In the competition on the Atlantic for the passenger service very large steamers would of course now be required. They must be very expensively fitted up. All vessels of that kind, competing for passengers, must have lavish and costly accommodations. I do not think we could well attain to that business, but certainly for the business of carrying cattle or wheat and grain of various kinds, our ships are well constructed. The preparation of an ordinary steamer for the carrying of grain requires only the fitting up of the shifting boards.

With regard to the utilization of some of those Canadian Government boats for the carrying of bulky articles, I would point out that you are going to have a coal famine in Canada this year, and you will require all the tonnage possible to bring coal to Montreal, Quebec and Eastern Canada. How do you propose that the coal shall be carried?

Hon. Mr. DANDURAND Why does the honourable gentleman foresee a coal famine for next winter?

Hon. Mr. ROCHE: Because the miners of Sydney are on strike to-day. Suppose they are on strike for a couple of months, how are you going to get your supplies into Quebec?

Hon. Mr. REID: And notice has been given of an intended strike on the other side.

Hon. Mr. ROCHE: Why should not those boats be employed in that business which is our own business? The coal companies are now paying charter moneys to Norwegian and British vessels and vessels from wherever they can get them. Why not utilize our own steamers, employ our own captains, our own mates, our own cooks, and our own crews? Why not use our own coal and our own contributory industries and build up our own country by having the bulky products transported by our own ships, which can carry them better than any other ships, because our seamen are superior to any others in the world.

Hon. Mr. REID: Does the honourable gentleman agree with me that those 8,000-ton vessels that I mentioned, operating on the Atlantic, should pay just as well as other vessels?

Hon. Mr. ROCHE: Certainly, if they are put on the proper routes. But on what routes were they put? The best paying routes were given to subsidized steamers, and our steamers were sent to the Bahamas and other places where there was very little traffic indeed.

All the paying routes were reserved for the strangers, and the poor Canadian had to go and seek business in places where it was not to be found.

Hon. Mr. SCHAFFNER: Could the honourable gentleman give any information as to why our ships were put on unprofitable routes?

Hon. Mr. ROCHE: Because the others already occupied the best ground..

Hon. JOHN McCORMICK: Honourable gentlemen, I think this is a very valuable discussion, and if the recommendations that have been presented here are carried out, there will be no reason at all to lament the utilizing of a number of the Canadian Government Merchant vessels.

There should be no disposition on the part of any informed man to criticize the action taken by the Government, whether the present Government or any other, in the building of those ships. We all remember that in 1917, when submarines were sinking more ships than the world was building, great apprehension was felt everywhere, especially in the Allied countries. In the United States more ships were built in one year than had ever been built before by any country in the world. Hundreds and hundreds of the ships that they built are not employed, and some of them, I understand, have been sold at very low prices.

The position of the United States is different from ours in this respect, that the United States do not own any railways, whereas the nine million people or less in Canada have 22,000 miles of railway lines. Only a few years ago I read in a report from the Railway Commission, the Merchant Marine, or some other branch of the Government, that the deficit on the operation of the railways would have been much larger were it not for the fact that Government steamers were operating on the Pacific and the Atlantic and down to the West Indies, bringing traffic to the railways. Moreover, the products of Canada have been placed on overseas markets which they would not and could not have reached if we did not have those ships for the transportation of Canadian products.

Some complaint has been made about the size of those vessels. I think there is no reason to find any fault in that regard. They are ships of 8,000 tons, 5,000 tons, and 3,500 tons. More than 60 per cent of the entire overseas transportation of the world, about two years ago, was done in ships under 4,000 tons.

I think it is good policy for the Government, or the authorities in charge of the ships, to take into consideration the need in this new country of ours for the expansion of our trade, the difficulty in having goods transported even from one part of the country to the other, and the desirability of opening up trade relations between the Pacific and the Atlantic. Last fall a start was made. Two large cargoes of timber were taken from British Columbia into the St. Lawrence. Part of one of those cargoes was used by the Government in the terminals there. Within the past month canned goods from British Columbia have been offered for sale in Eastern Canada. They have been delivered at Montreal at the rate of 60 cents per hundred pounds, as compared with the rate of $1.05 by rail.

Some people raise the objection, and perhaps it is a natural one, that to establish a steamship service of the kind suggested would be injurious to the railways. It is not so. If there is trade to be done, and if the railway companies cannot possibly do it, and you can have ships transport goods at rates lower than those charged on the railways, is it not worth while doing so?

On the east coast of Canada there are great possibilities. We have there the iron and steel industry. We are sending goods down to Australia and New Zealand. Why should we not have a regular line of boats engaged in carrying goods from Eastern Canada—from Montreal, if you like, in the summertime, and from St. John and Halifax in the winter—through the Panama Canal and up the Pacific coast, the sailings being properly announced. Not only could a steamship service be carried on between the eastern and western parts of Canada, but, as has been suggested, the service could be extended down to the West Indies and to South America. Those are the only parts of the world in which we may expect any large expansion of business in the near future.

Why are the ships idle? Why has every country more ships now than it can use? Because of the excess building that was done, with the best intentions, during the war. The European countries, with which a large trade was being done from this continent have been devasted by war, and are overburdened with taxation. They have not much money and they cannot get credit. These are some of the reasons why business is not normal, and it will be years before we can expect a return of normal conditions in a European country. I think that point is worth considering in connection with the proposal to open

up a traffic between the East of Canada and the West, through the Panama Canal. I think it is reasonable to expect great possibilities, not only from the trade between the East and West of Canada, but also the trade with the West Indies and South America.

I have much pleasure in supporting any proposal to initiate this service, and I am hopeful that if it is begun it will receive the commendation of the people of this country and have very valuable results.

Hon. O. TURGEON: Honourable gentlemen, with your indulgence I desire to express my hearty approval of the proposal which has been made by the honourable member from Grenville (Hon. Mr. Reid) with regard to the utilizing of the Canadian Government vessels to the greatest possible extent. We can hardly undertake to establish a trade sufficient for all the vessels that we now have on hand, but they are now lying idle, and the use of them would add to the expense only the cost of the fuel they would consume. Therefore, if trade channels can be opened up for some of those vessels, it becomes the duty of the Government of Canada to see to it that such vessels are used, and the deficit would not be any greater at the end of the year. It is certainly to be regretted that Canada has to-day so many of those vessels on hand. I advocated in the lower House the desirability of constructing vessels for war service. I regretted that the Government did not stop further construction when the war was over. However, even though construction had ceased at once, we would have had a surplus of ships.

We have these vessels and there is no reason why a trade route cannot be established between the Atlantic ports and the Pacific ports without interfering with the returns of the Canadian railways. The more channels of trade we have the more exports we will have. Trade creates trade. Therefore, by the increase of trade through the service of these vessels, we increase local employment in the different parts of the country and create further trade. There is no fear in my mind that we will lose in the operation of a trade route between the Pacific and the Atlantic coast through the Panama canal. This route would be of advantage not only to British Columbia but to the manufacturers in Eastern and Central Canada. Meanwhile, many of our exports from the Eastern Provinces would be enabled to reach the Pacific coast.

My honourable friend from Halifax (Hon. Mr. Roche) has mentioned the coal trade. These vessels could carry Welsh coal, which is equal to the coal we get from the United States. As he says, we have to be on our guard against a coal shortage next winter, and it would certainly be provident for the Government and the people of Canada to import as much Welsh coal as possible during the summer. Moreover, we know that the supply of coal from the United States is decreasing; and the people of that country see their coal reserves being depleted. Therefore, I would suggest that the Government should get in touch with the Board of Directors of the Canadian National Railways, and that they should see what arteries of trade can be opened up. Certainly these 8,000-ton vessels, of which my honourable friend has given a list, could carry grain across the ocean as cheaply as other vessels. While they could not carry as big a tonnage, they could transport it more cheaply than these other vessels of more costly construction and operation. I hope the leader of the Government in this House will see that there is a conference between the Government and Sir Henry Thornton and his associates on the Board of the Canadian National Railways to see what can be done. I believe we could utilize a good many of these vessels to advantage. Even if we do not derive a profit from them, it would require very little traffic to pay the cost of operation and prevent a further loss to the country.

Hon. Mr. DANDURAND: I believe I may be able to bring some interesting information to this Chamber, if I am given a few days to obtain it from the Department of Railways and Canals. Therefore I move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

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

THE SENATE

Monday, June 18, 1923.

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

Prayers and routine proceedings.

NATURALIZATION BILL

FIRST READING

Bill 85, an Act to amend the Naturalization Act, 1914 and 1920.—Hon. Mr. Dandurand.

PUBLIC SERVICE RETIREMENT BILL

FIRST READING

Bill 191, an Act to amend the Public Service Retirement Act.—Hon. Mr. Dandurand.

BIOLOGICAL BOARD BILL

FIRST READING

Bill 206, an Act to amend the Biological Board Act.—Hon. Mr. Dandurand.

MILITIA PENSION BILL

FIRST READING

Bill 219, an Act to amend the Militia Pension Act.—Hon. Mr. Dandurand.

DRYDOCK SUBSIDIES BILL

FIRST READING

Bill 220, an Act to amend the Drydock Subsidies Act, 1910.—Hon. Mr. Dandurand.

LITTLE BRAS D'OR GOVERMENT TELEGRAPH OPERATOR

INQUIRY

Hon. Mr. McCORMICK inquired of the Government:

1. (a) Was Mrs. Richard, government telegraph operator at Little Bras d'Or, Cape Breton County, dismissed from office about two months ago? (b) For what cause?
2. Has a successor been appointed?
3. On whose recommendation was Mrs. Richard's successor appointed?
4. Where is the new office located?

Hon. Mr. DANDURAND:

1. (a) Yes, April 11th, 1923. (b) In the interests of better service to the community.

2. No.

3 and 4. Answered by answer to question No. 2.

C.E.F. CANTEEN FUND

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. At what amount was the canteen fund of the C.E.F. transferred from England to Canada?
2. At what amount does the fund now stand?
3. Has any portion of this fund, since transmission from England to Canada, been paid to any person or persons and if so (a) to what persons, (b) in what amounts, (c) for what purposes, (d) and by what authority?
4. Has the Government satisfied itself that moneys so paid out have been disbursed by the payees in accordance with the terms and conditions of the payments?
5. What steps has the Government taken to satisfy itself that the payees have disbursed the moneys in question in accordance with the conditions surrounding the payments?
6. What is the intention or the policy of the Government with respect to the disbursement of this fund?

Hon. Mr. DANDURAND:

1. $1,941,807.53.

2. $1,743,482.63.

3. $50,000 was paid to the Great War Veterans' Association, John Barnett, N. F. Parkinson, R. B. Maxwell and C. G. MacNeil being appointed trustees thereof. The grant was for the purpose of defraying expenditures on such activities relating to the welfare of returned soldiers as the Board of Trustees approved, and was authorized by P.C. 2378 of 5th July, 1921.

$12,500 was paid to J. W. Margeson, John Barnett, N. F. Parkinson, Sir Hugh J. Macdonald and F. G. Taylor, trustees for distribution by the Army and Navy Veterans in Canada. The grant was authorized by Order in Council of 24th September, 1921, P.C. 3647 for expenditure on relief work among unemployed returned soldiers and their dependents.

$20,000 was paid to J. W. Margeson, John Barnett, N. F. Parkinson, G. R. McNichol and J. F. Marsh, trustees, for distribution by the Grand Army of United Veterans. The grant was authorized by Order in Council of 21st September, 1921, P.C. 3519, for expenditure on relief work among unemployed returned soldiers and their dependents.

$120,000 was authorized to be paid from the interest accruing on canteen funds to J. W. Margeson, T. O. Cox and W. C. Arnold, trustees, for distribution among organizations of ex-service men. The trust fund was authorized under Order in Council of 12th October, 1921, P.C. 3887, for expenditure by these organizations on certain specified activities relating to the welfare of ex-service men and their dependents, including unemployment, and $115,824.90 was disbursed.

4. The Orders in Council authorized the trustees nominated therein to supervise the expenditure of the grants and to require the production of vouchers and other evidence, as they considered necessary.

5. Answered by No. 4.

6. The question of canteen funds was referred to the royal commission investigating soldiers' pensions, insurance, and re-establishment, whose report on this matter has not yet been received.

RALSTON ROYAL COMMISSION

INQUIRY

Hon. Mr. TANNER inquired:

1. What is the amount per diem (a) for services, (b) for allowances, which each member of the Ralston Royal Commission on Soldiers Re-establishment and Pensions is to receive?
2. What are the respective amounts so far paid to each?

3. For how many days do such respective payments pay each commissioner and to what date respectively do they pay each commissioner?

Hon. Mr. DANDURAND:

1. (a) $50 per day. (b) No amount fixed; travelling expenses are paid.

2. To the Chairman, Lieut-Col. J. L. Ralston, C.M.G., D.S.O.—for services to April 30, 1923, 206 days, $10,300.00; for travelling expenses, July 29th, 1922, to May 26th, 1923, $2,984.95. Total, $13,284.95.

The Commissioner Walter McKeown, C.B.E., M.D. For services to May 31st, 1923, 210 days, $10,500.00; for travelling expenses, July, 1922 to May 26th, 1923, $1,813.34. Total, $12,313.34.

To Commissioner A. E. Dubuc, D.S.O. For services to May 3rd, 1923, 224 days, $11,200.00; for travelling expenses, July 11th, 1922, to May 26th, 1923, $1,923.97. Total, $13,123.97.

3. Answered by No. 2.

DOCTOR'S BROOK POST OFFICE

MOTION

Hon. Mr. GIRROIR moved:

That an Order of the Senate do issue for copies of all correspondence relating to the dismissal on or about the third day of March, 1923, of Angus J. McQuarrie from the position of postmaster at Doctor's Brook, Antigonish County, Nova Scotia, and the appointment of Mrs. Catherine McDonald to this position.

The motion was agreed to.

DIVORCE BILL

FIRST READING

C6, an Act for the relief of Jessie Ann Epstein.—Hon. Mr. Bradbury.

JUDGES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 201, an Act to amend the Judges Act.

Hon. Mr. Taylor in the Chair.

On section 1—salaries of judges of the Supreme Court of Ontario:

Hon. Sir JAMES LOUGHEED: Would my honourable friend be good enough to say what the object of the repeal is? I do not recall whether, in moving the second reading of the Bill, explanation was made of this section. As I understand it, it does not increase the salaries of the Ontario judges.

Hon. Mr. DANDURAND: No. It simply creates two Appellate Courts, but does not increase the number of judges, or the salaries.

Hon. Sir JAMES LOUGHEED: Is it consequential upon some Provincial legislation changing the constitution of the courts?

Hon. Mr. DANDURAND: Yes, altering the constitution.

Hon. Sir JAMES LOUGHEED: Does my honourable friend recall what chief justices are left? There was formerly the Queen's Bench Division and there was an Appellate Division. At one time there was a Chancery Division—I do not know what has become of that. Apparently, according to this Bill, there are only two chief justices left.

Hon. Mr. DANDURAND: Only two chief justices left.

Hon. Sir JAMES LOUGHEED: There will be a Chief Justice of the Appellate Division, I suppose?

Hon. Mr. DANDURAND: Yes.

Section 1 was agreed to.

On section 2, new section 17—salaries of judges of Circuit Court, Montreal:

Hon. Sir JAMES LOUGHEED: Are these what are known as Superior Court judges?

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: In the province of Quebec there is, I understand, the Court of King's Bench, the Superior Court—

Hon. Mr. DANDURAND: Yes.

Hon. Mr. CASGRAIN: And the Circuit Court.

Hon. Mr. DANDURAND: The Circuit Court for the District of Montreal.

Hon. Sir JAMES LOUGHEED: For the District of Montreal? The salaries provided for will exceed, if I remember aright, the salaries paid to the Superior Court judges.

Hon. Mr. DANDURAND: No; they are $1,000 below. We are paying $9,000 to Superior Court judges.

Hon. Sir JAMES LOUGHEED: What are you paying to the King's Bench judges?

Hon. Mr. DANDURAND: Nine thousand dollars, with $1,000 more to the Chief Justice.

Hno. Sir JAMES LOUGHEED: Do the Superior Court judges receive the same salary?

Hon. Mr. DANDURAND: Nine thousand, plus one thousand to the Chief Justice.

Hon. Sir JAMES LOUGHEED: Then the Superior Court judges and the judges of the Court of King's Bench are on a parity?

Hon. Mr. DANDURAND: Yes.

Hon. W. B. ROSS: What is the jurisdiction of the Circuit Court as distinguished from the Court of King's Bench?

Hon. Sir JAMES LOUGHEED: Or from the Superior Court?

Hon. Mr. DANDURAND: The King's Bench, of course, has the criminal side and the civil side. They are purely and simply appelate courts. My honourable friend may have intended to ask what is the difference between the Superior Court jurisdiction and the jurisdiction of the Circuit Court.

Hon. W. B. ROSS: Yes.

Hon. Mr. DANDURAND: Throughout the whole province, up to some 25 years ago, the Superior Court judges took in the work of the Circuit Court, but in the city of Montreal the work became of such magnitude that a special court was constituted. The impression is abroad that the Circuit Court judges have a jurisdiction similar to that of the County Court judges, but that is not so; neither have they similar jurisdiction territorially. some fifteen or twenty counties with a million are under their jurisdiction.

When this Bill was up for second reading I did not have under my hand the memorandum, which I will now give, to indicate the difference in jurisdiction and standing of the Circuit Court judges in distinction from the County Court judges:

By the statute of 1914 the title of Honourable is attached to the Chief Justice of Canada, the judges of the Supreme Court, of the Exchequer Court and the following Courts in different provinces: Supreme Court of Ontario, of Quebec, Court of King's Bench, Superior Court and Circuit Court of the District of Montreal and for the other provinces: Court of Appeal, Supreme Court and Court of King's Bench.

On an average 20,000 cases are inscribed in the Circuit Court of Montreal per year. Its ordinary jurisdiction covers actions for the recovery of school taxes and levies for church, presbytery, and cemetery construction. Its extraordinary jurisdiction is by way of certiorari upon the decisions of all inferior tribunals. Commissioners, Justices of the Peace, Recorders, and appeals touching all school and municipal matters, valuation tolls, individual valuations, municipal proces-verbaux concerning water courses, bridges, roads, resolutions and by-laws of these corporations, electoral lists, contestations of municipal and school boards, elections, etc.

There is no appeal; judgments are final, except in cases where the individual taxation exceeds $500.

They have had cases which have been tested through the Courts, and have gone to the Privy Council. Last year there were two important judgments that went to the Appeal Court, which reversed the judgments of the lower court, but those judgments were re-established by the Privy Council over the head of the Appeal Court. Of course, they have all the varieties of similar cases to those that are tried in the Superior Court.

Hon. Sir JAMES LOUGHEED: Is it a court confined to the island of Montreal, or is there a similar court to-day in any other part of the province?

Hon. Mr. DANDURAND: It has jurisdiction over that district. The Circuit Court work is done on special days by the Superior Court judges; and it is because the Minister of Justice at the time came from Quebec and had in mind that Circuit Court work being done by the Superior Court judges that he thought that in his revision of the salaries he was including the Circuit Court judges of Montreal, but he was not.

Hon. Sir JAMES LOUGHEED: Those are the only Circuit Court judges in the province of Quebec?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. REID: I would like to understand why the second part of section 1 is inserted, with reference to exemption from taxation. Is that to cover any particular case? It provides:

Any judge who enjoys immunity from taxes or deductions by reason of the provisions of section 11 of chapter 56 of the Statutes of 1920, etc.

I would like to know what judges are exempt under chapter 56, and what judges will be added to that list by this clause. In other words, there must be some judges who, as the law stands are paying taxes, and others who are not.

Hon. Mr. DANDURAND: Yes, there are.

Hon. Mr. REID: And this is put in, I suppose, to relieve some other judges. I would like to know what judges it relieves.

Hon. Mr. DANDURAND: We are now considering anew the judges' salaries. Those salaries will not allow the judge to enjoy immunity from taxation unless within three months, he elects, as he might effectively do, to forego such immunity or deduction. The judges in 1920, I believe, were given an increase, but they could only take that increase if they relinquished their immunity from taxation. They had their option either to refuse the increase and be free from income tax, or accept the increase and pay the income tax. The principle remains the same.

Hon. Mr. REID: But though the salaries are the same, they are being raised for some other judges, who are now being exempted from taxation, while that others will pay taxes. That is why I wanted to know what other judges were being appointed, and what salaries were being increased. Are they to be free of taxation, while others will have to pay?

Hon. Mr. DANDURAND: This Bill is simply intended to conform to the prescrip-

tions of the Ontario Act; there is no change in salaries, but there is a change in jurisdiction; and the proviso is to make clear that the situation remains the same as it is under the provisions of the legislation of 1920.

Hon. Mr. BARNARD: I understood the honourable leader of the Government to say, on the second reading of this Bill, that the jurisdiction of those judges in matters of contract debt was limited to $100. Am I right in that?

Hon. Mr. DANDURAND: Yes, that is one of their functions.

Hon. Mr. BEIQUE: In certain cases.

Hon. Mr. BARNARD: In actions of contract or debt?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BARNARD: If that is the case, this is evidently a court of very limited jurisdiction indeed.

Hon. Mr. DANDURAND: In those matters it is limited to that figure but in very many other directions it is much more extended.

Hon. Mr. BARNARD: Possibly, but that applies equally to the courts of minor jurisdiction throughout the whole Dominion. Now, as a matter of contrast, in the province with which I am most familiar, that of British Columbia, our county judges, whose salaries are only $5,000 a year, have a jurisdiction in contract cases of $1,000, and in equity of $2,500, and equally so in probate matters. In addition, they do much of the speedy trial work, thus saving the country a great deal of money, and taking care of cases which are not tried by juries, and they relieve the Superior Court of considerable work. They have also charge of all assessment appeals, municipal as well as provincial, where they have the unlimited jurisdiction of which the honourable gentleman speaks as existing in connection with the court in Montreal to which he referred. Further, in mechanics' lien cases the British Columbia judges have unlimited jurisdiction. I know personally of such a case against a railway in which a million dollars was involved, and it was tried by a county judge. In talking to-day with a barrister from British Columbia about this matter he told me of a mechanics' lien case in connection with the construction of a large building in the city of Vancouver, the trial of which occupied 21 days.

Now, why should these particular judges be singled out in this Bill above all other judges throughout the Dominion for this specially favoured treatment? They do not work any harder; they have not any more work to do; they have no greater jurisdiction; and I would really like the honourable gentleman to give us some reasonable explanation as to why those particular men should be singled out. If the honourable gentleman wants to raise the salaries of the judiciary throughout the whole Dominion, I will hold up both hands for that, for I think they have always been underpaid; but if we are going to pay the courts of minor jurisdiction in other provinces only about $5,000 a year, why should we single out three or four judges in Montreal and give them salaries practically equal to those of Superior Court judges?

Hon. Mr. DANDURAND: There may be special cases throughout the Dominion which would approximate to the situation which I have explained as existing in the city of Montreal; but I have been told that the special Montreal case which is now before us could not apply to the 60 or 75 County Court judges in the province of Ontario for instance whose jurisdiction is different—

Hon. Mr. BARNARD: But larger and more extended.

Hon. Mr. DANDURAND: —I do not know about that—and who only sit on term days for the administration of business while in the city of Montreal the judges work with full lists every day, except for the two months of July and August; and I think in summary trials of cases between lessors and lessees they have to sit even during those two months. But during the other ten months they are constantly in attendance and presiding over the work of the Court. As has been stated, there may be some special cases that resemble the situation at Montreal. They could be dealt with, and I shall be very happy to draw the attention of the Department of Justice to them if they are pointed out.

Hon. Mr. BARNARD: If the honourable gentleman wants a concrete reference, I would refer him to the case of three judges I know of, in the city of Vancouver, who likewise sit all day and every day for ten months in the year, and whose calendar is filled all the time.

It was stated the other day that in the Province of Ontario Country Court judges in the cities received certain additional fees—surrogate fees. I believe they do, but that additional remuneration is given to them by grace of the Province and not of the Federal

Government. But these are officials of the Dominion Government, and it is the duty of the Dominion Government, irrespective of anything the Province does, to pay them a proper living wage and pay them all on on a fair, equal basis. The judges in cities, I admit, have to work very harder than the judges in country districts, and have a more expensive scale of living, and they require a larger salary. I am perfectly satisfied that a scale should be made for city judges and another for country judges. My honourable friend suggests that the attention of the Government might be called to certain other cases. I am sceptical of the statement that if this Bill passes and the judges for whom it provides are taken care of, others will receive sympathetic treatment. I think, as happened before, that there will have to be a long, continuous agitation, and that in ten or fifteen years from now the result will be that they will receive no relief at all. Therefore I say that if you are going to to amend the salaries of the judges by this Bill, now is the proper time to do it, and it should be done on a principle which will apply to the judges of the whole country and not only to those of a particular city.

Hon. Mr. DANDURAND: If my honourable friend believes there is good ground for extending this treatment to other judges, does he not realize that this is creating a precedent upon which he may rely for similar treatment being given in similar cases?

Hon. Mr. BARNARD: I am afraid not, because those judges, if they made application, would at once be met with the reply: "Oh, these are judges of a different court. This is a circuit court: you are county judges". I am quite sure they would not make any headway. I would ask that my honourable friend, rather than force this Bill through the House to-night, would consider whether or not he cannot devise some kind of amendment which will apply to cities of a certain population throughout the country. It is unfair and unreasonable that the judges of any one city—I do not care whether it is Montreal, Toronto, Halifax, St. John, or Vancouver—should be put on a different plane from the judges of any other city who are undoubtedly in practically the same category.

Hon. Mr. DANDURAND: I do not admit the conclusion of my honourable friend that they are on an equal footing. Here is a court specially constituted of four judges, with the chief justice, administering justice for a population of one million, covering some fifteen counties. How can they be called county court judges?

Hon. Mr. BARNARD: And they are not allowed to settle a case involving over $100.

Hon. Mr. DANDURAND: Certainly they are. I have just cited a case.

Hon. Mr. BARNARD: In British Columbia such cases go before the Police Magistrate. There is a small debts court in Ontario, the Division Court, presided over by a man getting probably $2,000 or $1,500 a year. Yet my honourable friend proposes that these judges be given a salary of $7,000. It is unreasonable.

Hon. Mr. DANDURAND: But I am pointing out to my honourable friend that in one series of cases alone relating to special assessments of valuations, the amount involved may run up into thousands of dollars —into millions. There have been such cases.

Hon. Mr. BARNARD: An assessment may, but the taxes, which are the matter in adjudication, will not. Moreover, I pointed out to my honourable friend a moment ago a case in which over $1,000,000 was disposed of in a county court.

Hon. Mr. DANDURAND: Well, that is possible.

Hon. Mr. BARNARD: Then where does the difference come in? As I say, I am for giving the judges decent salaries; but I do not believe in singling out judges of one particular city as against all the rest, and I am absolutely satisfied that once this Bill passes, the County Court judges residing in cities throughout this country, who are entitled to consideration, will not receive it at the hands of this Government, or perhaps the next one, however it may be constituted.

Hon. Mr. BEAUBIEN: I earnestly hope my honourable friend will not offer too strenuous an opposition to this Bill. In Montreal it has been known for the last ten years that the Circuit Court judges have been treated most unjustly. There is no doubt as to that. They have a very heavy responsibility, and there is no appeal from their decision. Cases are turned over to them involving thousands.

Hon. Mr. BEIQUE: Twenty thousand.

Hon. Mr. BEAUBIEN: There is no recourse from their decision. I know that at present the judges of the Circuit Court have before them cases involving exceedingly large amounts. To my knowledge there is one case of over 2½ millions, and another of $750,-

000. I do not deny what my honourable friend (Hon. Mr. Barnard) says. Probably he is right. I believe that in this country we do not pay our judges as we should. There is no country that can boast of a better judicature than England; there is no country where the decisions of the judges are more universally and thoroughly respected; there is no country where the law is better obeyed; and there is no country where the judges are better paid.

I would like my honourable friend not to oppose this Bill. I think he is right in saying that the judges in his own Province are not sufficiently paid, and when the time comes I for one will endeavour to obtain for that Province what it is now intended to give Montreal. I think it is a hardship to impose upon a man the obligation to live as a judge in thorough independence and bring up a family on a salary of $5,000 a year.

Hon. Mr. BARNARD: Hear, hear: so do I. That is just the point.

Hon. Mr. DANDURAND: Honourable gentlemen, I stated that the press in the city of Montreal had for a number of years been unanimous in clamouring for an adjustment of those salaries. As I was coming up from Montreal to-day, I read this item in the Montreal Gazette of this morning:

An Act of Justice

Sir Lomer Gouin's measure providing among other things for an increase of salary of judges of the Circuit Court of Montreal was passed by the Commons with a unanimity which testified to the equity of the proposal, and is now before a committee of the Senate. This practical recognition of the importance and onerous nature of the work of the Circuit Court judges has, indeed, been too long deferred, but better late than never, and the Minister of Justice merits commendation for at last removing an injustice. In the short discussion of the Bill in the Senate last week regret was expressed that some members of the judiciary in other provinces are not brought within the scope of the legislation, but however strong the claims of these gentlemen may be the case of the Circuit Court judges should not be prejudiced by any failure to recognize other deserts. As the Minister of Justice stated, the Circuit Court is a division of the Superior Court of the district of Montreal, and is composed of a Chief Justice and three puisne judges, who have jurisdiction over certainly not less than twenty-two or twenty-three counties in the province of Quebec, and they have more cases than all the other judges of the Superior Court in the province of Quebec. There is no appeal from the judgment of this court, which means that it is a Superior Court. They have exclusive jurisdiction in matters of municipalities, municipal election petitions, schools matters —in fact, there is little limit to their jurisdiction. The ncrease in salaries now to be made is moderate enough, $2,000 in the case of the Chief Justice and $1,500 to the other three judges, and certainly not more than commensurate with the character and importance of the Court.

That gives you some idea of the unanimity of sentiment.

Hon. Mr. BEAUBIEN.

Hon. Sir JAMES LOUGHEED: Growing out of this discussion honourable gentlemen, I would offer a suggestion which may be useful, and by which the County Court judges residing and exercising jurisdiction in the other large cities should profit. They should apply to their respective Legislatures to be created a Circuit Court so that they would be placed upon a parity with the Judges of Montreal. Take, for instance, the city of Toronto, where there are four or five County Court judges discharging all the duties incident to their office—duties quite as important and responsible as those being discharged by the Circuit Court judges of Montreal. They have jurisdiction in civil matters up to $1,000, and administer criminal law to a much greater extent than the Superior Court judges. They perform those duties for approximately a million people. The population of the city of Toronto and the greater County of York together would, I fancy, approximate a million. It seems to me that those County Court judges should profit by what is being done here to-night. They should apply to their respective Legislatures to be created a Circuit Court for their respective districts. Those administering justice in the city of Toronto should become a Circuit Court for the city of Toronto. A similar arrangement should apply in my honourable friend's (Hon. Mr. Barnard's) province, in the city of Vancouver. Then, I have no doubt, what is embodied in the Bill before us to-night will be accepted as a precedent, and Parliament will be invoked at no distant date to make similar provision for judges discharging equally onerous duties in other large centres.

Hon. W. B. ROSS: Honourable gentlemen, I was told the other day—but I had no means of verifying the information by looking up Ontario statutes—that in the Province of Ontario now, the plaintiff and the defendant may be agreed to a case being tried in the County Court, no matter what is the amount involved, just as if it were a Superior Court. The plaintiff issues his writ. He may claim, for instance, $10,000. The defendant, of course, may raise the defence that it is a Superior Court case and have it transferred to the Superior Court; but, I am told, it is now a very common practice, particularly throughout the counties of Ontario, to have what are ordinarily Supreme Court cases tried in the County Court. In that way the duties and responsibilities of the County Court judge are very much enlarged. He has no choice in the matter;

it is the parties to the action who determine whether or not it will be tried before him. So you have there a class of men who, it strikes me, have merits quite as strong as the Circuit Court judges in Montreal, or stronger.

Hon. Mr. REID: Honourable gentlemen, this is a question which is, I suppose, almost entirely for lawyers to deal with; but as a layman I would like to say a few words. I understand that the arrangement of the different courts are matters for the respective Provincial Governments to deal with, and that this Parliament has no jurisdiction with regard to them. All this Federal Parliament has to do is appoint the judges and pay them their salaries. Therefore a discussion of questions other that those of appointments and salaries is only a waste of time. If a Provincial Government will not make a change, we cannot insist on it.

But I rise to refer to another feature of this situation. Throughout the Dominion of Canada where courts have been established, whether High Courts, County Courts, or such as are named in this Bill, there should be appointed to them the very ablest men that can be secured; but up to the present time, according to my knowledge and experience, we have not been able to obtain the men that we should, because we did not pay sufficient salaries. In other words, if any position such as those mentioned in this Bill were to become vacant at any time, I do not believe you could get the men whom the people of Canada would like to see appointed, because the salaries are not sufficiently high. I say that without any desire to belittle the judges we now have. In the decision which a judge must give the life of a citizen of this country may be at stake. Sometimes the cases tried involve millions of dollars. Yet the best men in Canada are not available for appointment to the bench, because the salaries of judges are probably one-third or one-quarter of what some lawyers are earning to-day. therefore, so far as I am concerned, I do not want the impression to go out from this House that I oppose the increases provided for in this Bill. I would give the judges a salary sufficient to warrant the very best lawyers we have, with the highest reputation and standing in the community, in giving up their practice and accepting appointments to the Bench. When a case is tried by a judge, the people should be able to say: "The accused had a fair trial by a judge in whom we all had confidence, and the verdict that he has given is one which, we all feel, is in accordance with his best judgment." I do not wish to belittle any of the judges that we have, but I do claim that there are men who have had greater experience in certain respects and are therefore better fitted for the Bench than the men we now have to choose from, because of the inadequate salaries.

Hon. Mr. TURRIFF: Honourable gentlemen, I do not know whether the judges referred to in the Bill now under consideration are going to be paid too much or not. I do not believe they are. I rise only to question the soundness of the argument advanced by my honourable friend from Grenville (Hon. Mr. Reid), who suggests that the salaries of the judges should be fixed in accordance with the earning power of some few of the higher or more able lawyers in Canada. We have before us the case of the Government paying in the past year or two to one particular lawyer $400 a day, month in and month out. Are we going to take that as a standard in fixing the pay of our County Court and Superior Court judges all over the country? To accept the argument of my honourable friend and base the salaries of judges on the sums paid by the Government to certain individual lawyers would be a great mistake.

Hon. Mr. DANDURAND: I think my honourable friend need lose no sleep over that fear.

Hon. Mr. TURRIFF: I know, but I desire to take this occasion to say that in my opinion the Government was very much to blame for paying any lawyer in this country $400 a day, month in and month out. You see the result? That has now been taken as a ground for increasing the salaries of judges throughout the whole Dominion of Canada. I think we have as good judges as are to be found anywhere in the world, and they are fairly well paid. At least, I notice that whenever there is a vacancy on the Bench you have no dearth of applications for the position from able and good men. While I am not going to say anything against the increase to the judges in Montreal, who doubtless have hard work to do, and a great deal of work, I would object very seriously to any proposal to pay judges according to the earning power of certain lawyers, who have the good fortune to have an easy Government to deal with.

Section 2 was agreed to.

On section 3—judges may act as arbitrators or assessors under Railway Acts or Public Acts:

Hon. Mr. REID: I would like to have an explanation of that section. Section 4 of the Judges Act of 1921 reads as follows:

The Judges Act, Chapter 138 of the Revised Statutes, 1906, is hereby amended by adding thereto the following section:

35. Unless nominated by the Governor in Council no judge mentioned in this Act may act as commissioner or arbitrator on any commission or inquiry: provided that this enactment shall not interfere with the judges who are at present acting as commissioners or arbitrators completing the work on which they are engaged.

I understand that the Act prohibited judges from accepting commissions in the past; but I think it was amended so that they could be appointed by the local Government, but without remuneration. If I understand the provision before us, it simply means in future judges can act on arbitrations and can be paid for doing so. The Bill says:

Neither shall it extend nor be deemed to have extended to judges acting as arbitrators or assessors of compensation or damages under the Railway Act, 1919.

That means that they could act with reference to railway matters. Then the Bill goes on to say:

Or any public Act, whether of general or local application of the Dominion or any Province, whereby a judge is required or authorized, without authority from the Executive, to assess or ascertain compensation or damages.

I would like an explanation of that from the leader of the Government. If it really means that judges can be called upon to act on arbitrations and commissions, and can receive fees for their work, would not that have the effect of taking them away from their judicial duties and delaying matters of litigation that might be before them?

Hon. Mr. DANDURAND: I have no special memorandum from the Department of Justice on this clause 3; but I find very little in it to criticize. My honourable friend has read clause 4 of chapter 36 of 1921. I cannot see how that provision would preclude a judge from acting under the Railway Act or any public Act of the Dominion or of any Province who is required to assess or ascertain damages.

Hon. Sir JAMES LOUGHEED: Can he get any compensation for it? I doubt very much that he can. Under the Act of 1920 we prohibited a judge from accepting remuneration; then, under the Act of 1921, we went further and prevented him from acting in the capacity of a commissioner or arbitrator. This is a further exception to his acting in that capacity, but it seems to me that it does not in any way change the situation, except that before he was entitled to compensation, and now he is prevented from accepting it.

Hon. Mr. REID: I am not in a position to argue that question with my leader. I understand that the Judges Act did prohibit judges from accepting fees. Then the Act of 1921 prevented them from acting as commissioners unless an Order in Council was passed authorizing them to do so. The statute of 1921 amended the Act of 1920, and now we come along with this Bill. I would like to ask the leader of the Government and the other lawyers in this House whether this Bill does not amend or change the statutes of 1920 and 1921 as it states. The Bill says that the judges may act as arbitrators or assessors under the Railway Act or under a public Act. In my judgment this would kill the effect of the Act of 1920, in which we said they were not to get any remuneration. The interpretation of this provision as passed is left to the judges, and there is no doubt of how they will interpret it. If it can be interpreted in such a way as to entitle them to receive fees, it will be interpreted in that way, and conditions will be as they were before in the Province of Ontario, when two-thirds of our judges were out acting on commissions, and court work was delayed and the administration of justice interfered with. If it is necessary for judges to act on arbitrations, I should say that we should have a judge or a couple of judges, like the Exchequer Court judges, selected for that special purpose. When the Exchequer Court judges were appointed it was not thought that they would have any work to do; but in my opinion no Court has done better work than has been done by that Court. I am opposed to any provision that is going to permit judges to go out, of their own free will, and work on commissions to the detriment of the administration of justice.

Hon. Mr. WILLOUGHBY: Are they to get additional fees?

Hon. Mr. DANDURAND: I do not think so. We are amending section 35 of the Act, as enacted by section 4 of chapter 36 of the statutes of 1921. So I take it that this clause of the Act will now read as follows:

Unless nominated by the Governor in Council, no judge mentioned in this Act shall act as commissioner or arbitrator on any commission or inquiry: provided that this enactment shall not interfere with judges who are at present acting as commissioners or arbitrators completing the work on which they are engaged.

Then comes the section in the Bill:

Neither shall it extend nor be deemed to have extended to judges acting as arbitrators or assessors of compensation or damages under the Railway Act, 1919, or any public Act, whether of general or local application, of the Dominion or of any Province, whereby a judge is required or authorized, without authority from the Executive, to assess or ascertain compensation or damages.

When we passed the Act of 1921, we had in view the prevention of the appointment of judges on Royal Commissions, to make investigations or inquiries. It seems to be held by the Department of Justice that in making that general prohibition we raised a doubt as to the right of judges to sit in cases arising out of the Railway Act or other public Acts, Provincial or Federal. Reading these two clauses together, it seems to me that they simply have the effect of allowing the judges to continue to discharge their duties under those various public Acts.

Hon. Mr. REID: Under the Act of 1921 it was intended that no judge should act as an arbitrator unless an Order in Council was passed authorizing him to do so. The second part of section 35 said:

Provided that this enactment shall not interfere with judges who are at present acting as commissioners or arbitrators completing the work on which they are engaged.

That was to cover cases in which judges had been appointed. Now we say that the Judges Act passed in 1920 shall not extend nor be deemed to have extended to judges acting as arbitrators or assessors of compensation or damages under the Railway Act or any public Act. Might that not be interpreted, as meaning that a judge could be appointed on a board of arbitration, and could charge whatever fee might be arranged between the parties? If that is the intention, it should not be left in doubt.

Hon. Mr. BEIQUE: If we turn to the statutes of 1920 we find that the prohibition of the payment to judges is absolute:

No judge shall receive any remuneration in addition to his judicial salary for acting as administrator or Deputy of the Governor General, or for any duty or service, whether judicial or executive, which he may hereafter be required to perform for or on behalf of the Government of Canada or the Government of any province thereof.

The prohibitions are general; then there are exceptions providing for the payment of travelling expenses in certain cases. The provision in the present Bill does not amend this section of the Statute of 1920; it merely permits the judges to act in the additional cases mentioned. The prohibition against their being paid remains absolute.

Hon. Mr. REID: Will the honourable gentleman please explain section 35.

Hon. Mr. BEIQUE: Section 35 does not come in.

Hon. Mr. REID: It does not prohibit them from acting. It says they may act if the Governor in Council appoints them. Here is a Bill amending the Judges Act as a whole, in which we say that the restrictions made in 1920 shall not apply in cases of railway arbitration or of any public Act.

Hon. Mr. DANDURAND: Not in 1920.

Hon. Mr. BEIQUE: The honourable gentleman must be satisfied that the provision which I have read from the Statute of 1921 was not interfered with. Let me read the last part of section 35 of the existing section:

Provided that this enactment shall not interfere with judges who are at present acting as commissioners or arbitrators completing the work on which they are engaged.

Then I read from the Bill:

Neither shall it extend nor be deemed to have extended to judges acting as arbitrators or assessors of compensation or damages under The Railway Act, 1919, or any public Act, whether of general or local application, of the Dominion or of any Province, whereby a judge is required or authorized, without authority from the Executive, to assess or ascertain compensation or damages.

If the proviso of the Act of 1921 did not contemplate additional payment, the part of this Bill which I have read will not entail any additional payment.

Hon. Mr. REID: I take issue with the honourable gentleman. The proviso in section 35 which the honourable gentleman has just read meant that many judges who were then acting and had agreed upon the remuneration were to be allowed to continue their arbitration and to receive remuneration.

Hon. Mr. BEIQUE: No.

Hon. Mr. REID: No doubt that is what it was for. There were arbitrators performing their duties then, and this allowed them to finish their work.

Hon. Mr. DANDURAND: No; my honourable friend is totally in error. To what is the proviso attached? Let my honourable friend read it again. It is attached to this phrase:

Unless nominated by the Governor in Council, no judge mentioned in this Act shall act as Commissioner or Arbitrator or on any Commission of Inquiry, etc.

But, if they have been nominated by the Governor in Council, they can proceed with their work. Now what are we doing? Simply

declaring that under certain Acts, the Railway Act and others, they will not need to be nominated by, or to have the acquiescence of, the Govenor in Council, in order to proceed with their work.

Hon. Mr. REID: What would satisfy me would be for the honourable leader of the Government to say that the law in the future will be exactly the same as it has been—that if any judge acts on any Commission outside of his judicial work he will not receive any remuneration other than actual travelling expenses.

Hon. Mr. DANDURAND: That is my understanding, and if the Department of Justice differ from me I will inform this Chamber when we come to the third reading.

Sections 3, 4 and 5 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

BANKRUPTCY BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Beique, the Senate went into Committee on Bill 139, an Act to amend the Bankruptcy Act.

Hon. Mr. Bennett in the Chair.

Hon. Mr. BEIQUE: Before we proceed with the clauses which were allowed to stand, I suggest that we adopt the consequential amendment as the result of clause 3 of the Bill, which was adopted the other evening. That would make j in the Act read in this way:

If he ceases to meet his liabilities as they generally become due.

This necessitates an amendment of the words "insolvent person" in subsection 3 of section 2 of the Act, and inserting the word "generally;" so I move:

1. That paragraph (t) of section 2 of the said Act be amended by substituting for the word "respectively" the word "generally", and by adding after the word "business" the words "as they generally become due."

The proposed amendment was agreed to.

Hon. Mr. BEIQUE: I move:

2. That section 9 of the Bill be amended by adding the following as subsection (2) to section 8A on page 3:

(2) Any person appointed as custodian pursuant to the provisions of this Act shall during the term of his office as such custodian be deemed to be an officer of the court and shall when so appointed forthwith give such security for the proper performance of his duties as shall be prescribed by general rules.

Hon. Sir JAMES LOUGHEED: What clause in the Bill now before us makes provision for the passing of rules?

Hon. Mr. DANDURAND.

Hon. Mr. BEIQUE: There is a general clause, No. 66, which is very wide, providing that the Governor in Council may make, alter, or revoke rules, and may delegate to the judges of the several courts power to make rules for carrying into effect the objects of the Act. It thus permits not only the making of rules, but delegates the power to the judges to do so.

Hon. Sir JAMES LOUGHEED: In what way would my honourable friend consider that the judges would have authority? In what way could we have any uniformity?—because there is no relation between judges of the different provinces or the different districts; so that I fail to see how delegating power to the judges would result in satisfactory rules being established.

Hon. Mr. BEIQUE: The judges would have no authority except as given them by the Governor in Council, so that it would be in this case as in that of the procedure under the Act, where rules were passed by the Governor in Council to determine how security was to be given.

Hon. Sir JAMES LOUGHEED: I can understand that; but I cannot understand how the judges could very well do it unless a bench of judges were constituted for the particular purpose of passing rules for the whole Dominion.

Hon. Mr. BEIQUE: No; the Governor in Council can determine, for instance, that the security shall be given by bonds; and they can determine also that the judge shall see that it is given by bonds.

Hon. Sir JAMES LOUGHEED: I quite understand that.

Hon. Mr. BEIQUE: Or the Governor in Council may decide that the security be given in some other way, such as by a guarantee or trust company.

Hon. Sir JAMES LOUGHEED: I can readily understand that.

The proposed amendment was agreed to.

Hon. Mr. BEIQUE: May I be allowed to move another amendment to section 8A, as follows:

3. That subsection 8A of the Bill, page 3, be amended by inserting after the words "perishable goods" the following words "and under the direction of the court may carry on the business of the debtor for all conservatory purposes."

I think it is very important that this should be allowed in order that the estate may be sold as a going concern.

Hon. Sir JAMES LOUGHEED: That is entirely discretionary with the judge?

Hon. Mr. BEIQUE: Yes.

Hon. Sir JAMES LOUGHEED: Should that be extended for a longer period than the first meeting of creditors? It seems to me there should be a limitation; yet of course the court has full authority to fix the period during which the business may be carried on. But after the first meeting of creditors the custodian's duties cease, practically.

Hon. Mr. BEIQUE: Then the creditors decide what shall be done.

The proposed amendment was agreed to.

Hon. Mr. BEIQUE: Section 10 was allowed to stand. I said I was troubled about the last words of clause 8B. This clause deals with the claims of secured creditors, and allows a judge to interfere and extend the delay. After considering the matter, I have come to the conclusion to suggest this:

That section 10 of the Bill be amended by adding to subsection 8B the following words:

Provided, however, that in so ordering, the court shall not have power to postpone the right of any secured creditor or person holding security on the property of the debtor as aforesaid to realize or otherwise deal with the security as aforesaid, except as hereinafter provided, namely:

(a) In the case of a security for a debt due at the date of the receiving order or authorized assignment, or which becomes due not later than 6 months thereafter, such right shall not be postponed for more than 6 months from such date.

(b) In the case of a security for a debt which does not become due until more than 6 months from the date of the receiving order or authorized assignment, such right shall not be postponed for more than 6 months from such date.

Hon. Sir JAMES LOUGHEED: What date is that?

Hon. Mr. BEIQUE: The six months from the date of the receiving order.

Hon. Sir JAMES LOUGHEED: Then that would not extend it at all, because you are dealing with a case that does not mature till the six months after the receiving order. You had better say, "such later date."

Hon. Mr. BEIQUE: I think the clause is very clear. It goes on:

Unless all instalments of interest which are more than 6 months in arrears are paid and all other defaults of more than 6 months standing are cured, and then only so long as no instalment of interest remains in arrears or defaults remain uncured for more than 6 months, but, in any event, not beyond the date at which the debt secured by such security becomes payable under the instrument or law creating the security.

I think that in cases of debt secured like those we are dealing with, the judge should have the right to interfere, provided he is within the delay of the maturity of the debt, and that he should not be allowed to extend it beyond six months from the assignment, but must always keep within the maturity of the debt.

Hon. Mr. WILLOUGHBY: Do you think that that is wholly wise? I think that the amendment as the honourable gentleman has introduced it is very desirable, inasmuch as it protects the rights of the secured creditors, not leaving them wholly within the discretion of the Judge. but it seems to me, although the debt is due to the secured creditor, it might be improper to prevent the Judge from having any discretion to give a little time towards liquidation.

Hon. Mr. BEIQUE: My suggestion is this, that the Judge be given power to extend the delay for six months.

Hon. Mr. WILLOUGHBY: Not if the debt is due, as I understood the proposed amendment.

Hon. Mr. BEIQUE: Not if the debt is due.

Hon. Sir JAMES LOUGHEED: Not beyond maturity.

Hon. Mr. BEIQUE: I do not think that if a debt is due the Judge should have any discretion.

Hon. Mr. WILLOUGHBY: Yes; it might be a mortgage; it might be another security. Then you would very likely compel the secured creditor, immediately on maturity of his debt, to start to realize. The assignee or the trustee in bankruptcy in this case is not protected at this moment. He may not be placed in possession of the assets.

Hon. Mr. BEIQUE: Pardon me. It is provided in the first clause:

(a) In the case of a security for a debt due at the date of the receiving order or authorized assignment, or which becomes due not later than six months thereafter, such right shall not be postponed for more than six months from such date.

So the change is under this first paragraph.

Hon. Mr. WILLOUGHBY: That part is all right. It was not quite distinct.

Hon. Sir JAMES LOUGHEED: But you practically contradict that in the latter part, do you not?

Hon. Mr. BEIQUE: No. Two cases are provided for.

Hon. Sir JAMES LOUGHEED: What is the latter case?

Hon. Mr. BEIQUE: The latter case is beyond the six months, or if the debt is not due.

Hon. Sir JAMES LOUGHEED: Did I not understand my honourable friend to say that in any event it is not to be extended beyond the maturity of the debt?

Hon. Mr. BEIQUE: Yes, but the two paragraphs a and b have to be read together. The power is given in paragraph a to extend it for six months.

Hon. Sir JAMES LOUGHEED: But let us assume a case in which during the currency of the winding-up of the estate the debt falls due. What would be the limitation or the jurisdiction of the Court to extend, if during the winding up of the estate the debt should mature?

Hon. Mr. BEIQUE: Under the first paragraph, a, the judge is, in express terms, given the power to extend the delay for six months after the maturity. The latter part deals with a debt maturing beyond the six months, in cases that are not covered by a, However, if the honourable gentleman thinks it is better to alter the paragraph, we might make it clearer by the addition of a few words. It reads:

but, in any event, not beyond the date at which the debt secured by such security becomes payable under the instrument or law creating the security—

To make it perfectly clear we might add:

except under paragraph a hereof.

Hon. Mr. DANIEL: Will you read the clause as proposed to be amended, Mr. Chairman?

The Hon. the CHAIRMAN (reading):

Provided, however, that in so ordering the Court shall not have power to postpone the right of any such secured creditor or person holding security on the property of the debtor as aforesaid to realize on otherwise deal with his security as aforesaid, except as hereinafter provided, namely:

Hon. Mr. DANIEL: Of what is that an amendment?

The Hon. the CHAIRMAN: That is an addition to 8B.

Hon. Sir JAMES LOUGHEED: That is an amendment of section 10 of the Bill, new section 8B.

The amendment of Hon. Mr. Beique was agreed to.

On section 11, subsection 3—filing of such authorized assignment:

Hon. Mr. BEIQUE: I do not know whether we amended subsection 3 of section 11.

The Hon. the CHAIRMAN: For the words "in the custody" in line sixteen we substituted "under the authority."

On section 11, subsection 4—appointment of custodian:

The Hon. the CHAIRMAN: Then we come to subsection 4. It stood.

Hon. Mr. BEIQUE: I think subsection 4 should remain as it is. I saw the Department of Justice, and that is their opinion.

Hon. Mr. WILLOUGHBY: With the words "most interested?"

Hon. Mr. BEIQUE: Yes.

Hon. Sir JAMES LOUGHEED: Then, it seems to me, we should amend the section dealing with the appointment of the custodian.

Hon. Mr. BEIQUE: The appointment of the custodian in the other case is not the same thing.

Hon. Sir JAMES LOUGHEED: Yes, it is the same thing. It deals with the initial step taken by the Official Assignee respecting the appointment of the custodian. Now, until we reach subsection 4 of section 11, there is no indication as to what the qualification of the custodian shall be. The amendment moved by my honourable friend a few moments ago, of course, leaves it with the Court. The question is, how shall it be determined at the moment of the making of the assignment who is the most interested creditor? Immediately the assignment is made the duty falls upon the Official Receiver of appointing the custodian. That will be postponed if the Official Receiver has to make inquiry to ascertain who is the "most interested" creditor, and if that is to be the qualification of the custodian it is quite obvious the appointment cannot be made at the moment of the assignment. It seems to me that it is going to be a difficult matter to determine who is the creditor "most interested," or who is a substantial creditor, until a meeting of the creditors is called. Yet, I am bound to say, it is not unreasonable that the custodian should possibly be one of the most interested creditors. On the other hand, there is this to be said, that the appointment of an interested creditor, particularly a substantial creditor, might be very unsatisfactory to the other creditors. It might give him an advantage which would be looked upon with very grave suspicion by the other creditors. I must say that I am myself in doubt whether the custodian should be selected from this particular class of creditor.

Hon. Mr. WILLOUGHBY: Are the words "most interested" clear enough? The poorest creditor, the one who is hardest hit by the

assignment, might be the most interested, although not having the biggest financial stake. I think that in any event the words "most interested" are not a happy terminology.

Hon. Sir JAMES LOUGHEED: One could understand "the largest creditor."

Hon. Mr. WILLOUGHBY: I could understand that.

Hon. Mr. BEIQUE: It struck me when we considered the Bill before that this clause should be made to harmonize with the other, and I took the question up with the Department of Justice. I had only a few minutes and I tried to make an amendment, but I did not see my way clear. It was difficult to draw, and I asked the Law Clerk to consider it and send me an amendment. I understand that he came to the conclusion that the clause had better remain as it is. We might reserve the question for the third reading.

Hon. Sir JAMES LOUGHEED: May I make this suggestion? We might say:

Select from among the largest creditors, if ascertainable at the time.

That condition should be attached, because it is necessary for the custodian to go into possession at once, and if the Official Assignee knows nothing about the creditors, how is he to appoint a custodian? My honourable friend will see that under the clause as now drawn it is not obligatory upon either the Official Assignee or the Court to appoint one of the most interested creditors except "as far as possible."

Hon Mr. BEIQUE: The honourable gentleman suggests what?

Hon. Sir JAMES LOUGHEED: That he should select one of the most interested creditors if ascertainable at the time of the assignment.

Hon. Mr. BEIQUE: Let us adopt that. Then the Department of Justice will have an opportunity of suggesting another clause.

Hon. Sir JAMES LOUGHEED: All right.

The Hon. the CHAIRMAN: Add at the end of subsection 4 the words "if ascertainable"?

Hon. Sir JAMES LOUGHEED: Yes, if ascertainable at the time of the assignment.

Hon. Mr. BEIQUE: We need not say at what time.

Hon. Sir JAMES LOUGHEED: Or at the date of the assignment.

Hon. Mr. BEIQUE. I think the words "if ascertainable" are enough. The implication is that it is at that time.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. WILLOUGHBY: And we retain the words "most interested"?

Hon. Mr. DANIEL: Would not the amendment proposed by the honourable gentleman from Calgary (Hon. Sir James Lougheed) make it a little doubtful about the custodian being an interested creditor?? The clause provides now that he must be appointed from among the most interested creditors.

Hon. Sir JAMES LOUGHEED: Yes, "as far as possible"; but there would be nobody to take charge of the estate if the "most interested creditors" were not ascertainable.

Hon. Mr. DANIEL: I do not see how it could be otherwise than that the creditors would be ascertainable, because the bankrupt would naturally give a list of his debts and the persons to whom he was indebted, would he not?

Hon. Sir JAMES LOUGHEED: Yes, but there would be no evidence other than the statement of the assignor or bankrupt himself.

Hon. Mr. DANDURAND: The words, "as far as possible," are there in order to give discretion to the Official Assignee to select a creditor who is at hand. The largest creditor might be 100 or 500 miles away.

Hon. Sir JAMES LOUGHEED: Yes, but with this proposed clause they will be able to select a man.

The amendment of Hon. Sir James Lougheed was agreed to.

On section 11, subsection 5—procedure at first meeting of creditors:

Hon. Mr. BEIQUE: I think that subsection 5 was allowed to stand, but I noticed that the wording was not very appropriate, and on considering the subsection I suggest this:

6. That subsection 5 of section 11 of the Bill be struck out and the following substituted:

"(5) Upon the appointment of the trustee by the creditors the Official Receiver shall complete the authorized assignment by certifying thereon the name of such trustee, and such assignment shall thereupon subject to the rights of secured creditors, vest, as of the date of the acceptance and filing of the said assignment, in the trustee all the property of the debtor."

This was approved by the Department of Justice.

Hon. Sir JAMES LOUGHEED: What is the difference between this proposed amend-

ment and subsection 5 in the Bill? I did not observe any substantial difference.

Hon. Mr. BEIQUE: Part of the sub-subsection in the Bill is not germane at all. If the honourable gentleman will read the present subsection, he will remember that he pointed out the other day that it was not in its proper place.

Hon. Sir JAMES LOUGHEED: Yes, I recall that.

The amendment of Hon. Mr. Béique was agreed to.

On section 15, new section 13, subsection 3—proceedings by Trustee:

Hon. Mr. WILLOUGHBY: That whole section changes the scheme that was in vogue under the old Act, and I do not think it is an improvement. The proposed section now contemplates a meeting and an attempt to make a compromise between the creditors and the insolvent after he has made an assignment. The Act, before this amendment, allowed an attempt at compromise before the assignment, and I know of cases in which it worked out admirably. I think this is a retrogade step.

Hon. Mr. BEIQUE: I beg to differ with the honourable gentleman. To my mind it is a very great improvement in the Act. I know of a number of compositions that were pressed upon the creditors before they knew anything about the estate. Under the amendment it will be incumbent upon the insolvent within seven days of the filing of his assignment, or putting himself under the Bankruptcy Act, to furnish a statement of his affairs to the receiver or the custodian, with the names and addresses of his creditors, and the amount of the claim of each creditor; and he will not be permitted to demand a composition before the first meeting of the creditors. The first meeting is called immediately; and in the meantime it is incumbent upon the debtor to offer himself for examination by the Official Receiver. The scope of the examination shall be determined by Order in Council. At the first meeting of creditors, which will take place within 10 or 12 days, the creditors will have the means of being informed as to the condition of the estate. I think in many cases that will prevent composition being obtained for amounts which are inferior to the amount the debtor could pay.

Hon. Mr. WILLOUGHBY: Under the old Act it had to be confirmed by the Court in any event.

Hon. Mr. BEIQUE: Yes, but when the creditors assigned and gave their consent, the Court was not supposed to interfere; and I know that in practice the Court did not interfere.

Hon. Mr. WILLOUGHBY: The Court would not interfere if there was full disclosure to the Court and no misrepresentation.

Hon. Mr. BEIQUE: The Act did not provide for the examination of the debtor at all. The advantage of this is that the examination is compulsory.

Hon. Mr. WILLOUGHBY: I think that part is good. I recognize that this is a departure in principle from the others. The clause giving the right to examine the insolvent before the meeting of the creditors may be a good one; but the same right could have been obtained by providing for examination by some officer of the Court before the assignment. It could have been worked out under the old Act.

Hon. Mr. DANIEL: In subsection 3 of section 13 it speaks of "two-thirds" and "three-quarters." Does that mean a representation of two-thirds of the claim against the debtor or two-thirds of the actual creditors in person?

Hon. Mr. BEIQUE: Two-thirds in value of the claim.

I gave notice the other day of the following amendment:

7. That section 15 of the Bill be amended by striking out subsection 3 thereof and substituting the following as subsection 3:

"(3) Subsection three of section thirteen, as enacted by chapter eight of the Statutes of 1922, is amended by striking out the word "two-thirds" in the thirty-third line and substituting the words "three-fourths", and by striking out the worlds, "the holders of two-thirds in interest of each class of the shares of such corporation debtor", in the thirty-seventh and thirty-eighth lines, and substituting, "a majority representing three-fourths in value of the holders of each class of shares of such corporation debtor present in person or by proxy at such meeting."

Hon. Sir JAMES LOUGHEED: What is the present Act?

Hon. Mr. BEIQUE: This is dealing with the scheme of arrangement. The present Bill requires three-quarters of all the claims. That would be maintained as regards the creditors; but as regards the shareholders it would be reduced to three-quarters of those present or represented at the meeting. This clause has been suggested by lawyers representing companies that come under the Act, and it was submitted to the Department of Justice and approved by them.

Hon. Mr. WILLOUGHBY: It was two-thirds, and now you are making it three-quarters.

Hon. Mr. BEIQUE: It is increased to three-quarters.

Hon. Mr. WILLOUGHBY: I have at least a couple of wires objecting to the proportion being too large.

Hon. Sir JAMES LOUGHEED: What does the two-thirds apply to?

Hon. Mr. BEIQUE: The two-thirds applies to the creditors—to the value.

Hon. Sir JAMES LOUGHEED: The first meeting of creditors?

Hon. Mr. BEIQUE: It applies to both the creditors and the shareholders.

Hon. Sir JAMES LOUGHEED: That is in the composition.

Hon. Mr. BEIQUE: In the composition—in the scheme of arrangement.

I am under the impression that I have been asked to substitute a somewhat different wording. I cannot lay my hand on it at the moment.

Hon. Sir JAMES LOUGHEED: I think perhaps the better way is to print the amendments, and then we can see their application.

Hon. Mr. BEIQUE: The amendment that I prepared last week was approved of, but after careful consideration the lawyers prepared it in a different form, and handed it to me this afternoon just as I was leaving Montreal. It was prepared by several counsel in consultation. I have reason to believe that it may be an improvement on the other. Shall I read it?

Hon. Sir JAMES LOUGHEED: I suppose it is substantially the same.

The proposed amendment of Hon. Mr. Beique was agreed to.

On subsection 5 of new section 13—court may refuse to approve the proposal, etc.:

Hon. Mr. BEIQUE: Now I move:

That subsection 5 of section 15 of the Bill be amended by adding after the word "estate" in the forty-seventh line, on page 5, the following

"Provided that if a composition, extension or arrangement is proposed by the debtor before the expiration of any previous extension or of any renewal or extension thereof, no such previous extension or renewal or extension thereof, shall be deemed to have been made on a previous occasion within the meaning of paragraph (j) of section 59."

This amendment is suggested by the requirements of the Riordon Company. Here is what I am told has taken place: In view of composition there was an extension of time demanded for six or twelve months; at the expiration of the six or twelve months, as they were not prepared to offer composition, another extension was asked and was granted. If this provision is not accepted, they would be debarred under the Act, and it is suggested that this proviso be added to the clause. Paragraph j of section 59 prevents the judge confirming an extension if 50 per cent of the debts are not paid. I have considered the amendment fully, and think it is in the proper direction.

Hon. Mr. WILLOUGHBY: Does that mean, in a few words, that you can give a further extension notwithstanding the fact that 50 per cent of the debts are not paid?

Hon. Mr. BEIQUE: Yes.

Hon. Sir JAMES LOUGHEED: And I suppose it has to be approved by the proportion of the creditors already mentioned. This Bill should be entirely reprinted.

The proposed amendment was agreed to.

Hon. Mr. BEIQUE: I move the following amendment, of which I gave notice:

9. That subsection (c) of section 20 of this Bill be amended by substituting for the first part of the said subsection, commencing with the words "The sale of" and ending with the words "have the same effect" the following word:

"(c) The sale of such immovable property, unless a written consent to the contrary is obtained from each hypothecary or privileged creditor whose claim has been duly registered—

These words are added:

—or unless the sale is made subject to hypothec or privilege of any such creditor not so consenting—

Hon. Sir JAMES LOUGHEED: That is only applicable to the province of Quebec, is it not?

Hon. Mr. BEIQUE: Yes. Then I proceed with the clause:

—shall be made at public auction at the place prescribed and after advertisement as required for the sale of immovable property by the sheriff in the district or place where such immovable property is situate.

Then I have added:

—provided that in case of a sale of property situate in more than one district or place the court may direct a sale of all such property as an entirety at one place, to be specified in the order, and after such notice as the court may direct, and any sale at public auction under the provisions of this paragraph shall have the same effect."

The proposed amendment was agreed to.

Hon. Mr. BEIQUE: I beg to move that the Bill be amended by inserting the following added section after section 21—it is a consequential amendment:

"21A. Section twenty-seven of the said Act is amended by inserting the words "an Interim Receiver or Custodian or" after the word "if" in the first line of the said section and by inserting the words "borrow money and give security on any property of the estate by a mortgage, pledge, or otherwise, including security

under the provisions of the Bank Act", after the word "obligations" in the second line of the said section, and by inserting the words, "including obligations for money so borrowed" after the word "made" in the fourth line of the said section.

If the trustee wishes to continue the business of the insolvent he may for this purpose borrow money and give security on any property of the estate by mortgage, pledge, or otherwise, including security under the provisions of the Bank Act, and make necessary or advisable advances, which obligations and advances so incurred and made, including obligations for money so borrowed, shall be discharged or repaid to the interim receiver, custodian or trustee out of the assets of the debtor in priority to the claims of the creditor.

Hon. Sir JAMES LOUGHEED: The trustee may do this; does that extend to the custodian?

Hon. Mr. BEIQUE: Yes; interim receiver, or custodian, or trustee.

Hon. Sr JAMES LOUGHEED: Does he do it on his own responsibility?

Hon. Mr. BEIQUE: No, on the order of the Court.

The proposed amendment was agreed to.

Hon. Mr. BEIQUE: I move to amend section 31 of the Bill as follows:

11. Section 31 of the Bill is amended by striking out the words, "debtor has his locality for the purposes of this Act", in line forty-eight, page 10, and line 1, page 11, and substituting therefor the words, "demised permises are situated".

That is approved by the Department of Justice.

Hon. Sir JAMES LOUGHEED: This would be applicable to every province throughout the Dominion, I suppose?

Hon. Mr. BEIQUE: Yes.

Hon. Sir JAMES LOUGHEED: I would like my honourable friend to state the reason for this change of policy, because a great number of protests have been forwarded to members of the Senate against any departure from the old Act, as to the claim of landlord for rent against the estate.

Hon. Mr. BEIQUE: The reason which was assigned by the Minister of Justice was that he did not think the Act was constitutional, and that a case was now pending in the Courts in which a judge had expressed his intention to declare the Act unconstitutional, and I must say that I believe, from my examination of the Act, that the point was well taken.

Hon. Mr. DANIEL: Does it increase the lien of the landlord

Hon. Mr. BEIQUE: No; it leaves the law as it is in all the provinces. I have had a number of protests—in fact, from the Board of Trade of Montreal and from other institutions—against the change, but I think they should be directed to apply to the Legislature of Quebec. It is there that they should seek their remedies, and there should be an understanding between the provinces to make the law uniform.

Hon. Sir JAMES LOUGHEED: I think the only condition that would warrant a departure from the law now on the statute book is the constitutional objection advanced by the Minister of Justice, namely, that we have no authority to legislate as against property and civil rights in a province, concerning rent. So that the matter may be perfectly clear, may I ask my honourable friend if the Department of Justice has expressly stated that that is the reason for the departure from the policy in the present Act?

Hon. Mr. BEIQUE: Yes, the Minister of Justice has so stated, as appears from the Commons Hansard.

The proposed amendment was agreed to.

Hon. Mr. BEIQUE: I would move also:

12. Subsection 1 of section 32 of the Bill is amended by striking out the word "debts" in line thirty-six, page 11.

The proposed amendment was agreed to.

Hon. Mr. BEIQUE: The next is the motion of which I have given notice:

13. Subsection 65A of section 35 of the Bill, page 12 is amended to read as follows:

65A. There shall be one Official Receiver in each Bankruptcy District or Division who shall be deemed to be an officer of the Court and who as such Official Receiver shall have and perform only such duties and responsibilities as are prescribed by this Act and Rules, and shall be appointed by the Governor in Council.

It will be remembered that exception was taken to the wording of the clause. This was submitted to the Department of Justice, and approved of.

Hon. Sir JAMES LOUGHEED: What is the distinction between the Official Receiver and the prothonotary? I thought the policy of the Bill was that the prothonotary of each District Court should be the Official Receiver.

Hon. Mr. BEIQUE: The Minister of Justice, in presenting the Bill, stated that it was the intention to apoint the prothonotaries as Official Receivers.

Hon. Sir JAMES LOUGHEED: But you confine his duties exclusively to those under the Bankruptcy Act, whereas if he is to be a prothonotary of the court he must perform the duties of prothonotary.

Hon. Mr. BEIQUE: Exactly. The wording of the clause confined him to that, and it was amended to cure that defect, so that he will not be prevented from performing the other duties, but as Official Receiver he shall perform only such duties.

Hon. Mr. DANDURAND: As such Official Receiver.

Hon. Mr. BEIQUE: Yes.

Hon. Sir JAMES LOUGHEED: It strikes me it would exclude him from the performance of other duties.

The proposed amendment was agreed to.

Hon. Mr. BEIQUE: The other amendment of which I have given notice was suggested by one of the judges of the Superior Court in Montreal. I approve entirely of it, but I doubt if we have power to pass it, and I would prefer that it should be moved by somebody else.

Hon. Sir JAMES LOUGHEED: Whom would you suggest to move it? I would suggest my houourable friend from Portage la Prairie (Hon. Mr. Watson). It would not sacrifice his reputation as a constitutional lawyer.

Hon. Mr. WATSON: I think the lawyers have that pretty well fixed now.

Hon. Mr. BEIQUE: Section 51 of the Act says:

51. (1) Subject to the provisions of the next succeeding section as to rent, in the distribution of the property of the bankrupt or authorized assignor, there shall be paid, in the following order of priority,—

Firstly, The fees and expenses of the trustee;

Secondly, The costs of the execution creditor (including sheriff's fees and disbursements) coming within the provisions of section eleven, subsections one and ten;

Thirdly, All wages, salaries, commission or compensation of any clerk, servant, travelling salesman, labourer or workman in respect of services rendered to the bankrupt or assignor during three months before the date of the receiving order or assignment.—

Hon. Mr. CASGRAIN: What about the rent?

Hon. Mr. BEIQUE: That is all right. I do not take any issue there. Then this section 51 was amended by section 39 of Chapter 17 of the Statutes of 1921, 11-12 George V:

Subsection one of section fifty-one is amended by adding at the end thereof:

"and all indebtedness of the bankrupt or authorized assignor under any Workmen's Compensation Act."

It has to be paid by privilege. I think that is going too far. The amendment which is suggested is this:

"Fourthly, claims resulting from injuries to employees of the insolvent debtor to which the provisions of the Workmen's Compensation Act do not apply, but only upon moneys paid or payable to the insolvent estate by persons or companies guaranteeing the insolvent debtor against damages resulting from such injuries."

Hon. Sir JAMES LOUGHEED: I think we had better not enlarge the category of payments. Otherwise the creditors will conclude there will be nothing for them.

Hon. Mr. BEIQUE: It is the practice for employers or contractors to take insurance policies to cover accidents to their employees. The insurance is taken out for the employee, and it is but fair that the employee should get the benefit of it.

Hon. Sir JAMES LOUGHEED: He will get it from the insurance company, will he not?

Hon. Mr. BEIQUE: No; he has no claim against the insurance company. The insurance is always taken out by the employer; so the employee cannot get the insurance. The employer is entitled to the amount of the insurance. It is intended to be paid to cover the loss that he may suffer by the claim which will be made by the employee. It is only fair that the employee should have a privilege merely to the extent of the insurance which has been taken out for him.

Hon. Sir JAMES LOUGHEED: I think that is right.

Hon. Mr. BEIQUE: My only trouble is this: I am afraid that this Parliament has no jurisdiction to deal with that.

Hon. Sir JAMES LOUGHEED: I do not think that the insurance would become part of the estate at all. I think the employee would be entitled to recover that because it is specifically allocated for him, and it is not part of the bankrupt's estate.

Hon. BEIQUE It is part of the bankrupt's estate.

Hon. Sir JAMES LOUGHEED: Not unless the accident should happen and the insurance is so allocated that he is entitled to it under a distinct contract.

Hon. Mr. BEIQUE: According to the way the policies are taken out, it would fall into the estate.

Hon. Mr. BEAUBIEN: Would my honourable friend (Hon. Mr. Béique) allow me to call his attention to a case that I think would not be met by this amendment? It was a

judge of the Superior Court of Montreal who called my attention to it. A man was severely injured in the performance of his duties. He sued the company. Before he could obtain judgment the company failed—went into bankruptcy. After the bankruptcy the employee obtained judgment. He could not be paid from the bankrupt's estate: it did not have any funds. On the other hand, the insurance company refused to pay the estate, because its obligation was limited to a refund. The only obligation under the policy was that the insurance company should refund to the employer any amount paid for accident.

Hon. Mr. DANDURAND: And they said, "You have not paid anything"?

Hon. Mr. BEAUBIEN: In the present instance the employing company had not paid; therefore the insurance company sat back and said to the poor injured chap: You have a judgment for several thousand dollars: we will settle with you for $200 or $300."

Hon. Sir JAMES LOUGHEED: I think the insurance law should be amended. That is the only way to reach such cases.

Hon. Mr. BEIQUE: I have submitted my amendment to the judge referred to by the honourable gentleman (Hon. Mr. Béique), and he has approved of it. We cannot go further. We cannot reach that case which has been cited.

Hon. Mr. BEAUBIEN: I understand how difficult it is to reach it. If my honourable friend will allow me to say so, I think that the fact of making a privileged claim on the estate would not solve the difficulty.

Hon. Mr. BEIQUE: No it would not. But the judge was—

, Hon. Mr. BEAUBIEN: Satisfied with it?

Hon. Mr. BEIQUE: He was agreed that it would not be possible for us to reach such a case. He approved of this amendment.

Hon. Mr. WILLOUGHBY: The only way would be to make a different contract with the company.

The proposed amendment of Hon. Mr. Béique was agreed to.

On section 2—definitions:

Hon. Mr. BEIQUE: I have only one more amendment, and it is a proposed amendment to section 2 of the Bill:

That section 2 of the Bill be amended by inserting therein the following additional subsection as subsection (6):

Ho. Mr. BEAUBIEN.

(6) The final sentence added to paragraph (o) of Section 2 of the Bankruptcy Act by Section (2) of Chapter 8 of the Statutes of 1922 is repealed and the following substituted therefor:

"Moreover an order of the court, granting leave to extend or apply to any such corporation the Winding-up Act shall not be invalid or subject to any objection by reason only that the corporation had previously made an assignment under the provisions of this Act, or that proceedings in bankruptcy under this Act were at the time pending against the corporation, and in any such case the provisions of the Winding-up Act shall apply and prevail, and the bankruptcy proceedings shall abate subject to such disposition of the costs thereof to be made in the winding-up proceedings as the justice of the case may require."

That amendment was suggested by the lawyers representing the Riordon Company. This would be the effect of it. The companies in liquidation fell under the Bankruptcy law, but the courts had power to place them under the Winding-up Act. This is to reverse the operation to leaving them under the Winding-up Act, but allowing the judge, or the creditors with the leave of the judge, to put them under the Bankruptcy law. I have not had time to study the full effect of this amendment, I must say, and I so stated to the person who asked me to present it. However, according to my recollection, without an examination of the Winding-up Act, it is not as severe as the Bankruptcy Act; it gives much more leeway. I have some doubt whether this amendment should be accepted or not, but I have no objection to moving its adoption on the understanding that the Department of Justice will examine it and decide whether or not the change ought to be made I think that with a Bill of this kind we should be guided largely by the Department of Justice. It is for that Department to decide what is the best policy, and they should give more attention to a Bill than we are able to give it individually. It is merely by way of suggestion that I move the amendment. The purpose of it, as I have stated, is to allow of a company being liquidated under the Winding-up Act instead of the Bankruptcy Act.

Hon. Mr. DANDURAND: With the consent and authorization of the Court.

Hon. Sir JAMES LOUGHEED: Yes. Application has to be made to the Court.

The proposed amendment of Hon. Mr. Béique was agreed to.

The Bill was reported as amended.

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

THE SENATE

Tuesday, June 19, 1923.

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

Prayers and routine proceedings.

JUDGES BILL

THIRD READING POSTPONED

Hon. Mr. DANDURAND moved the third reading of Bill 201, an Act to amend the Judges Act.

He said: I may say that the Minister of Justice was asked a question similar to the one asked by my honourable friend from Grenville (Hon. Mr. Reid). He answered just as I did, that there was no change in the prohibition against judges receiving pay.

Hon. Mr. REID: Then, in passing this Bill, it is the intention of Parliament that the interpretation of this legislation shall not be changed in so far as compensation to judges is concerned?

Hon. Mr. DANDURAND: When Sir Henry Drayton put the question, the Minister of Justice said: "They are not allowed to receive any fees under the amendment."

Hon. Mr. REID: I do not know whether the question was put as fully as I put it in this House; but, so long as the honourable leader of the Government understands my question and answers it as he does, I am satisfied.

Hon. Sir JAMES LOUGHEED: Inasmuch as an amendment has been proposed to the Industrial Disputes Act which would involve an amendment to the Judges Act, I would suggest to my honourable friend that this Bill stand until we dispose of the amendment to the Industrial Disputes Act. As my honourable friend will recall, the honourable gentleman from Welland (Hon. Mr. Robertson) moved that the judges should be permitted to act as chairmen of conciliation boards, and that they should be entitled to received compensation notwithstanding the provision against it in the Judges Act.

Hon. Mr. DANDURAND: I was wondering whether the exception in favour of judges sitting on boards under the Industrial Disputes Act could not be included in that Act, or whether it would be necessary to amend the Judges Act.

Hon. Sir JAMES LOUGHEED: If that were done, we would have the anomaly of the Industrial Disputes Act making provision for judges to act as chairmen and to receive compensation, while upon turning to the Judges Act we would find a prohibition against it. One should be reconciled with the other. I think it is better that this Bill should stand until we dispose of the Industrial Disputes Bill.

Hon. Mr. DANDURAND: I ask that this order be suspended to be taken up concurrently with the Industrial Disputes Act.

The order for the third reading was accordingly postponed.

INDUSTRIAL DISPUTES INVESTIGATION BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 84, an Act to amend the Industrial Disputes Investigation Act, 1907.—Hon. Mr. Dandurand.

Hon. Mr. Taylor in the Chair.

Hon. Mr. DANDURAND: Honourable gentlemen, we have considered this Bill more than once, and had reached, as I thought, a conclusion. As the Committee was about to report the Bill the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton) moved an amendment, which was adopted, having the effect of transferring the choice of the arbitrator or umpire in any investigation applied for to the chief justices of the courts of the various Provinces.

I must commend the honourable the ex-Minister of Labour (Hon. Mr. Robertson) for the very clear statement he made lately in opposition to this procedure, when he moved to recommit the Bill to the Committee of the Whole. As the Department of Labour, which has promoted this legislation, is opposed to the proposed change, I move that the amendment which was adopted be reconsidered and that it be struck out. For honourable members who were present when the honourable the ex-Minister of Labour made his statement, I should think it is unnecessary for me to add anything to the clear and convincing statement he made. I believe that the determining point in his argument was that the Industrial Disputes Investigation Act would contain an exception authorizing judges to act and the Labour Department to utilize their services. I suppose that is what determined my honourable friend who leads the other side to agree to the reconsideration of this clause.

Hon. Mr. BRADBURY: Do I understand that the honourable gentleman proposes to

strike out the amendment of the honourable member from Hamilton (Hon. Mr. Lynch-Staunton)?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. CURRY: Honourable gentlemen, I think that the amendment which it is now suggested to strike out is a very necessary one and ought to remain. My honourable friend the ex-Minister of Labour made a very able effort the other day to convince this House that the Minister of Labour was better qualified to appoint the third arbitrator than the judges; but I think that anyone who examines and studies the question will see that that contention is absolutely ridiculous. The judges holding court in every shire town in a Province are men who have previously had a large experience as lawyers, and who know practically every prominent man in their county —his temperament, his ability, and his character, and no man is one-tenth as well qualified to appoint the third arbitrator as a judge. We are all human, and the Minister of Labour or any other Minister cannot avoid favouring his party, and may go further in favouring the labour organization, looking for their votes at the next election. I say that is very bad legislation. The judges can make these appointments with practically no loss of time. They have at their fingers' ends a knowledge of the best men in their county, whether they be judges or whether they be laymen, to fill these positions. Furthermore, the Chief Justice knows what judges can be spared, if any, and if he has to appoint a judge he knows whom to appoint. I think we are making a very grave mistake if we take this matter out of the hands of the judges.

Hon. Mr. ROBERTSON: Honourable gentlemen, perhaps in view of the fact that a substantial number of honourable members who are here to-day were not present in the House when this matter was last under discussion, I may be permitted, at the risk of repeating a few things that were said on the former occasion, to attempt a brief but connected statement of the reasons why this matter has been recommitted to the Committee of the Whole House, and the reason why the honourable member from Hamilton (Hon. Mr. Lynch-Staunton), who moved the amendement on May 31st, felt on further consideration that perhaps we had acted too hastily.

The object of the amendment that was made to section 8 was to avoid a repetition of what was said to be a practice on the part of the Department of Labour, namely, to appoint as chairmen of boards gentlemen who were not qualified by experience or knowledge of industrial disputes to act in such a capacity. It was said that certain appointments had been made with a view to political expediency rather than usefulness in the case. I took occasion to point out that, while that might be a fact, the Department of Labour could not be wholly blamed for it, because this House in 1920 removed from the Department of Labour the power of using judges in the capacity of chairmen of boards of conciliation, as had prior to that time been the general practice. If honourable gentlemen will refer to the Debates of this House in 1920 on the amendments to the Judges Act, Chapter 56, they will find evidence of what I have stated. It was pointed out at that time that the people of Canada, whether employers or workmen, had in a general way a very sincere and wholesome respect for the decisions of our judiciary, and that when judges, whether of the Superior Court of the County Court, acted as chairmen of boards, the recommendations of the boards had in very few cases been refused by the parties to the dispute. Since 1920, by reason of the amendment to the Judges Act removing from the Labour Department the privilege of utilizing the services of judges in the capacity of chairmen of boards of conciliation, the Department has been obliged to seek in a new field for persons competent and available to act as chairmen of boards. Because of this handicap it became extremely difficult to find such persons, as I can testify, having had personal experience in the year 1921, as well as in the latter part of 1920.

I am thoroughly in accord with the view that the action taken by this House the other day ought to be rescinded. I am further of the opinion that the House should go one step further and consider an amendment that I am prepared to move, to the effect that, notwithstanding anything in any other Act to the contrary, the judges shall be available for appointment as chairmen of boards, and may be compensated the same as others who act in that capacity under the Industrial Disputes Investigation Act.

Hon. Mr. CASGRAIN: Who would appoint them?

Hon. Mr. ROBERTSON: The Minister should appoint them.

Hon. Mr. CASGRAIN: Oh!

Hon. Mr. ROBERTSON: In explanation of why I think the Minister should appoint them, I would say this to my honourable friend. The amendment adopted by this House the other day provides that the Chief Justice in any Province shall appoint the

third arbitrator if the two others fail to agree. I desire respectfully to point out to honourable gentlemen that there are very few disputes that are provincial in character. The Industrial Disputes Investigation Act applies to public utilities, such as railways, coal mines, etc. Our railways are all interprovincial, and there has not been to my knowledge an industrial dispute referred to a board of conciliation during a number of years past that has not been interprovincial in character. Disputes arising in the coal-mining industry, for example, are also in most instances interprovincial. In the provinces of British Columbia and Alberta both the coal operators and the employees are organized interprovincially. Under the amendment it is provided that where the dispute is interprovincial the Chief Justice of the Supreme Court of Canada shall name the third arbitrator. I respectfully suggest to honourable gentlemen that the Chief Justice of the Supreme Court of Canada has comparatively little knowledge of the details of industrial disputes, and does not know what persons in the various parts of Canada are best qualified to act in the capacity of conciliators. If the duty of appointing the third arbitrator were imposed upon the Chief Justice of Canada, what would happen? I venture the assertion that in every case he would ask for the recommendation of the Department of Labour, and the Minister of Labour or the Governor in Council would recommend, and the Chief Justice would appoint. What would be the result? That whatever this amendment seeks to avoid would not be avoided, and, moreover, the Department and the Government would have evaded all responsibility for the action of the Chief Justice in that connection. The outcome would be that the object sought to be attained would not be attained, while the Government and the Department would both repudiate any responsibility for failure in the operation of the Act.

I respectfully suggest that the amendment offered by my honourable friend the leader of the Government (Hon. Mr. Dandurand), proposing to rescind our action of the other day, ought to be adopted, and that we should then further amend the Bill by the amendment of which I have given notice, so that the Department may have at its disposal the services of judges as chairmen of boards. I will say this, that if the Department does not revert to the practice that it followed from 1907 to 1920, namely, that of using judges in most cases where available as chairmen of boards, then the objection that my honourable friend from Hamilton raised the other day might well be worthy of consideration by Parliament. The Minister of Labour should at least have the opportunity of using the judges in that capacity, and should not be blamed when it is beyond his power to do so.

I pointed out to the House the other day that in only one case since 1920 has a judge acted as chairman of a board. That particular case involved a most important and country-wide controversy, concerning a reduction of wages affecting about 200,000 men in all the railways in Canada in 1921. Owing to urgent personal requests, a prominent judge of the Superior Court, who had served with conspicuous acceptability and success in a number of cases prior to that time, agreed to act in the interest of maintaining industrial peace. That gentleman devoted about two weeks of his time to a very difficult and arduous case, and succeeded in bringing about an agreement between the parties and in averting an industrial dispute and an interruption of transportation in Canada. He received not a single cent of compensation for his efforts. I have always felt that that was unfair to him—that he was entitled to the same compensation as any other gentleman who might have served in that capacity.

Hon. Mr. TURRIFF: Was the judge not still receiving his usual salary when he did that work?

Hon. Mr. ROBERTSON: I assume that he was, but at the same time he did this work in addition to all the work that fell within the scope of his regular duties.

Hon. Mr. FOWLER: Then he was not overworked.

Hon. Mr. ROBERTSON: May I add this, that it is in my opinion unfair to the Department of Labour, I care not who the Minister may be, to blame that Department or the Government for appointing gentlemen other than judges as chairmen of boards, so long as we prevent them by the amendment to the Judges Act from doing so. I further submit, honourable gentlemen, that the object and aim of the Industrial Disputes Investigation Act is to prevent industrial disputes culminating in industrial strife in Canada; that it has taken a substantial number of years to create in the minds of approximately a million workmen in Canada a semblance of confidence in the Industrial Disputes Investigation Act; and that nothing could be done that would destroy that confidence, which it has taken years to build up, so quickly or so thoroughly as to persist in the amendment that we passed the other day.

Hon. Mr. MITCHELL: Is there anything in this Act to prevent sympathetic strikes?

Hon. Mr. ROBERTSON: There is nothing in the Industrial Disputes Investigation Act that prevents a strike or a lockout after the matter in dispute has been referred to and investigated by a board.

Hon. Mr. MITCHELL: I mean only a sympathetic strike. I know that the purpose of the Act is to prevent strikes, but is there anything to prevent or guard against persons going on strike in sympathy with other strikers?

Hon. Mr. ROBERTSON: There is to this extent. Every organization of workmen or of employers who accept the decision of a board of conciliation are under a moral obligation at least—I hold, a legal obligation—to respect the agreement made; and because of the fact that they are working under an agreement they are not at liberty to go on a sympathetic strike.

Hon. Mr. CASGRAIN: The honourable gentleman knows that the labour people have set their faces against accepting any other proposition than that the award is only an expression of opinion.

Hon. Mr. CURRY: The honourable gentleman's (Hon. Mr. Robertson's) chief argument against this amendment is that he fears that in the case of interprovincial strikes the Supreme Court Judge, instead of referring the matter to Provincial judges, in case he does not know whom to appoint, will refer it to the Minister of Labour or to the Cabinet. I claim that if this matter is put into the hands of the judges they will handle it; they will not in any case go to the Minister of Labour or anybody else for a recommendation as to whom they should appoint. It is put into their hands, and they will feel that it is a duty to carry it through, and they know they are the only people who can carry it through in a judicial way, free from party politics and party bias. There is not the slightest chance, if this matter is put in the hands of the judges, even if the matter be interprovincial, for anyone to want to go the Minister of Justice and ask for a man to be appointed.

Hon. Mr. ROBERTSON: I am quite content to leave it to the judgment of honourable members of this House whether a Minister of the Crown occupying a position as Minister of Labour, responsible to the people of Canada for his actions, is better qualified, having a complete knowledge and understanding of the dispute in question as it arises, to appoint an impartial arbitrator, or whether the present Chief Justice of the Supreme Court of Canada, who is far removed from any personal knowledge of these things, should have that duty placed upon him. I submit that it will undoubtedly entail delay in the selection of a chairman, which this House a few days ago seemed anxious to avoid, and it will remove from the Department and from the Government any semblance of responsibility for the result of the investigation—the acceptance or otherwise of the findings of the Board. It will bring the Industrial Disputes Act into contempt, just as the Ontario Temperance Act is held in contempt to-day by thousands of people in that province who are best acquainted with it, because of the manner in which it is administered and enforced. We do not want to get the Industrial Disputes Act into a mess of that sort, and to have over a million workmen of Canada hold it in contempt, disregard its provisions, and fail to respect it and its findings, as has been the case in the past.

From 1907 to 1917, for 10 years, at every session of the Trades and Labour Congress of Canada, resolutions were passed demanding the repeal of the Industrial Disputes Investigation Act. In 1918 and since that time the attitude of organized labour in Canada towards that Act has changed. They have recognized that it has served a useful purpose, that it has been a benefit to workmen, notwithstanding that they have suffered loss from delay; and we have now come to the point where labour has respect for the law. Honourable gentlemen, let us not destroy what it has taken years to build up, and let us not experiment with an arrangement that cannot but work unsatisfactorily.

Hon. Mr. SCHAFFNER: Why has it taken so long to get acquainted with this law, and why has it taken so long to make the change?

Hon. Mr. ROBERTSON: I thought I explained than on May 31st, when this Bill was first under consideration. The reason that labour opposed this Act so strenuously in 1907 was because they knew that its operation would result in long-drawn-out delays and expense to labour. I think I recited clearly an individual case, the first that ever came before a Board after the Act was passed, where employees were required to make an application for a Board, the employer having refused to make an agreement with them, though knowing of the existence of the law. Four months went by, and a committee of employees representing the men all over Canada in that organization, at very substantial expense, paid the shot in order to

keep those men engaged in that hearing and the presentation of their case before the Board; and, although the negotiations were broken off in June, the decision or recommendation of the Board was not filed until November. That delay cost those men several hundred thousand dollars. That was the principal objection for years and years, and labour never was converted to the idea that the Act was beneficial to it; but as time went by, and occasion after occasion arose where the Act had worked out fairly and equitably, and had undoubtedly prevented open strife and loss to both employers and workmen, they finally came to believe that there was perhaps no use in opposing it further and demanding its repeal; so the labour unions of this country, in their annual convention said: "We accept the principle of the law as fair and equitable, and, though we would like some amendments to it, we shall no longer work for its repeal." I say that that represents a confidence that we ought not now to destroy.

Hon. Mr. FOWLER: Perhaps one reason why labour has changed its attitude is that in recent years it has been the custom to select a representative of labour as Labour Minister, and therefore workmen feel that they have had an advantage in that regard, the appointment of the umpire being in the hands of the Labour Minister, who is sympathetic to labour.

Hon. Mr. CASGRAIN: A member of the union.

Hon. Mr. FOWLER: Therefore they had the advantage of having on the Board two men who would be sympathetic with them I have no doubt that that has had something to do with the changed attitude of labour with regard to this Act.

Hon. Mr. SCHAFFNER: Do you consider that right?

Hon. Mr. FOWLER: I will come to that; my honourable friend must be patient. Now, in the Labour Ministry making a proper not see why they would not consent to the appointment of the Chief Justice for the province, or the Chief Justice of Canada—men who are removed from the ordinary strife of party, and therefore in a position to consider these things equitably, and to make appointments that should be—I do not say that would be—satisfactory to any person who wanted to do the right thing and to have a right decision. The difficulty with the employers is that they have not that confidence in the Labour ministry making a proper appointment since the attitude of the Labour Ministry has perhaps leaned towards labour. I think that is the point where employers feel that the cards are stacked against them.

Hon. Mr. ROBERTSON: I hope the House will pardon me for rising so frequently; but, as I had some experience in administering the Department of Labour for about four years, the remarks of the honourable gentleman from Sussex (Hon Mr. Fowler) must naturally be taken to apply to my administration. I desire to say that, so far as I know, there was never an exception taken by an employer in this country to a chairman appointed by the Department during the time that I happened to be Min. er of it. I further say that it was the rule of the Department never to appoint any man as chairman of a Board, who was recommended by either party to the dispute. That was a fixed law or rule in the Department itself.

Hon. Mr. FOWLER: I would not think very much of that rule.

Hon. Mr. ROBERTSON: If my honourable friend came as an employer to the Department, and said, "I would like to have So-and-so appointed as Chairman of this Board," or if the representatives of the employees came making a similar suggestion, the Department never appointed the gentleman so suggested.

If there had been abuse on the part of the Department, if there had been complaints from employers or workmen that had not been heeded, I could understand the need for this amendment. I can say that there have been protests on the part of labour against men who have been appointed by the Department as chairmen, but I never had any from employers; and until there is some evidence of the necessity for changing this law, or some proof that it has not worked fairly towards the employer, I submit that there should be no change.

If the employers in Canada will come before this House or before the House of Commons and show cause, and submit evidence in support of a contention that the Department of Labour has not fairly administered this law, or is not doing so now, and has been biased in its decisions and appointments, then it will be the duty of Parliament to investigate, and make the change if it is found that one is wanted. But in my opinion honourable gentlemen are not warranted in making the change on the suggestion of one member of this House, without evidence in support of it, and, who now comes and says, "I believe we made a mistake, and should rescind the action we took." I submit that we should not make laws or amend them on such slight evidence.

Hon. Mr. CASGRAIN: The honourable gentleman has been a long time Minister of Labour, and I suppose all Ministers of Labour are members of labour unions. I take it that the workmen owe allegiance to their union before anything else; they will obey the laws of the union rather than the instructions of their masters, or the demands of the general public. It seems to me that the Minister of Labour ought to be delighted in not having to assume the responsibility of appointing chairmen of Boards, because he is one of the workingmen, perhaps an active member of the union, perhaps a labour leader. The Minister of Labour, owes his position in the world to his popularity among his co-workers. Is he a free agent? It seems to me he cannot possibly be. But here is a judge who is not an employer of labour, and not a workingman; he is independent of both. Should not he be the best man to make the choice of chairman?

Right Hon. Sir GEORGE E. FOSTER: The assertion has been made, I think by my honourable friend here, that owing to the play of interprovincial interests, whilst the section of the Bill would call for a provincial judge to make the appointment of chairman, in practice the appointment would be made in most cases by the Chief Justice of Canada. Is that so?

Hon. Mr. ROBERTSON: It is.

Right Hon. Sir GEORGE E. FOSTER: That weighs with me a good deal. I would be far more favourable to the proposition which seems to be in favour here at present if the provincial judges, who are close to the localities in which troubles arise, were the ones to make the appointment. I see some difficulty in the Chief Justice, who resides at Ottawa, making appointments of chairmen in relation to disputes of which he practically knows nothing, and in which he has had no great previous interest. I think it would be difficult, and cause delay, to get the most suitable man.

There is one other point that weighs with me. It is this. You have an Act which is given to a Department to carry out, and I think it is a good principle to hold the Department responsible for the administration of the Act, and not to hamper overmuch its choice of agencies through which the Act is administered. For that reason, and mainly on the point of responsibility, I would be disposed to hold the Department more tightly to that responsibility and not hamper it too much; and if the responsibility were not carried out according to the wish or will of Parliament the remedy would be found by Parliament itself. I think the Department would be hampered very greatly if it were the Chief Justice of the Dominion who in nine cases out of ten had to make the selection. For that reason I am going to support my honourable friend.

Hon. Mr. BELCOURT: My right honourable friend should read the paragraph. It is not as he states: it is the Chief Justice in the province.

Hon. Mr. DANDURAND: But if the matter is interprovincial it would come to the Supreme Court.

Hon. Mr. BEAUBIEN: It seems to me that the quarrel must be localized somewhere. It may have interprovincial results. For instance, if there is a strike of the right-of-way men or the shop men in Montreal, it may quite possibly have an echo in the adjoining province; but if the quarrel is in the province of Quebec there is no reason why the Chief Justice of Quebec should not be chosen. May I put this question: If the appointment has to be made by the Chief Justice of the Supreme Court, are we more dangerously placed than if it were in the hands of the Minister of Labour at Ottawa? Both of those men are located at Ottawa, with jurisdiction over the whole country; but the difference is that in one case the man is totally impartial, while the other case he cannot be so, because he is playing a political role. If he gives his decision in favour of the employer he weakens his party, and in weakening his party he weakens himself, and impairs his own standing in the Cabinet.

My honourable friend (Hon. G. D. Robertson) was perhaps fair in exercising power as Minister of Labour; but may I remind him of the case of the Toronto Railway, in which I happened to be one of the supplicants who came to him and asked him to deny a Board of Arbitration which was asked for, in complete violation of a written agreement to work for certain wages for a year, signed in good faith by the men. Three months afterwards the men struck, and asked for a Board of Conciliation. The public utility was represented before the Minister, and asked him to disregard that request, and showed him the document upon which the ink was barely dry, stating that the men would work for certain wages for 12 months. It is true, the men said they were not asking for an increase in wages: they wanted a bonus. Well, that distinction gained for the men the decision of the Minister, and they got their Board of Conciliation. I do not want to criticize the Minister very much. I think that in his position, nominated as he was by the influence, always increasing, of the labour unions in

this country, he was not a free agent. I mean he was not a free agent to the extent of standing before all those men with the responsibility of the Cabinet behind him. He did not feel quite at liberty, and of course the balance swung, quietly and nicely, but surely, towards the men.

Now, what does the member from Hamilton suggest? A most reasonable way out of the difficulty. Rightly or wrongly, if one party does not feel quite secure, is there a better means of assuring them than by saying to them, "Henceforth your judge will not be selected from amongst those who, though they may be honest in intention, lean towards the labour unions; your judge will be selected by a perfectly impartial man whose situation is your guarantee; that is, the Chief Justice of every province". What objection can there be to that? It is a contentious matter that we have to deal with; it is more than a passing case, and very much more important, in which millions are involved; it is practically the peace of the community that is at stake, and we go to the man who sits serenely away from all the troubles and temptations of politics and we say to him, "Select the third arbitrator", the man who as everybody knows, is the only judge. What objection can there be to that? For my own part I see none. I think the amendment is a very good one, and very much needed. I think that amendment will restore confidence in the application of a law that could render a great deal more service if such confidence existed, and I see no reason to change my mind on it.

Hon. Mr. ROBERTSON: May I crave the indulgence of the House to reply to what my honourable friend has said, because it reflects on me personally. I congratulate the honourable member from Montarville (Hon. Mr. Beaubien) upon being exact and specific in mentioning a case which brings up something concrete that we can present to you. The employees of the Toronto Street Railway did apply for a Board of Conciliation, and it was established. The Board sat; a finding was made; both parties accepted it; and it became the law as between the employers and the employees. Not more than four months afterwards I do not recollect the exact dates—the employees desired to re-open their case, and what did the Department of Labour say? It said: "It has been an unwritten law in this Department not to grant a second Board on the same dispute within the period of one year, and you cannot have a Board." That was the Department's decision, notwithstanding what my honourable friend states.

Hon. Mr. BEAUBIEN: Will my honourable friend allow me just a question? I do not want to be misquoted. There were two Boards.

Hon. Mr. ROBERTSON: I am coming to that.

Hon. Mr. BEAUBIEN: I want my honourable friend to deal with the first Board. I want him to say whether I am right in what I stated—

Hon. Mr. ROBERTSON: You are partially right.

Hon. Mr. BEAUBIEN: Wait a minute—that there was an agreement accepted and signed by the men, to work for specific wages for a year, and that three months afterwards they disregarded that agreement, went to my honourable friend to obtain a Board of Conciliation, the purpose of it being to increase their wages, and that before him a deputation came from the public utility resisting the application of the men on the ground that there was an agreeement made in good faith, and that my honourable friend granted the Board of Conciliation. That is what I want him to say—am I right or not right?

Hon. Mr. ROBERTSON: My honourable friend is right so far as he goes, but he does not tell the whole story. The Board sat, made its recommendation, and that was accepted and became the agreement between the parties.

Hon. Mr. BEAUBIEN: I beg pardon again. Is it not a fact that the Board of Conciliation said the men were wrong; that they went on strike notwithstanding that verdict; and that the city of Toronto said to the Street Railway Company: "You have to agree with your employees or we will take over your Railway;" and that the Toronto Street Railway Company were constrained to pay and did pay the men. Are not these the facts?

Hon. Mr. ROBERTSON: You are referring to the second case.

Hon. Mr. BEAUBIEN: I am talking of the first case.

Hon. Mr. ROBERTSON: No. Three months after the acceptance of that Board's decision by both parties the employees asked for another Board, which the Department denied them. Then they pointed out that their request was not for the reopening of the agreement, but something entirely aside from it, and, as my honourable friend has stated, a deputation came before the Department of Labour and laid the facts before them. But the Department of Labour takes

its law from the Department of Justice, and the case was such that in the opinion of those qualified to judge, the men were legally entitled to the establishment of a board.

Hon. Mr. REID: I have listened to the discussion with regard to this matter with considerable interest. The impression I had formed was that it was impossible at the present time to appoint a judge as a commissioner. I would like some explanation as to why a judge cannot be appointed, because I see no reason in the Act of 1920 why he should not be appointed. I admit that he cannot be paid.

Hon. Mr. ROBERTSON: He will not act, then. That has been the experience of the Department.

Hon. Mr. REID: Take the Judges Act of 1920, which says:

Every judge who may be nominated for the purpose by the Governor in Council or the Lieutenant Governor in Council shall execute without additional remuneration any commission or inquiry for which he may be apponted as commissioner under any authority in that behalf exercisable by the Governor in Council or the Lieutenant Governor in Council, including the discharge of the duty of arbitrator in any case in which he may be named to act by the competent authority. Provided, however, that any such judge while acting as commissioner or arbitrator at the nomination of the Governor in Council shall be entitled to his moving or transportation expenses and living allowance at the rate and upon the conditions provided by section 18 of this Act, and such judge when employed under the authority of the Lieutenant Governor in Council may be paid by the Lieutenant Governor in Council his moving or transportation expenses and a living allowance not exceeding the amount he would be entitled to under the said section 18.

This was amended in 1921, as follows:

The Judges Act, Chapter 138 of the Revised Statutes, 1906, is hereby amended by adding thereto the following section:

"35. Unless nominated by the Governor in Council no judge mentioned in this Act shall act as commissioner or arbitrator on any commission or inquiry.

But when we increased the salaries we put in a clause giving the Governor in Council power to say to any one of the judges, "I want you to act; you must act on any commission of inquiry, but you must do it without any remuneration other than your travelling expenses." I have in mind a case since that time in which a High Court judge was appointed and acted. He was only entitled to and only received his travelling expenses. Why cannot this Government or any other Government appoint a judge as an arbitrator without any further trouble?

Hon. Mr. ROBERTSON: In reply to the honourable gentleman from Grenville (Hon. Mr. Reid) I might point out that the Governor in Council does not appoint the chairmen of boards, and therefore they do not come within the section of the Judges Act referred to. Furthermore, the results of the services of judges who were not paid would, I fear, not be satisfactory, because they would be prone to hasten investigations in many cases and not go into them as carefully.

Hon. Mr. FOWLER: Surely you would not bring a charge of that kind against the judges of this country?

Hon. Mr. ROBERTSON: If a judge had a number of cases in his court waiting to be attended to, and was asked to preside over a tribunal of this sort, is it not natural that he would hasten to attend to his proper duties?

Hon. Mr. FOWLER: Does my honourable friend think that the question of compensation enters into the judge's judgment? I resent any such attack as that.

Hon. Mr. ROBERTSON: I am not passing judgment on the judges; but I regard all men as being very much alike so far as human nature is concerned.

Hon. Mr. DANDURAND: If the Bill remains as it is, with the amendment of the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), I think we should make it quite clear that no judge henceforth will be appointed to act as umpire, because it is only with the consent of the Governor General that a judge can act under the Acts of 1920 and 1921. Except under the amendment which will be proposed by the ex-Minister of Labour (Hon. Mr. Robertson) if my amendment carries, we are not relieving the judges from that disability. They cannot be appointed on any commission or arbitration except by order of the Governor in Council. Under this Act it is the Chief Justice who selects the arbitrator, and he will be precluded from selecting a judge. If that is the will of the majority of this House, well and good.

Hon. Mr. BEAUBIEN: Would he be precluded from naming a judge if the Government allowed him to do so?

Hon. Mr. DANDURAND: The matter would again have to be dealt with by the Governor in Council in order to sanction the appointment if a judge were selected by the Chief Justice.

Hon. Mr. BEAUBIEN: Does not my honourable friend feel that the Government would readily accept the suggestion of the Chief Justice to allow one of the judges so selected to act.

Hon. Mr. CASGRAIN: There are lots of retired judges anyway.

Hon. Mr. DANDURAND: You are faced with the difficulty that although the judge is supposed to accept a direct mandate, there are many ways in which he can excuse himself.

Hon. Mr. BEAUBIEN: If a judge were selected by the Minister of Labour and did not wish to act, would he not be able to urge all those reasons in the same way as if he were selected by the Chief Justice?

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that the amendment suggested by the ex-Minister of Labour declares that the judge will be entitled to compensation.

Hon. Mr. BELCOURT: Does my honourable friend contend that, if we provide that the arbitrator shall be appointed by the Chief Justice of a Province, or possibly by the Chief Justice of the Supreme Court, such a provision will not supersede the provision he has referred to with regard to the appointment by the Lieutenant Governor in Council? Of course it does. Surely it must.

Hon. Mr. REID: As I understand the law at the present time, any judge must act.

Hon. Mr. ROBERTSON: No.

Hon. Mr. REID: It says that he shall act as an arbitrator. That is the wording of the Act of 1920; therefore he must act, and without remuneration.

We have had commission after commission appointed in the past, and judges will be appointed arbitrators in the future; and if we appoint judges as arbitrators on any question not affecting labour, they will not get any remuneration. I think that if we are going to pay any of them we ought to pay them all. I think the Government should appoint a judge every time; and according to the Act he must act.

The proposed amendment of Hon. Mr. Dandurand was negatived: yeas, 25; nays, 35.

Hon. G. V. WHITE: Before the Bill is reported, I have an amendment which I wish to move. It is an additional clause, to follow the clause submitted by the honourable member from De Salaberry (Hon. Mr. Béique), and reads as follows:

57b. It shall be unlawful for employers to declare a lockout, or for employees to go on strike, concerning any further matter or cause other than those affecting conditions of employment with respect to wages or hours, until such matter or cause has been finally dealt with by a Board and copy of its report delivered through the Registrar to both parties affected.

Hon. Mr. CASGRAIN: Will the honourable gentleman explain what is the difference between his amendment and the amendment proposed by the honourable gentleman from De Salaberry?

Hon. G. V. WHITE: This is to be in addition to the amendment of the honourable gentleman from De Salaberry. The purpose of it is to prevent a sympathetic strike, particularly such strikes as very frequently occur throughout Canada. In fact, employers are annually met with threats of employees to lay down their tools for some minor cause notwithstanding the existence of a contract. It seems to me the strongest ground that can be urged, and it may have a sympathetic hearing in this chamber, would be the case of international unions. For example, if President Lewis of the Miners' Union has a strike on his hands anywhere, he may call upon the men of a Canadian company to cause a sympathetic strike to be declared; this notwithstanding that the men in Canada are under contract and have no grievance. The Government, in the face of a proposal to enact this amendment, would find itself in an awkward dilemma, as the amendment would be in accordance with the popular view, which is against sympathetic strikes.

Hon. Mr. CASGRAIN: That would not prevent men stopping work if they wanted to. You can tell them it is unlawful until your are black in the face—they do not care for that. How can you punish one thousand or five hundred men?

Hon. Mr. ROBERTSON: I wonder whether the honourable gentleman from Pembroke (Hon. G. V. White) has looked at the results of the adoption of an amendment of that kind from all sides. In the first place, I can assure him that the case he has quoted could not occur, because it is the declared policy and practice of the United Mine Workers not to violate an agreement made; and there never has been in the whole history of that organization an instance in which they have authorized a sympathetic strike.

Hon. Mr. FOWLER: In the case of a contract between an employer and employees lasting say for a year, would the Department grant a Board during that year?

Hon. Mr. ROBERTSON: No.

Hon. Mr. CURRY: Is it not a fact that the soft coal miners in the United States went out last year on the first of April, and that the

miners of Alberta, although tied up by a contract, went out at the same time and were out for some five months, and, I may say, to my own great loss, and very great loss not only to the mine owners of Alberta, but to the users of coal.

Hon. Mr. ROBERTSON: And loss to the miners themselves. I think my honourable friend is correct that a strike occurred in Alberta, but, as I understand it, it was because of the expiration of their own agreement, a new one not having been negotiated. I do know that Mr. Lewis, who was specifically referred to, has never approved of a sympathetic strike or authorized one within his own organization.

But that is not the main point to which I want to draw my honourable friends' attention. Honourable gentlemen know that, for several years past in this country, there has been consistent, persistent effort made by certain so-called labour men to bring about concerted action by all classes of labour, regardless of what organization they might belong to. If this Parliament places on the Statute Book a law to prevent sympathetic strikes, what is going to happen? It will be for those gentlemen the finest means of propaganda that could possibly be conceived, and they would say: "Now, boys, there is only one thing that you can do and keep yourselves out of jail, and that is for all to get into the One Big Union. We can all have our strike at the same time, and it will not be a sympathetic strike, because it will be our own dispute". An amendment of that sort, as I am sure the honourable member will on reflection realize, would be quite undesirable.

Hon. Mr. McCORMICK: Honourable gentlemen, with regard to this matter of the U. M. W. and sympathetic strikes, as the honourable the ex-Minister of Labour will recall, a strike was threatened at Sydney early this spring, and when some of the radical leaders down there were counselling a sympathetic strike on the part of the miners, President Lewis did instruct those men that they could not go on strike because of the fact that U. M. W. representatives had signed an agreement. In that regard the U. M. W. organization in the Province of Nova Scotia acted in good faith with the employers.

The amendment of Hon. Mr. White was negatived.

Hon. L. C. WEBSTER: Honourable gentlemen, some days ago I asked my honourable friend the leader of the Government if he understood that, upon the application for a Board, the employer could make a change without awaiting the Board's report. I understood him to say that it would be proper to ask him that question when the Bill came up again. I desire to take this opportunity of repeating the question.

Hon. Mr. DANDURAND: The question which my honourable friend put is in relation to the clause moved by the honourable gentleman from De Salaberry (Hon. Mr. Béique).

Hon. Mr. WEBSTER: Yes.

Hon. Mr. DANDURAND: I do not remember whether the honourable gentleman from De Salaberry gave an answer to that question or not.

Hon. Mr. WEBSTER: Yes; he gave an answer, but for some reason it was not recorded in Hansard. I would like to have the answer.

Hon. Mr. DANDURAND: We may take the third reading to-morrow. I will examine into the Bill as it now stands.

Hon. Mr. WEBSTER: Thank you.

The Bill was reported as amended.

RETURNED SOLDIERS INSURANCE BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 203, an Act in respect of the Returned Soldiers' Insurance Act.

He said: Honourable gentlemen, this Bill is for the purpose of carrying out the recommendations of the Royal Commission respecting soldiers' insurance. It is composed of two clauses. Clause 1 applies to a few cases in which, the application for insurance had been filed with the Department, had been approved and the premium paid, but the soldier died before the policy was delivered to him. It was held by the Finance Department that in such cases no contract existed and the insurance money was not paid to the soldier's dependents. There are only seven cases that would be affected by this clause. Where the applicant died prior to the delivery of the policy, the insurance will be payable if the application had been approved and the premium paid.

As to the second clause, the intention, when the Soldiers' Insurance Act was passed by Parliament, was that every returned soldier who made an application for insurance could insure without passing any examination. I think that in 1921, and especially in the month of January, 1922, some restrictions were made and enforced by the Pension Board, which has the

administration of this Act together with the Minister of Finance, to the effect that, in the case of an application not being approved, the insurance would not be payable, and also that certain applications on the part of men who were seriously ill of an illness that was not due to war service, and who moreover had no dependents, should not be entertained by the Board or approved by the Minister of Finance. In the Session of 1922 we amended the Returned Soldiers' Insurance Act to provide a certain schedule which set out the conditions under which an application for insurance can be refused. That amendment was adopted last year. The Returned Soldiers' Insurance Act was passed originally in 1920 and it was made valid for the period of two years. So on the 1st of September, 1922, it was coming to an end. But last year we extended the provisions of the Act for one year, making it applicable to the 1st of September, 1923, with certain restrictions proposed in a schedule that was annexed to the Act. But now it is contended that all the men, no matter what physical condition they may have been in, who filed their applications before the 1st of July, 1922 —that is, the time the Act was amended— should be insurable, and in case of death their dependents would receive the insurance money.

The Department has prepared some figures which may be of interest to this Chamber. The total number of policies issued as of March 31st, 1923, is 19,516, with a value of $46,864,500. The total number of death claims as of March 31st, 1923, is 514. The value of these claims is $1,622,500. The total number of claims settled under section 10 is 109.

Clause 2 will have the effect of doing away with certain regulations of the Pension Board, who administer the Insurance Act, which took into consideration the physical condition of the applicant, contrary to the intention of the Act, which did away with all medical examination.

Hon. J. A. CALDER: Honourable gentlemen, I find on the Order Paper three Bills— No. 203, an Act in respect of the Returned Soldiers' Insurance Act; No. 204, an Act to amend the Department of Soldiers' Civil Re-establishment Act; and No. 205, an Act to amend the Pension Act. When in another place it was my duty and responsibility to give a good deal of attention to matters relating to returned soldiers, and if there was one thing that was impressed upon me more than anything else, it was that legislation of this character must be scrutinized very carefully, in order that the effect of it might be clearly understood. Now, these Bills have reached us but very recently, and I doubt very much if any members of the House understand the nature of the proposed amendments or what would be their effect. I therefore suggest that, as regards these three Bills, the second readings be not now proceeded with, mainly for the reason that I think this House should be in possession of certain information before we commit ourselves to the principles of these measures. In saying that, I want it to b clearly understood that, so far as I am concerned, I am not opposed to the legislation, but I do wish to understand its meaning and effect. It is very desirable that every member of this Chamber should clearly understand what we are doing. I think there is certain information of which the House should be in possession. It was only last night that I began to give attention to the subject at all. I have spent two or three hours in looking into the question since, and there is certain information that I would like to have before I commit myself to the second reading of any one of these three Bills.

The information that I desire to get—and I am sure other honourable members would like to have other information—is along this line: first, what is the annual payment of military pensions?

Hon. Mr. DANDURAND: My honourable friend is covering more than the present Bill. He is taking the three Bills together?

Hon. Mr. CALDER: I am covering the three Bills. These are only suggestions which I have to offer at the present time, regarding information which I think this House should be possessed of before committing itself to the principles of these Bills:

(1) What is the annual payment on account of military pensions?

(2) What is the estimated amount of increase in pension payments under the proposed pension legislation now before Parliament? That is, what would be the effect of this legislation in so far as increasing pension payments is concerned, and what would be the annual charge upon the revenues of this country?

(3) On what basis is this estimate computed?

A second inquiry I would like to make is:

(1) What is the maximum number of years over which payments to dependents under the Pension Act will extend?

(2) What is the yearly ratio of increase?

Again:

(1) What is the estimated amount of arrears which will be payable under the provisions embodied in section 3 of Bill 205, to amend the Pension Act?

(2) What is the estimated yearly increase in payments under this section?

(3) What is the estimated amount of increase in pension payments under the provisions of each of the other sections of the Bill?

There are in this Bill a number of sections of which I really do not know the effect. I do not know what is involved in the way of expenditure. As I say, it is quite possible that other members of the House may desire further information. I think we should have the fullest opportunity of considering all the necessary information before committing ourselves to the principles of these Bills. I have no desire to delay the legislation in any way, but I think the House is entitled to the fullest information along these lines before we reach any decision.

Hon. F. F. PARDEE: Honourable gentlemen, I have perused the report of the Royal Commission to some extent, and have taken considerable interest in it and in the Bills which are founded upon it, because of the fact that in the House of Commons I had as a member of the Committee a great deal to do with the legislation brought in along these lines. I desire to say now that I have not the slightest intention or wish in any way to stand in the road of legislation such as of Bills 203 and 205, if in my opinion, humble though it be, they are along right lines. But, in view of the present financial situation I should like to learn from the Government something further regarding the proposed expenditure, particularly as to what would be the cost to the country of the Federal Appeal Board and of the District Boards of Review; what will be the salaries of the members, what will be the clerical expenses, what will be the travelling expenses, and generally what would be the approximate cost to the country?

On first blush, although I am not prepared to commit myself to this, it does appear to me to be a rather complicated procedure. What with the Pension Board, the District Boards, and the Boards of Review, it appears to me that we are going into something from which it may be hard to work ourselves out.

I would like also to know what is the estimated liability involved in the amendment contained in Bill 203, an Act in respect of the Returned Soldiers' Insurance Act. I think that that is something which both Houses of Parliament should examine very carefully. The matter was considered by a Committee of the House of Commons in years gone by. We examined into it very carefully; and were not at the time able to come to any decided opinion regarding it, if my recollection is right. I do think that when legislation such as these three Bills is presented, it is important that it be thoroughly investigated in order that we may ascertain just what it means to the country financially. Until it is investigated thoroughly I do not feel inclined to give a vote either for or against it, and I do not intend voting on these Bills until they are thoroughly examined and I know just what is the liability to which we are committing ourselves and in which we are involving the country. I have not consulted with anyone regarding the matter at all, but am giving simply my own opinion. I think that there ought to be a Committee of this House, composed of whatever number may be agreed upon by the two leaders; that this Bill should be examined at once, as the Session is nearing an end; and that the Committee should make a report, and we should have opportunity to obtain full information in connection with the matter.

Right Hon, Sir GEORGE E. FOSTER: The three Bills?

Hon. Mr. PARDEE: I am discussing all three Bills.

Hon. J. D. TAYLOR: Honourable gentlemen, I would not like to have these three Bills passed into Committee without something more being said upon the subject than has been laid before us so far. One would gather, from reading the remarks that we have just heard, that the Senate fears that these Bills are casting a large responsibility upon the people of Canada, and that, if such responsibility be as large as some of us seem to suspect, we should hesitate as a people to assume it, but should virtually leave the burden upon the cripples, the ill, and the dependents, whom these three Bills are intended to assist. I think there is no doubt about that classification of these Bills—that they recite nothing new whatever, but that they are aimed solely to give effect to what has always been the intention of the Parliament of Canada—to do the best we can do for the disabled soldiers and their dependents.

My knowledge of these Bills—and I have followed the proceedings in another place and in the Committee where the legislation originated—is that they are designed to cure misconceptions on the part of the Boards appointed to administer the original Bills. The

gentlemen on those Boards have taken to themselves the role of guardians of the public treasury instead of that which I think they were intended to take—that of guardians of the interests of the disabled soldiers. If the suggestion be that the carrying out of the intention of Parliament to deal liberally with these disabled soldiers and their helpless dependents, is going to cost this country too much, I desire to dissent from that in the strongest possible way; because, as I see it, the larger the burden involved in these measures of too tardy justice, the more incumbent it becomes upon us to shoulder the burden as a people, and not to continue to allow it to be borne by the disabled classes to whom I have referred.

For my part, I do not care to go further into the matter than to take this opportunity of suggesting that while it is eminently desirable that we, as business men in the Senate, should know the cost, there should not go abroad an impression that the Senate is averse to shouldering that burden, but that if the cost be heavy it should be placed on the shoulders of the whole people of Canada, who are the better able to take this burden.

Hon. Mr. DANDURAND: Honourable gentlemen, I have been asked for some information before the second reading of this Bill is taken. Is the idea of the honourable gentleman from Moose Jaw (Hon. Mr. Calder) that we should not proceed to the second reading of this Bill until that information is given? On the other hand, my honourable friend from Lambton (Hon. Mr. Pardee), suggested that we take the second reading and then send these Bills to a Special Committee. There is apparently contradiction here.

Hon. Sir JAMES LOUGHEED: I did not understand that the second reading should be proceeded with now. I did not understand the honourable gentleman from Lambton to propose the second reading now.

Hon. Mr. PARDEE: No.

Hon. Mr. DANDURAND: Then I suggest that someone should move the adjournment of the debate on the second reading of this Bill, and I will go on giving explanations on the second Bill and the third Bill, and the discussion of the principles of those Bills will be likewise adjourned until I get such information as may be sought.

Hon. Sir JAMES LOUGHEED: Referring to the particular measure now before us, Bill 203, the principle of the Bill consists largely, if not altogether, of an arbitrary interpretation being placed upon the original legislation touching this question of insurance. I think my honourable friend should furnish the House with information as to what opinions have been given or accepted by the Government touching the interpretation placed upon the original Act, thus necessitating an interpretation being placed upon it by an Act of Parliament, which of course does not permit of any departure whatsoever.

Then, it seems to me that, impliedly, we must come to the conclusion that this Bill is the outcome of a contrary interpretation having been placed upon the legislation already on the Statute Book. What interpretation is it? By whom was it given? To what extent has it been followed? ? And is it proposed now, entirely irrespective of the original insurance legislation to adopt a radically different interpretation from that which Parliament contemplated applying to it at the time of its enactment? These are all very important questions, and it seems to me that if the Senate as a revising body is intelligently to consider questions of this kind we should have this information before us, so that we may know where the origin of the Bill lies, and why it is necessary to pass this particular legislation.

Hon. Mr. DANDURAND: Will the honourable gentleman move the adjournment of the debate on the second reading?

Hon. Sir JAMES LOUGHEED: Yes, I will move the adjournment of the debate.

Hon. Mr. GRIESBACH: Where will we be when we have done that? Where do we stand with respect to the appointment of the Committee, and in reference to the information we ask for?

Hon. Mr. CALDER: Take the first Bill, relating to insurance. I am asked at the present time to approve of the second reading of this Bill, involving the principle of the Bill; yet I know absolutely nothing about it. There is a great deal of information that I want, and that I cannot get unless the Government brings it down. Are you going to ask me to-day to approve the second reading of this Bill? I cannot do it.

Hon. Mr. GRIESBACH: I am asking, simply as a matter of procedure, where we will be.

Hon. Mr. CALDER: Where we will be is this. This House is entitled to certain information before the second reading of any of these Bills, and that should be brought down before we are asked to pass the second reading. This matter has been thoroughly threshed out before a Royal Commission and

in the other House, and the honourable leader should be able to bring down that information. Then we can agree to the second reading of these three Bills, and they can be sent to a special committee; but I do not feel disposed to vote for the second reading of any of these Bills without the special information I want.

Hon. Mr. GRIESBACH: If information is brought down, such as is asked for by the honourable member for Moosejaw (Hon. Mr. Calder), then there will arise questions that will further postpone the discussion. The proposal made by the honourable gentleman from Lambton (Hon. Mr. Pardee) strikes me as more reasonable, because that Committee can assemble the information asked for, and in addition can send for people and have them before the Committee to give verbal information, and thus there will be no loss of time. I would favour the proposal to have a Committee at once, and leave them to assemble the information asked for by the honourable gentleman from Moosejaw, in addition to which they could have other information and other persons and documents brought before them.

Right Hon. Sir GEORGE E. FOSTER: It strikes me that it is the most efficient way, and in the end the most speedy way of getting at what we desire. I am quite certain that every member, as he comes to look into these Bills, will require certain information, and we cannot get that information in any better way than to confer with a good Committee around a table, go through the Bills, find out what information we want with regard to each one of them; and we can bring officials of the Government and reports of the Government before us. This would be the most efficient and speedy way of dealing with the matter.

Hon. Mr. CALDER: There is no objection to that, providing that the House, in adopting the second reading of these Bills, does not approve of the principles involved.

Right Hon. Sir GEORGE E. FOSTER: Certainly we must have the information first.

Hon. Mr. CALDER: Undoubtedly that would be a desirable course as long as it is clearly understood that we are not approving of these Bills without having that information before us.

Right Hon. Sir GEORGE E. FOSTER: It can be well understood that the Bill is sent to the Committee without committing ourselves to the second reading.

Hon. F. B. BLACK: It is advisable to refer all these Bills to a select committee in order to get correct information. I am naturally in sympathy with anything that may be done to help the returned man who is incapacitated to earn his living and to place him in the same condition as he was before he went to war, and also to help his dependents. These Bills have not been in our hands long enough for us to give them proper study and digest them even if we had set ourselves to do so. I spent all the morning with these Bills and the report of the Commission, and we had the advantage of the presence of one of the returned men who is very much interested in the Great War Venerans' Association, but with the little time we had for study I must say I was very much at sea. So far as Bill 203 is concerned, while its passage will undoubtedly entail some increased expenditure on the part of the country for the returned men, yet I do not see in the Bill anything that is objectionable, while I see a great deal that is advantageous and just to those who are now suffering and incapable on account of the late war.

But when we come to Bill 204 and Bill 205, there are so many new conditions introduced into the situation that it will take a great deal of study to know whether they are of advantage to returned men and to the country as well. With the little information I have before me I cannot possibly see why it is necessary to appoint two additional Boards and an additional Supervisor at a cost of a great many thousands a year, to be paid not to people who need the money, but to those who are going to administer the Act. Until I get further information, I would say that the money we propose to spend in those various tribunals should in some way get to those who need it. I am all for giving the men who suffer, and who cannot earn all that they should, everything they should get. In these days of financial stringency and stress I am not in favour of multiplying Boards and tribunals which will only eat up the money of our country without doing any good to the returned men.

With these views, which I hold very strongly, I would like to see these Bills referred to a Committee who will consider them with every sympathy towards the incapacitated returned men.

Hon. GEO. H. BRADBURY: It does seem unfortunate that a Bill so important as this, to help men who have rendered such splendid service to the country, should be brought down at this late date in the Session. Every-

body realizes that there is a rumour going around the street to-day that Parliament is to prorogue a week from Thursday. It seems to me it is going to be very difficult for this House to secure proper information to enable it to deal with this important matter in an intelligent manner. It is unfortunate that the Government has not been able to send the Bill down to this House much earlier. I am sure that in this House and in the other House there is a desire to do justice to those men who are seeking relief from disability; but unfortunately very important Bills entailing immense expenditures come down at a time when it is almost impossible that we should appoint a special committee and be able to deal properly with them so late in the Session.

Hon. A. H. MACDONELL: I think everybody in this Chamber is anxious to do everything possible for the returned soldier; but in reading Bill 205 it seemed to me that there was but one end in view, and that was the wiping out of the entire personnel and machinery in connection with the Department of Soldiers' Civil Re-establishment. I would like to ask the honourable leader of the Government if that is the end in view in that Bill 205. I think, with other members of the House, that the best thing to do with this whole question is to put it before a select Committee to study and digest the whole matter from start to finish before any definite action is taken with regard to Bills 204 and 205 in particular.

Hon. Mr. DANDURAND: We could perhaps adjourn the second reading until to-morrow. I feel that the Committee should be selected. My honourable friend who sits opposite (Hon. Sir James Lougheed) has just informed me that he is of a like feeling. The Veterans' Association has sent me a letter asking if there were any questions that could better be elucidated by them appearing, and suggesting that we give them a chance to be heard. Between now and to-morrow we will examine into the personnel of that committee. I will move the second reading of these Bills, and give very concise explanation of them. I am not very familiar with the working of these Departments, and I asked some houourable gentlemen who are familiar to add their own knowledge to the very limited acquaintance I have, and they very agreeably accepted the task. We may, I think, proceed more rapidly to a solution if we go to Committee and begin by finding out who are the half dozen men who can give us first-hand information, so that we shall not have to proceed as they did in another place where the investigation seems to have been drawn out from week to week. As it is possible that the Session may not outlast the week to come, it seems to me that we could at our first meeting try to select the proper men from the Department and from the Returned Soldiers' Associations and get from them the best information available to enable us to come to an early conclusion.

Hon. Mr. FOWLER: How many members do you propose to have on the Committee?

Hon. Mr. DANDURAND: I intended suggesting 14 or 15. Before the debate is concluded it might perhaps be as well to have the opinion of the House.

Hon. Mr. FOWLER: I think it should consist of 15.

The motion was agreed to, and the debate was adjourned.

SOLDIERS' CIVIL RE-ESTABLISHMENT BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 204, an Act to amend the Department of Soldiers' Civil Re-establishment Act.

He said: Honourable gentlemen, in moving the second reading of this Bill, I will give a short explanation. It will be noticed that this Bill is interlocked with Bill 205, an Act to amend the Pension Act, because it passed on to the boards established under that Bill the appeals and the decisions made under this Bill.

Under the Pension Bill which is now on the Order Paper it will be seen that a certain number of appeal boards will be constituted in different units throughout the country. The Pension Act, however, only deals with pensions. It is desired also to provide appeals for those ex-members of the force who are seeking treatment with pay and allowances. As hon. members are aware a number of men apply for treatment and are denied treatment with pay and allowance by the Soldiers' Civil Re-establishment Board. As the right has been granted to appeal from a decision of the Pension board it is also proposed that the right shall be granted, in cases where treatment is denied to appeal from the decision of headquarters to the boards that will be constituted under the Pension Act.

The second portion of the Bill provides for the appointment of a soldier adviser in every unit of the department, thus following the example which has been set in England. In every one of the thirty units in that country there is a soldier adviser who is paid by the government to give advice to the men who desire to appeal, that is to examine their claim, and to advise them as to the propriety of appealing or not appealing, and to present their case before the board. In other words to represent them. This has been asked by the men generally throughout Canada and it has been recommended by the royal commission.

That third part of the Bill is a provision to give power to these investigators of the department to re-

ceive evidence on oath. This provision exists for the Pension board. In the Pension Act there is a clause, I do not remember which one, which provides that the investigators or the examiners of the Pension board can receive evidence on oath. We have numberless investigations to make in connection with treatment and with pensions. The Officials of the Department of Soldiers' Civil Re-establishment have no power to swear a person who gives evidence in these cases, and this provision is designed to prevent fraud as much as possible.

Hon. Sir JAMES LOUGHEED: I move that the debate be adjourned until to-morrow.

The motion was agreed to, and the debate was adjourned.

PENSION BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 205, an Act to amend the Pension Act.

He said: Honourable gentlemen, the first report of the Royal Commission deals entirely with the complaints presented by the Great War Veterans regarding the action of the Pension Board in respect of certain clauses in the Pension Act due to the interpretation placed by the Board on these sections. Two sections especially complained of are section 11 and section 25, subsection 3. Section 11 is the most important section in the Pension Act. It specifies the persons who may be awarded pension. Section 25, subsection 3, deals with the subject of disabilities antedating enlistment. Section 11 as incorporated in the Act of 1919 created an insurance principle, and permitted the granting of pension in respect of disability or death attributable to, incurred, or aggravated during military service. It provided, however, that in cases of disability or death after the declaration of peace no pension should be paid unless such disability was incurred or aggravated, or such death occurred, as a direct result of military service. This was interpreted by the Pension Board to mean that any disability becoming apparent or any death occuring after the declaration of peace unless the disability or death could be shown to be the direct result of military service, would not be pensionable.

It was considered that the declaration of peace took effect on the 10th January, 1920. During the Session of 1920 an amendment was therefore made to the Pension Act, under which the "due to service principle" was definitely incorporated. This was further strengthened by an amendment made in 1921, under which the words "as such" were added to the words, "was attributable to military service."

The Royal Commission, in surveying the records of the Parliamentary Committees and

of the representations made to Parliament in connection with these amendments, reached the conclusion that the amendments referred to and the provision in the 1919 Act regarding the declaration of peace, were not intended to apply to members or ex-members of the Canadian Expeditionary Force, but only to the Permanent Force or those enlisted for service after the declaration of peace. The correct date for the declaration of peace was 31st of August 1921; so that if the interpretation acted upon by the Pension Board after submitting the amendments in 1920 had been correct, the limitation based on the wording of the original Act was anticipated by one year.

The Royal Commission found that the insurance principle was intended to apply for all time to members and ex-members of the Canadian Expeditionary Force; and the amendments made by Bill 205 in this regard are for the purpose of making the Act clear in accordance with this finding.

The second portion of the Act to which attention was drawn by the G.W.V.A. is section 25, subsection 3. This subsection provides that where a man has seen service in an actual theatre of war, any pre-enlistment disability, unless it was wilfully concealed, obvious, not of a nature to cause rejection from service, or a congenital defect, would not cause a reduction in his pensionability. It was maintained by the Pension Board that pensionability must be accorded under section 11 before this provision could become effective; in other words, that a man entering a theatre of actual war with a disability of a certain percentage, and being found on discharge to have the same disability in no way aggravated, would not be pensionable; and that if he became pensionable because of an aggravation, the entire pension should be discontinued after the aggravation had ceased.

The Royal Commission recommended that the relation between section 25, subsection 3, and section 11 should be referred to Parliament for such action as might be deemed advisable. The Commission also recommended that when pension for aggravation had been awarded it should not be entirely discontinued until the disabling condition had ceased.

In order to make perfectly clear the relationship between section 25, subsection 3, and section 11, the former has been transferred and made a subsection of the latter. It has not been considered necessary to add a provision to the effect that no pension shall be payable in respect of a disability which existed prior to enlistment and which has not

been aggravated during service, owing to the fact that it would be very difficult to find any such disability which did not fall under one of the exceptions covered by the words, "wilfully concealed, obvious, a congenital defect," etc.

Bill 205 is practically in two parts. It deals with clause 11 of the Act of 1919, which was amended by the Act of 1920. It re-establishes the right of the soldier to be compensated not only for casualties which were attributable to his military service, but to casualties that occurred during his service. What this would represent in the way of an increase in the number of pensions I cannot say. That is a question which could well be answered by the Department, which must have fairly clear data on this point.

The second part of the Bill proceeds to satisfy the returned soldiers whose pensions have not come up to their own estimate. They clamoured for a Board of Appeal from the decisions of the three Commissioners. Various systems of appeal and review were suggested to the Royal Commission. They have chosen the alternative of appointing nine district boards one for each military district. I think the Maritime Provinces form only one district; Ontario and Quebec have each more than one.

Hon. Mr. BRADBURY: What does the Appeal Board consist of?

Hon. Mr. DANDURAND: I think there are three members in each of these districts.

Hon. Mr. FOWLER: Do they work without salary or are they paid?

Hon. Mr. DANDURAND: They will have to be compensated. They are paid so much per diem, and I believe they are not obliged to give all of their time to this work.

It will be seen that there is a class of soldiers to whom the principle contained in the Act of 1920 was applied and who claimed to come under the general insurance principle of 1919, who will have to go before the present Board as constituted to obtain a revision of the decision which was rendered upon a different text. In these cases it is not an appeal, but simply a revision.

Hon. Mr. FOWLER: Supposing the applicant was passed by a previous Board, does he have to be passed again by the next Board or would it only deal with cases where pensions were refused?

Hon. Mr. DANDURAND: Any man who complains of having been refused absolutely, or having been given less than he wanted, will go before the Commissioners; or, if he has been refused absolutely, he may go direct to the District Board. The District Board renders no judgment, it simply makes a recommendation to the Pension Board. If the recommendation is in favour of granting more to the complainant, and is agreed to by the Pension Board, that ends the matter; if it is not agreed to, there is an appeal lodged with a Federal Appeal Court which will sit in Ottawa. The soldiers may go to the Pension Board and from the Pension Board to their respective districts; from there they may return to the Board; and from the Board they go to the final Court of Appeal which is to be established here.

Hon. Mr. FOWLER: By that time they would be dead, I should think.

Hon. Mr. DANDURAND: This is the recommendation made by the Royal Commission. As I said, other forms of redress were suggested. I do not know that they were discussed very thoroughly in the other Chamber; but we may take cognizance of them when we go into Committee.

Hon. W. B. ROSS: I would like to ask the leader of the Government whether Bill 205 is intented to deal only with the pensions of soldiers who were wounded in the Great War, or whether it will apply to pensions of men who were in the Fenian Raid or the Northwest Rebellion? I cannot quite get the meaning of subsection 2 of section 6. What is it there for at all?

Hon. Sir JAMES LOUGHEED: This covers all of Canada's wars, I suppose, does it not?

Hon. W. B. ROSS: I do not know quite how or why that comes in. If it merely effects a transfer in the paying of pensions, leaving the pensions as they are, it seems to me a useless sort of thing. There have not been any difficulties in reference to the officers of the Department paying the pensions.

Hon. Mr. DANDURAND: I cannot furnish my honourable friend with any further information than he has before him in the Bill. We can get all the necessary information when we go into Committee.

Hon. Sir JAMES LOUGHEED: I would move the adjournment of the consideration of the Bill until to-morrow.

The motion was agreed to, and the debate was adjourned.

JUDGES BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 201, an Act to amend the Judges Act.

Hon. Mr. ROBERTSON: May I require of the leader of the Government whether it is his intention to amend the Judges Act so that under the amended Industrial Disputes Act the Chief Justice could appoint a judge as chairman of a board of conciliation?

Hon. Mr. DANDURAND: I took it for granted that the opinion of this Chamber as largely expressed was that we should not modify the principle we laid down, that the judges should not receive any extra remuneration. It has been pointed out that by Order in Council the judges may be authorized to sit. My honourable friend (Hon. Mr. Robertson) may know whether that solves the difficulty or not. I would have to consult my colleagues on that point.

Hon. Mr. ROBERTSON: I thought the expression of the House, when we were discussing the Industrial Disputes Investigation Act and Bill 84, was given rather on the point whether the Minister of Labour or the Chief Justices of the various Provinces—or the Chief Justice of the Supreme Court of Canada, as the case might be—should name the third arbitrator. I did not understand it to be the sentiment of the House that judges should not be used as chairmen of boards and compensated.

Hon. W. B. ROSS: Honourable gentlemen, I would like to say just one word about this compensation to the judges. I think this Chamber has expressed itself as quite favourable to compensate the judges as liberally as the other House can be led to treat them. There has never been any cavil in this House about the salaries, and I think that the mind of the Senate was that the judges should be well paid. But we have all had, too, the theory that a man cannot be in two places at one and the same time, and if a man is acting as arbitrator and receiving his salary as a judge, there is no reason why he should be paid anything more. Because it is a fallacy to suppose that a judge leaves his work, goes out on an arbitration and then comes back and has to do double work. That does not happen. If he is appointed an arbitrator and leaves the court, the other judges do the work. I have no sympathy at all with the suggestion that an allowance should be made to the man who acts as an arbitrator. However, I do not want that mixed up with the question of the judge's salary, because I am quite willing to treat that liberally when we come to it. What I object to is double pay for single work.

Hon. Mr. FOWLER: Honourable gentlemen, there seems to be a mistaken idea on the part of certain laymen in this honourable Chamber that the judgment delivered by a judge and the care with which he tries a case depends upon the amount of remnuneration he gets. I have not so low an opinion of the judiciary of this country as to think that. It is an entirely mistaken idea. If a judge were working for nothing, and finding himself, he would still give to any case coming before him that care and patient investigation that it deserved, and would decide it according to the very justice of the cause. That is my view of the judges of this country, and on the part of the judiciary, for whom I entertain the very highest respect, I resent any such imputation as some honourable members of this House, perhaps unwittingly, perhaps without considering the force of their words, cast upon the judiciary of Canada.

But while we are on the subject of this Bill I would like to ask the honourable gentleman who leads the House whether he has considered the case of judges who exercise dominion in a court of far higher jurisdiction than the court which has received the beneficence of the Government to the tune of at least one-third more salary than they had been paid; to wit, the various County Court judges of the Province of New Brunswick and all the other Provinces as well. The jurisdiction as related by the honourable the leader of the Government is only that of a stipendiary or police magistrate in my Province, who is not of necessity a trained lawyer at all. He has equal jurisdiction with the gentlemen to whom the honourable leader has referred.

Hon. Mr. DANDURAND: I believe my honourable friend is in error.

Hon. Mr. FOWLER: I am not in error. With respect to some matters, such as matters of contract, they have exactly the same juris diction. The County Court judges in New Brunswick have jurisdiction in matters of contract up to $1,400, and in matters of torts up to $200, and, besides, they sit in all such cases as have been enumerated by my honourable friend the leader of the Government. They sit in cases with regard to municipal matters, taxation, assessment, etc., the same as his judges do. So why those gentlemen in Montreal should be singled out I do not un-

derstand. As I have already pointed out, our County Court judges must devote their whole time to their judicial duties. They are not permitted to do anything else. They cannot practise their profession, or engage in mercantile pursuits, or add to their income in any other way. They have to live upon the same income. They probably have to eat as much and to wear as much clothing as the judges in the Province of Quebec. I do not like this insidious distinction. It does not make for good government to have judges in one Province getting much more money than judges in any other Province, and it is not right.

My honourable friend (Hon. Mr. Dandurand) speaks about the ability of those men. Now, we have some County Court Judges—I have in mind at least two that I could name in my Province—I am not going to name them, because that would not be right—who would grace the Supreme Court Bench quite as well as any of the occupants of that Bench. They have just as much legal ability, just as fine legal minds, just as good judicial sense, as the men who are in the Supreme Court, yet they are receiving only $5,000 a year, whereas in Quebec or in Montreal—I suppose it applies to Quebec too—

Hon. Mr. DANDURAND: No.

Hon. Mr. FOWLER: Only to Montreal. I am a great admirer of Montreal as the metropolitan city of Canada and always look upon it with pride. It is big in every way. It is big in its desires as well as big in its prosperity, and naturally a citizen of Montreal may feel that he is better than a citizen of any other city of Canada. Coming from the great metropolitan city of Canada, he feels that he is more important; he feels that he should be considered from a different standpoint than men of other cities. But, after all, we must provide for the remuneration of judges on a fair and equitable basis. I do not say that judges of the County Court are not well paid. I think they are fairly well paid, considering the pension system. I suppose that applies to your so-called Circuit Court judges as well. The pension is a considerable item in a judge's remuneration. It would take a long time for him to put away money enough to buy an annuity that would equal the payment to him for life of his full salary at the time of his retirement. All this has to be taken into consideration when you are looking for an increase of judges' salaries, and from that standpoint, considering the earning power of the great mass of the people of this country, I think our judges are pretty well looked after. But you must not be unfair to judges in one section and be more than fair to judges in another section, and it is such inequality of treatment that I resent in this legislation.

It is said that the judges in Montreal are hard worked. I will guarantee that they do not work more than eight hours a day. A great many people in this country work eight hours a day, and some work a good deal more. A man can do only a certain amount of work within eight hours. A judge who is not occupied all his time has to remain on tap all the time, and he might as well be working—much better. Work is the salvation of the world. Work is the greatest thing in the world; there is no question about it. The people who work are the salt of the earth, whether they work with their hands or with their brain: it makes no difference.

So I trust that the honourable Minister, who I know has a very equitable mind in most things, will convey to his colleagues the feeling of the majority of this Chamber that there has been an element of unfairness about the selection of the three judges in Montreal for this extra endowment, while judges in other Provinces occupying even higher positions in the judicial scheme than those particular judges, are left out of consideration.

Hon. Mr. DANDURAND: I will draw the attention of the Minister of Justice to the remarks of my honourable friend.

Hon. Mr. BELCOURT: May I add a word to what has been said with regard to judges. I would go further than both my honourable friends from New Brunswick in regard to judges working outside of their natural habitat. I object to judges sitting on commissions whether with or without pay. I do not think they have any business to sit on commissions. They are appointed for the purpose of presiding over courts and dispensing justice in their community. That is their proper function, and every time they go outside their sphere they are causing a serious detriment to the administration of justice. I have not yet heard of any commission presided over by a judge against which strong, sometimes very strong, accusations have not been made. They have been and are being made against every commission. They are very likely unjust, unfair and groundless; they may be wholly untrue; but some of the mud sticks, and who is it that suffers? It is the judiciary every time. For my part I think we ought to prevent that if possible. If there is anything upon which the stability and future of this and every other country depends, it is

a due and proper respect for the judiciary. If that is destroyed or lost, nearly everything else is lost. I have frequently expressed my opposition to judges acting on commissions, and I may be allowed to repeat what I have so often said. Within the past ten years we have seen judges, some holding the highest positions in a Province, come down to Ottawa and lobby in order to obtain appointment as referee, umpire, or arbitrator. What could be more injurious to the judiciary than that judges should be allowed to come here, and, like ordinary office seekers, lobby or beg for appointment on a commission. I am not inventing anything. This fact is known—known in one case at least. Surely we have to stop that. Why not confine the judges to their natural function, that of administering justice, and keep them out of political party quarrels, for commissions are generally the result or the object of a political quarrel. I cannot speak too strongly, because I feel very strongly on this subject. It seems to me that we are making a very grave and serious mistake every time we allow a judge to go out of and do something that is not strictly within his judicial function.

Hon. Mr. ROBERTSON: That being my honourable friend's view, does he not agree that it is a mistake to make the Chief Justice of a Province, or the Chief Justice of the Supreme Court of Canada, the storm centre around which all the criticisms and attacks, both of employers and employees in Canada, are made?

Hon. Mr. BELCOURT: That is an altogether different thing.

Hon. Mr. ROBERTSON: There is no difference at all.

Hon. Mr. BELCOURT: Perhaps my honourable friend will allow me to point out the difference. The judge does not take part in the quarrel.

Hon. Mr. ROBERTSON: He is responsible for the result.

Hon. Mr. BELCOURT: He is not responsible for anything; he is simply told that he must choose the third person to act on the board. He makes the nomination. That is all he is responsible for.

Hon. Mr. ROBERTSON: He is held responsible for his choice by those affected. He cannot avoid it.

Hon. Mr. BELCOURT: Of course he will be held responsible by the whole community for the choice he makes. If the Chief Justice of Quebec, the Chief Justice of Ontario, or the Chief Justice of Canada, should appoint somebody who is unworthy to act in a position of that kind, of course the judge would be criticized, and very deservedly.

Hon. Mr. CASGRAIN: Everybody talks about the judges. Why not say a word for the poor litigant? When judges go on those wandering commissions they are not attending to their business. There are cases that I know of which have been standing in the courts of Montreal for five or six years. It is a real denial of justice not to obtain judgment. One party or the other must be in the right; they cannot both be wrong. Someone is going to get judgment in his favour. A judge who is employed on other matters is neglecting the poor litigant, and I think the litigants, every one of them, would vote in favour of confining the judges to the work of rendering judgment and not permitting them to delay the administration of justice. The delay of judgment is simply a denial of justice.

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

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill Y5, an Act for the relief of Mary Elizabeth Conkey.—Hon. Mr. Blain.

Bill Z5, an Act for the relief of Margaret Marie Pope.—Hon. Mr. Bennett.

Bill A6, an Act for the relief of Loretta May Girard.—Hon. Mr. Bennett.

Bill B6, an Act for the relief of Birdena Frances Wallace LeMay.—Hon. W. B. Ross.

CANADA TEMPERANCE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand the Senate went into Committee on Bill 43, an Act to amend The Canada Temperance Act.

Hon. Mr. Blain in the Chair.

At six o'clock the Committee took recess.

The Committee resumed at 8 o'clock.

On section 1—importation of intoxicating liquor prohibited:

Hon. J. D. TAYLOR: Before this section is carried I want to refer to the statement made when this Bill was last before the Senate, that this measure had come to us unanimously from the other House. Of course, if for two years in succession a measure had come to us unanimously from the House of Commons, that would be a fact to which we would be bound to give very serious consideration. But that statement is very far from being in accordancce with the record, and, in justice

to the Senate, I think it should not be allowed to pass unchallenged. In another place, where this Bill was introduced, it was very vigorously combatted by no less a person than the leader of the Opposition, who gave what seemed to me very strong reasons why the Bill should not be passed—not because it was for or against temperance or prohibition, but on the constitutional ground that it was a mischievous and dangerous interference with the prerogatives of the Central Government which were being handed over to the Provincial Government without any proper expression of the will of the people of the Province affected. It seems to me that, when any reference is made in this House to the action of another Chamber, a fact of the kind I have indicated in connection with the leader of the Opposition there, who is certainly a high constitutional authority, should not be put in the background.

Again, there were the utterances of the members from the Province chiefly affected. The only members from that Province who had anything to say in favour of the Bill—and they were very brief indeed—were members who support the Government on every occasion. While of course they are entitled to their opinions as well as anybody else, I think the fact that if they were heard from at all they were bound to be heard from in support of the Government or else to violate all their traditions, would be some excuse to us for not paying too close attention to their opinions on this Bill. As I see it, they gave to this Bill the mechanical support that might be expected from them. On the other hand, the gentlemen not bound by tradition and habit to support the Government were very outspoken in criticism of this measure and in expressing the hope that it would not be passed as it was before the House. As for allowing it to go unanimously, they actually took the sense of the House of Commons on an amendment asking that this Bill be not put into effect until the will of the electors of British Columbia had first been ascertained by means of a referendum.

That is the position in which this measure comes to the Senate—not with the unanimous consent of the House of Commons, but with the advice of the representatives of British Columbia in the House of Commons that before it goes into effect there should be a plebiscite taken upon it.

At the close of the discussion on the second reading the other evening emphasis was laid upon the fact that every Attorney General in Canada, at least every Attorney General that had been heard from—had sent a message here supporting this measure. I ventured to suggest the other evening, and I repeat the suggestion now—it is not a frivolous suggestion, but a serious one which I think comes within the personal knowledge of every member here—that when the Attorneys General sent the messages they had no real knowledge of the measure as to which they addressed this Parliament. One of them made that plain by stating that his support was of the measure recommended by Attorney General Manson of British Columbia—I forget the exact language, but that was the effect of it—whereas the measure now before the Senate is not at all the measure laid before Parliament by the Attorney General of British Columbia. I think it was the leader of the House who, when I said something of this kind, asked, "Why quibble?" I submit in all seriousness that that is no quibble.

Hon. Mr. DANDURAND: I do not remember that I used the expression; nor did I use it at that stage. I remember saying that if the Attorney General of Alberta favoured the legislation as introduced in the House of Commons, a fortiori he would support this measure, which seems to be an improvement upon the measure as introduced in the House of Commons.

Hon. Mr. TAYLOR: This may or may not be an improvement.

Hon. Mr. DANDURAND: I think my honourable friend will admit that it is.

Hon. Mr. TAYLOR: That is susceptible of argument. I have not yet been brought to that stage of submission that I admit it.

As to the references to the several Attorneys General, they can very well afford to be generous with something that does not belong to them—that costs them nothing. As I showed the other evening, this measure prevents British Columbia from taking advantage of the peculiar conditions of navigation on the Pacific wihch now prevent any ship from across the ocean, or from anywhere for that matter, going into an American port with liquor on board. These ships are already coming into Victoria, discharging their cargo and proceeding to Seattle dry, and on the return taking on the liquor again at Victoria; and they are doing that, as I learn from the press, by express consent of the Attorney General of British Columbia. For my part I do not see where his express consent is necessary, but that is the statement.

Hon. Mr. BELCOURT: Can my honourable friend tell us where they get this liquor that they bring back to Victoria?

Hon. Mr. TAYLOR: They get it from across the Pacific—in Japan, China, and Australia.

Hon. Mr. BELCOURT: Not in Seattle?

Hon. Mr. TAYLOR: No. I will read to the honourable gentleman the particular message that I have in mind, although there are others to the same effect. This is very short:

Lands Liquor at Victoria on Way to U.S.

Victoria, June 12.—The steamer *Africa Maru* of the Osaka Shosen Kaisha landed her liquor supplies at Victoria yesterday morning before proceeding to Seattle. The liquor will be picked up again by the vessel when she is going to sea on her return voyage.

The *Africa* was the first ocean vessel to make port en route to the United States subject to the new United States liquor restrictions, which went into effect Sunday.

The discharging of the liquor at this port was done following negotations with the customs. The sanction was also necessary of the attorney-general of the province.

Hon. Mr. DANDURAND: Just as it is stated that transatlantic shipping may stop at Halifax on the way to New York.

Hon. Mr. TAYLOR: Yes, precisely. That was the point I was coming to—that the condition promised us at Halifax is now actually in effect in British Columbia; and while such is the case there comes the Attorney General of the province of Nova Scotia—I think his was one of the messages read to us the other night—whose province takes full advantage of the conditions prevailing on the Atlantic, which affect the provinces of Nova Scotia, New Brunswick and Quebec, and under which foreign ships can make Halifax a port of call and leave their liquor there before proceeding to the United States ports. He is enjoying that advantage, and while enjoying it he sends a confident message to Ottawa saying in effect: "I am entirely in favour of this Bill, which will prevent the province of British Columbia enjoying the privilege"—if it is a privilege—"now being enjoyed at my home port of Halifax." So I say that this attorney can very well afford to be generous in a matter which costs him nothing, but which is very serious to the people of British Columbia.

The same with the Attorney General of New Brunswick. Ships are coming into his port of St. John, or are privileged to come in, discharge their liquor there, and take it on again as they go out. He sends a message here to say: "I am well content that you should forbid to Victoria and Vancouver the rights that we have at the ports of St. John and Halifax." As to him, again I say that he can well afford to be generous in giving away our privileges.

So far as Quebec is concerned, I do not know that there is a message from the Attorney General of Quebec, but the same condition would apply there.

Now, I say that I am entitled to believe that those honourable gentlemen who sent us those messages do not know the effect of this Bill. They may know the purport of it. I feel sure they do not know the effect which its peculiar draftsmanship has given to it. We have many expressions from the press—

Hon. Mr. DANDURAND: Before my honourable friend leaves that point I would like him to make it clear. I would like to understand the attitude of my honourable friend. Is he against this Bill because, among other reasons, he is against the closing up of the export warehouses? From the trend of his argument, he seems to be.

Hon. Mr. TAYLOR: I would rather not be judged by surface seemings; I would rather be judged by my own statements.

Hon. Mr. BELCOURT: May I put it in another way? Does my honourable friend object to the steamer leaving the liquor in Vancouver or Victoria while it goes to Seattle, and on the way back picking it up?

Hon. Mr. TAYLOR: No. What I am trying to impress on this House is that so long as we permit that privilege to be enjoyed at Halifax, St. John, Quebec, and Montreal, we should not, by legislation of this kind, deny it to Victoria and Vancouver.

Hon. Mr. BELCOURT: You want the same privilege?

Hon. Mr. TAYLOR: Yes, we want the same privilege that exists in Eastern Canada, and no more. We do not want, under a misapprehension, to be denied the privileges that are given in Eastern Canada.

There has been some support from the press for this legislation.

Hon. Mr. BELCOURT: May I ask my honourable friend if the objection on the part of the Attorney General of British Columbia is that the present practice leads to bootlegging? Does he object to the steamer doing what my honourable friend has just described?

Hon. Mr. TAYLOR: My own opinion is that the Attorney General does not object to it at all, but that without understanding what he is doing he has sent us a Bill to pass which prohibits something that he is perfectly willing to allow. That is my honest impression.

Hon. Mr. BELCOURT: Does he not claim that that is likely to interfere with the business which he carries on in the Province?

Hon. Mr. TAYLOR: Oh, no; because they do not bring it in for sale. But he is asking us to pass a Bill the effect of which would be to prevent the steamer from bringing any liquor at all into British Columbia, even under seal and in bond. The effect of this Bill would be to make those ships come in dry.

Hon. Mr. BELCOURT: Then he does object?

Hon. Mr. DANDURAND: No.

Hon. Mr. TAYLOR: No. If the honourable gentlemen will permit me. I say that this Parliament is doing a foolish thing in connection with this legislation, in adopting verbatim et literatim a measure sent to us by the Attorney General of British Columbia, without this Parliament having taken any trouble to ascertain what it really means. We are jumping to the conclusion that because the Attorney General sends it here it must be a good thing for British Columbia. I say that the Attorney General has sent us something which he himself does not want and which would be mischievous in its incidence if we were to pass it as it is now before this House.

As to some of the press reports of this legislation and some of the abuse, mild or virulent, of the Senate, I intend to read a few lines from a most respectable authority, an authority for which generally I have very great respect, I mean the Montreal Witness. Those of us who know the Montreal Witness, whether we agree or not with what it advocates, will, I think, give the publishers the credit of being sincere, and publishing what they honestly believe.

Hon. Mr. DANDURAND: But it is strongly prohibitionist.

Hon. Mr. TAYLOR: Strongly prohibitionist. This is what the Witness honestly believes as to this Senate:

> One thing for which the Senate might be looked to is a fatherly interest in the morals of the country. The very name Senate implies maturity. It is the common notion that even a man whose youth was full of foolish noise will wear his later manhood in fatherly style. We have our doubts. The heats of youth may abate, but that does not change the heart. What Canada has come to look for in her Senate is a defiance of the people's attempt to protect themselves by moral law. The members of the Commons may be no better than the Senators; but they have the people to face. The people's house passed a law empowering provinces to prohibit export of liquor. The Senate stood up for the brewers and distillers and slew it.

We have before us to-night a Bill with absolute reservation on behalf of whom? Everybody else in the Province is cut out, and there is absolute reservation for the brewers and distillers; yet this respectable and respected organ of public opinion in Quebec is so far from being informed as to the purport of this Bill that it slams the Senate for hesitating to do the very thing which this paper reprobates. That is a fair sample of the lack of information on the subject.

I have another paragraph, from the Toronto Globe, in my hand. I will not bother to read it, but in effect, it lays the bootlegging at the door of the Government liquor establishments of British Columbia and refers to their profit of 2½ millions in a year, as quoted, as evidence of the extent to which bootlegging from those stores must be going on. By some distorted process of reasoning the Globe apparently thinks that is another cause why the Senate should pass this Bill.

I said that the Attorneys General did not know what we were being asked to pass. I believe they do not. The Legislature of British Columbia asks us to pass legislation forbidding the importation of liquor for use within the Province—"for use therein" is the expression in their petition. They have asked us for nothing else. The Attorney General transmitted that request. He asked for nothing else. I have here a letter from the Prime Minister of British Columbia, addressed to the late Government—the first request for this legislation.

Hon. Mr. DANDURAND: What is the date?

Hon. Mr. TAYLOR: This is dated Victoria, January 3rd, 1921. He says:

> On behalf of the Government of the Province, as representing its electors, I therefore request that amending legislation be enacted at the coming Session of the Dominion Parliament prohibiting the importation of liquor into the Province for use therein, except by a Provincial Government; this legislation to supplement that to be enacted by our legislature for Government sale, to be contingent upon and to exist only during its continuance.

So there we have the Legislature, the Attorney General, and the Prime Minister of British Columbia all asking for something entirely different from what we propose to give them.

The honourable gentleman asked as to the bootlegging—

Hon. Mr. DANDURAND: But my honourable friend will admit that the request which is contained in that letter is being carried out in this Bill. It contains other provisions, but the request that importation of liquor for use in the province be prohibited, except importation by the Government Agency, is covered in this Bill.

Hon. Mr. TAYLOR: That is a very ingenious explanation, if I may say so.

Hon. Mr. DANDURAND: But there is virtue in it to that extent.

Hon. Mr. TAYLOR: If there is virtue to that extent, the extent is very limited.

Hon. Mr. DANDURAND: We shall see.

Hon. Mr. TAYLOR: The extent is very limited, because the use of those words in the request was a distinct limitation of that request—a limitation in deference to the express instruction of the electorate and the express enactments of the Legislature; for we have on the Statute Book of British Columbia, yet not challenged, Acts distinctly contemplating the introduction of liquor for everything but sale within the Province. So the amended request that we have before us is entirely without authority from either the Legislature or the people of the Province.

Hon. Mr. DANDURAND: But that enactmentment exists so long as we do not intervene with this Bill. The enactment by the Legislature authorizes importation under certain conditions, because we have not lent our power to prohibit it. That is what we are now doing.

Hon. Mr. TAYLOR: Oh, no.

Hon. Mr. DANDURAND: That is to say, if we pass the Bill.

Hon. Mr. TAYLOR: If we had given authority of this kind, the Legislature would not have dealt with the subject at all. But it is because they did not contemplate Federal interference, or a Federal concession of this nature, that they went to the trouble of making their express enactment, describing how liquor might be brought privately into the Province, and what was to happen to it after it was brought in.

Hon. Mr. DANDURAND: And blocking it to that extent.

Hon. Mr. TAYLOR: Before passing on I will refer to another communication from the Attorney General, to show in another respect that he does not understand what he is asking for. This is his letter of the 26th of January, the letter which unfortunately revealed the presence of that previous famous communication of the 16th. In his letter addressed to the late Solicitor General he says:

Dear Mr. McKenzie:

Re Canada Temperance Act,

With further reference to the above matter and my letter to you of the 16th, I should perhaps add, in case the question is raised, that in the event of the legislation being passed which is desired, the Government of this Province will not deal harshly with existing export liquor concerns. We shall give them time to dispose of their stocks and shall endeavour to be reasonable with them in all respects as the circumstances of the situation will permit.

Yours faithfully,

(Signed) A. R. Manson.

What does that say? The Attorney General of British Columbia, or the Government of British Columbia, has nothing whatever to do officially with the disposition of stocks from export or other warehouses in that Province. That is not under the Attorney General's jurisdiction now, and it will not be under his jurisdiction if this Bill passes. This Bill relates to importations solely. Yet he says that he will be very good to these export warehouses, which have been the cause of all the sin and the crime of which he complains, and which should be put out of business at once. He is going to be very good to them—not to deal harshly with them, but to give them time to dispose of their stocks, and "endeavour to be reasonable with them." How is he going to be reasonable with them? As I say, he cannot prevent their disposing of their stocks. Does that mean that he is going to give them an indefinite time to load up with more whisky from outside the Province, with which to do further bootlegging, before he puts a stop to what he says is a nuisance? If it does not mean that, if they have got the liquor illegally for bootlegging purposes, as he claims all these export warehouses have, does that mean that he is going to shut his eyes and wink at bootlegging for a further period of six or nine months, as the case may be? Or does it mean anything at all?

Hon. Mr. DANDURAND: In relation to this Bill it means nothing at all, because we have wiped out the export house.

Hon. Mr. TAYLOR: No, we have not wiped out the export house.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TAYLOR: No; we simply say we will not allow them to import any more liquor after this Bill comes into effect. But the Attorney General has the say as to when this Bill shall come into effect. Does his promise to deal kindly with the export houses mean that he will allow an extra time to elapse before he calls this legislation into effect, to give them time to stock up again and further debauch the people of Alberta and British Columbia and the United States?

Hon. Mr. BELCOURT: He must be absolutely insincere, then.

Hon. Mr. BARNARD: He is; there is no doubt about that.

Hon. Sir JAMES LOUGHEED: How did you strike it so well?

Hon. Mr. BELCOURT: If my honourable friend is right in his argument.

Hon. Mr. TAYLOR: I will subscribe to the judgment of the honourable gentleman.

Hon. Mr. BELCOURT: I do not say it is my judgment; I say if you are right in your argument, that is the logical conclusion. I am not quite sure that you are right.

Hon. Mr. TAYLOR: I am reading from his letter, and I am waiting for any other interpretation to be put upon it. I was going to say, because I did not like to impugn the sincerity of the honourable gentleman in his absence, that this letter shows again how little that honourable gentleman understands what legislation he is putting before this House.

Hon. Mr. BELCOURT: That is more charitable.

Hon. Mr. DANDURAND: I think I can easily explain the letter of the 26th, though I am not sure that I can do it to the satisfaction of my honourable friend.

Hon. Mr. TAYLOR: The honourable leader has a task before him.

Hon. Sir JAMES LOUGHEED: That is more than the Attorney General could do.

Hon. Mr. TAYLOR: As to bootlegging—

Hon. Mr. BELCOURT: Why would the Attorney General of British Columbia be desirous of continuing bootlegging, or furnishing the means for further carrying on bootlegging? Why should he? Why do you think he is insincere?

Hon. Mr. TAYLOR: If the honourable gentleman will permit me, I would say that the suggestion that he was insincere was offered to me by the honourable gentleman himself.

Hon. Mr. BELCOURT: Yes, but you very readily accepted it.

Hon. Mr. TAYLOR: If I harboured the thought I harboured it on the high authority of the honourable gentleman himself.

Hon. Mr. BELCOURT: What interest can the Attorney General of British Columbia have in permitting more bootlegging?

Hon. Mr. TAYLOR: That is a conundrum.

Hon. Mr. DANDURAND: All his efforts are to get rid of it.

Hon. Sir JAMES LOUGHEED: Yes, but my honourable friend is not serious, or so credulous as to think that bootlegging is confined to export warehouses, is he?

Hon. Mr. BELCOURT: I do not quite see that.

Hon. Mr. DANDURAND: There are very many more in the trade.

Hon. Mr. TAYLOR: I can illustrate that. I did so the other night, but it will not do any harm to repeat it, because we are on the very point of dealing with the main section of the enactment. The Attorney General recently has been much more active than before in exercising the powers he possesses. You know that in the opinion of the Department of Justice in Ottawa the Government of British Columbia already possesses all the power necessary to deal effectively with bootlegging, and all the real authority, in the way of preventing the abuse of the liquor law, that would be afforded by this Act. I will not bother reading it, but I have under my hand the opinion of the late Minister of Justice, and the opinion of the present Deputy Minister of Justice, to the effect that I state—that there is in the Canada Temperance Act at present all the authority necessary for effectively dealing with the business of which the Attorney General of British Columbia complains.

But under this legislation what happens? The Attorney General's own Bill says that no export warehouse in British Columbia may bring any more liquor into the province, which means that no wholesale dealer in liquor may continue his business in that province. This Bill says that, and it says at the same time that there shall be no let or hindrance whatever to wholesale dealers or to distillers or brewers in any other place—in Ontario or in Quebec for instance—passing their liquor through the province of British Columbia and landing it upon the very same ships from which this Attorney General says the bootlegging is now being carried on.

Now, that is in this Bill which we are to be asked in a moment or two to put into enactment, if we accept the first section—that we deny to the legitimate trade of the province of British Columbia the right which, by the express terms of this Bill, we confer on every distiller and every brewer in Ontario and Quebec, and in every place, in Scotland or anywhere else, outside of the province of British Columbia.

Hon. Mr. DANDURAND: But no different right from what will be enjoyed by the British Columbia distiller.

Hon. Mr. TAYLOR: No, not by the British Columbia distiller, but by the British Columbia dealer—the wholesaler, the exporter, which is a very respectable business in British Columbia, as in the provinces of Quebec and Ontario. For instance, we are denying that right to a firm which I have in mind, who are proprietors of the very dock at Victoria from which the steamers leave, who have their warehouse on the dock; we are denying to them the right to take a case of whisky from their warehouse and load it on the ship, load it at their own dock, the dock at which they have been loading merchandise for export for 50 years. Yet those parties may see a whole carload of liquor from Ontario or Quebec brought across their dock and put upon that same ship. That is one of the inconsistencies of this Bill.

Hon. Sir JAMES LOUGHEED: What is the clause in the Act that prevents the Victoria man from doing the same with liquor?

Hon. Mr. TAYLOR: The clause that prevents him from replenishing his stock, because he cannot bring any more into the province. But in order to be good to distillers the Attorney General makes a special exemption in their favour, which was not in the Act of last year.

Hon. Mr. BELCOURT: What is that?

Hon. Mr. TAYLOR: This paragraph about the distillers.

Hon. Mr. BELCOURT: What is the exception?

Hon. Mr. TAYLOR: The exception is that the Act does not apply to distillers or brewers.

Hon. Mr. DANDURAND: The word "brewer" does not come from British Columbia.

Hon. Mr. TAYLOR: No, but that is in this Bill. The effect of that is that it enables distillers to import immature Scotch whiskey, because we make only rye whiskey in British Columbia at present. The express intention of the amendment, and the effect of it, is to permit those distillers to import immature Scotch whiskey and by a process of blending and diluting to give it the age which, under the Excise regulations, will enable them, not only to sell it at once in British Columbia, but to export it from British Columbia.

Hon. Mr. BELCOURT: How can you sell in British Columbia?

Hon. Mr. TAYLOR: They can sell to the Government of British Columbia, and export it from British Columbia. Now, the cruel feature of this Bill is that while we put out of business respectable old-established export houses, we are offering special inducements to distilleries not now in British Columbia to come into the province, and already one of them has come, with headquarters at Winnipeg. We all know that there are no distilleries at Winnipeg, and yet in a recent issue of the British Columbia Gazette there appears a notice of incorporation to do business in British Columbia of a distillery company with a capital of $5,000,000, with headquarters in Winnipeg, for the purpose of operation in British Columbia, and of course the operation is to be under the provisions of the Act now before this House.

Hon. Mr. BELCOURT: Mr. Manson will look after that chap, will he not?

Hon. Mr. TAYLOR: This chap will look after Mr. Manson.

Hon. Mr. DANDURAND: Does the honourable gentleman object to that part of the Bill—to that privilege being given to the distiller?

Hon. Mr. TAYLOR: No, not to the distiller.

Hon. Mr. DANDURAND: Because if the honourable gentleman objects, we can discuss it and take up that point.

Hon. Mr. TAYLOR: I do not take the dog-in-the-manger attitude that because some person in whom I am interested is deprived of a privilege, therefore I want to deprive everybody of the privilege; but I do ask for fair play, and I do not think it is fair play, in the name of temperance or of prohibition, to suppress a bona fide exporter while offering inducements to mushroom distillers. There is nothing to prevent a whole crop of distilleries being established. I believe this one I have mentioned is bona fide; they intend to do business on a large scale. The one established in British Columbia already is bona fide, and it has a large capital invested there. But under this Bill a large crop of mushroom distilleries may be expected to spring up in that province, to use British Columbia as a base for the trans-Pacific export trade. We are asked to sanction that by this Bill. We are asked to sanction it in the name of stopping bootlegging of liquor put on shipboard for export.

Hon. Mr. BELCOURT: Does my honourable friend think that with this Bill the exportation from British Columbia will be stopped, or that the Bill is intended to do that?

Hon. Mr. TAYLOR: Oh, no: exportation will go on greater than ever.

Hon. Mr. BELCOURT: We are dealing with importation, not exportation.

Hon. Mr. TALOR: Surely.

Hon. Mr. BELCOURT: How are the dealers in British Columbia affected?

Hon Mr. TAYLOR: You are giving special exemption in this Bill to brewers and distillers.

Hon. Mr. BELCOURT: Distillers only, I understand.

Hon. Mr. TAYLOR: "Brewers and distillers," you have in the Bill. It is quite true that someone unauthorized put in the words "and brewers" at Ottawa. Do not obscure this point: the only contribution that Ottawa made to this legislation, the only two words that Ottawa put into this Bill, were those words, "and brewers." I do not know why it was done, because it was of no use to brewers —no legitimate use to them; but that is in the Bill

Hon. Mr. DANDURAND: I intend to strike out those two words, "And brewers."

Hon. Mr. TAYLOR: Yes, because Mr. Manson did not ask for them to be in; he only asked for "distillers." But he asked for a special concession to enable distillers to import for the purpose of re-export.

Hon. Mr. BELCOURT: Is that in this Bill?

Hon. Mr. TAYLOR: Yes, that is in this Bill.

Hon. Mr. DANDURAND: But will it not cover all the distillers in Canada, even those that are in the dry provinces like Ontario? Ontario has distilleries. Will those distilleries not enjoy the same privilege as that in British Columbia for the purpose of blending and flavouring?

Hon. Mr. TAYLOR: I am glad the honourable gentleman recognizes that. That is what I have been trying to make the House realize —that we propose by this Bill arbitrarily to confer on dealers, on distillers, on manufacturers, in Ontario and Quebec and Scotland, something that we are denying to our own dealers in British Columbia.

Hon. Mr. DANDURAND: Why not? The distiller of British Columbia will have the same privilege.

Hon. Mr. TAYLOR: The distiller who is not yet there, who is coming in next week or next month or the month following for that very purpose, will have a special concession in British Columbia, while the export house, warehouse, established exporter, in British Columbia—I do not mean those Manson mushrooms, I mean the established export houses—are being cut out while we are inviting mushroom distillers to come in.

Hon. Mr. DANDURAND: Does the honourable gentleman favour the maintenance of export houses? By his argument he seems to.

Hon. Mr. TAYLOR: Not the mushroom export houses. Not the export houses at Grand Forks, at Cranbrook, at Fernie, at places all along the American boundary.

Hon. Mr. McMEANS: Will the honourable gentleman explain what is a mushroom distillery?

Hon. Mr. TAYLOR: Yes. I would like to explain fully what a mushroom distillery is. It is a distillery which, by virtue of this legislation and the friendly co-operation of the Government of British Columbia, will spring up in a night; that has simply to acquire four walls of a warehouse and import its stuff under the special concessions of this Bill for flavouring and blending with water, which may be the sole local contribution to the product of that mushroom distillery. That is what I mean by mushroom distillery, and that is what this Bill permits.

Hon. Mr. MURPHY: Is not that committing fraud?

Hon. Mr. TAYLOR: Somebody asks me if I am in favour of warehouses. I am, but I am not in favour of the Manson brand of warehouses that we have in British Columbia. I am in favour of allowing the continuance of the legitimate export from British Columbia. In saying that I would like to add that I have not the personal acquaintance, or any business or other connection with a solitary exporter in liquors in the province of British Columbia. There do not happen to be any where I live. I am not speaking for any acquaintance at all, but I have in mind the conditions at Victoria particularly.

I have spoken about the nature of the warehouses that are being permitted in British Columbia. We have had letters from the Attorney General of the province telling of the yeoman efforts he has made to suppress them; that he only tolerates them because he finds himself bound by the law to regulate rather than prohibit. We in British Columbia know that to be the merest twaddle.

I have in my hand a document illustrating one of the recent transactions there. There was a warehouse at Grand Forks that went out of business from the exhaustion of its stock. No doubt the local disfavour that there must be for an institution so ridiculously placed as that helped to close it. Did

the Attorney General let that license lapse? No. He was under no compulsion to deal with that, to extend it, to renew it. He could have said, "Thank God, here is one export nuisance disposed of in the course of nature, and I have not had to exercise any arbitrary influence." But we find, as set out in this document I have under my hand, an application for the transfer of the license to another place on the boundary which up to that time had not been cursed with any export warehouse. That was the town of Keremeos, right alongside the American border with no excuse for the existence of an export warehouse except for bootlegging across into the United States, 200 miles in from the coast; no other outlet at all, and hemmed in by the mountains on all sides, with a gateway down into the State of Washington, to which it is illegal to export at all. But yet, under date about the end of October last, many months after the Senate had refused the legislation last year, the Liquor Board of the province of British Columbia, with the approval and consent of the Attorney General, its master, allowed a transfer of the license from Grand Forks, where the people had gone out of business, to Keremeos, so that they would start up there a curse that had been excluded from Grand Forks. I have the document here, which recites that those people had sold out all their liquor and had no liquor presently in stock. The transaction was not made to give them an opportunity of disposing of their stocks; it was to give them a fresh start in the little town of Keremeos. Yet this gentleman comes to us and says that only our action stands between him and the clean administration of the law which he would like to give.

I say it seems to me little short of a crime for this House to cooperate in the erection of a smoke-screen such as this which is all that is being done by this demand for legislation —the erecting of a smoke-screen between those who are responsible for the villainies that have been perpetrated without the interference of the Government of British Columbia and their consequences upon the electors of that Province. We are asked to be a party to an abuse of that kind. I think that is all I have to say at present.

Hon. Mr. BELCOURT: Will my honourable friend permit me to ask what interest the Attorney General of British Columbia can have in multiplying or giving facilities for the creation of those mushroom distilleries of which my honourable friend speaks? What possible interest can he have in doing it?

Hon. Mr. TAYLOR.

Hon. Mr. TAYLOR: The possible interest was brought out in the Legislature of the Province. One hates to keep repeating it, because the story is so sordid, but being asked the question, I feel that I should answer it. If this legislation passes and the concerns that are moving the Attorney General to get it see that at last the control of the Province of British Columbia is secured, the expectation is that an immense corruption fund will be put up at once to bring forward a Provincial election this year, to make sure that for five years to come the present people will be in control of the Province of British Columbia.

The honourable gentleman asked what possible interest there could be. That was the rumour in that Province, and before I came to Ottawa I was fully conversant with the rumour. I have nothing in writing or in print which I could bring forward to prove it. The first confirmation I got of it was when I read in the British Columbia Gazette recently of the establishment of a new distillery institution in that Province, and the announcement that Scotch whisky as well as rye was to be made there.

Hon. Mr. BELCOURT: It is a pretty serious charge.

Hon. Mr. TAYLOR: It is a pretty serious charge—a charge made in the Legislature of British Columbia and refused investigation in that Legislature by a strictly party vote; by the vote, amongst others, of a man who was shown by the public press of the next day to have participated in the very scandal alleged in the motion for investigation. One of the men who voted down the motion for the investigation of a charge that money was being extorted was shown by the public press the next day to be the head of a firm who had received $3,000 for that very purpose. And what was his defence? He did not deny it. He stood up in the Legislature and said: "It is true: my firm got that; I was so busy with the affairs of the Legislature that I did not realize until two months afterwards that my half of that $3,000 had been deposited to my credit in the bank." That was the session in which they raised their indemnity, and this gentleman was so affluent that he did not know that this $1,500 of easy money was to his credit in the bank. And he said: "I tried to give it back—my share of it, not the whole $3,000—and the man would not take it"—the man who had been forced to pay blackmail—"so I gave it to the Great War Veterans' Association."

Did that man lose caste in the Legislature? You would think that he would, wouldn't you?

Hon. Mr. GIRROIR: Not out there.

Hon. Mr. TAYLOR: So far from losing caste, there was repeated the story of the Jackdaw of Rheims that stole the cardinal's ring, and was cursed with bell, book and candle for the theft, when the cardinal thought that some of his priestly guests must have relieved him of the ring. It was found out at last that it was the poor jackdaw; and when the jackdaw made restitution, they canonized him.

If you ask for the impulse of the strange dealings in liquor in British Columbia, I am forced to go back to the story that was brought out, through the inquiry in the Legislature, and to say it is purely a metallic influence that is behind this legislation.

I am reminded by my colleague (Hon. Mr. Barnard) that, odious as the charge is which is involved in what I have said, it is no more odious than the charge so flippantly made by Mr. Manson against this Parliament; the difference from his charge being that he had no evidence whatever for it, and ignominiously withdrew it when he was challenged to make good or withdraw, whereas the charge to which I refer was brought to his face in the Legislature of British Columbia and an investigation refused, and as to which there has never been any denial or explanation of the circumstances connected with the use of this blackmail money for securing these endorsements.

Before I sit down I would like to ask the leader of the House a question. There is an expression in the Bill of the meaning of which I am not quite certain. In paragraph b of subsection 2, if I may refer to it now, it says:

> The carriage or transportation of intoxicating liquor into and through a Province.

I would like to ask what the honourable gentleman understands by "into and through" —whether it means into and also through, or whether it means through.

Hon. Mr. DANDURAND: It is quite a compliment to ask me to explain a phrase in English.

Hon. Sir JAMES LOUGHEED: That is what you are here for.

Hon. Mr. DANDURAND: In order to transport through, one must get into.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: I will quietly read the whole clause to see whether it covers two operations.

Hon. Sir JAMES LOUGHEED: Why say "into and"? Why not say "through"?

Hon. Mr. DANDURAND: Sometimes legal verbiage does not add to the value of the phrase, but it may be found in our statutes for years past.

Hon. Sir JAMES LOUGHEED: Can you go into and stop, and then go through at your leisure, or have you to go into and through in one movement?

Hon. Mr. DANDURAND: I would surmise that the public carrier—one of our railways carrying into for the purpose of transferring to a ship in Vancouver—would have the right to retain that liquor on the Vancouver wharf temporarily.

Hon. Sir JAMES LOUGHEED: That would be covered by the word "through".

Hon. Mr. DANDURAND: It would be still for a moment, and that would be "through."

Hon. Mr. TAYLOR: The honourable gentleman, then, thinks that means one operation— that it does not mean that the common carrier may bring it "into" the Province and also may bring it "through" the Province?

Hon. Mr. DANDURAND: Oh, no, I do not believe so. It refers to the right of the common carrier to bring it to the persons entitled to it, for instance, the Government agency; or if we allowed the distillers.

Hon. Mr. TAYLOR: They are covered by other exceptions, and so would not come under it.

Then there is another point. What is the principle underlying the suggestion that this first section shall be brought into effect "subject to the provisions of subsection 2 of this section"?

Hon. Mr. DANDURAND: It is because the Governor General will only move upon the expression of the will of the province as embodied in an Order in Council of that Province.

Hon. Mr. TAYLOR: When we were passing the export legislation of last year, so far as I remember, we fixed a definite date when it was to come into effect. Why do we make an exception of this and leave it doubtful whether it will ever come into effect?

Hon. Mr. DANDURAND: My honourable friend is thinking only of his province. This is a general Act which may cover any or all of the provinces. Quebec and British Columbia to-day may need this enactment, and will so express themselves. Manitoba or

another Province may to-morrow desire to come in and obtain the advantages of this Act. They will do so by expressing their wish by Order in Council.

Hon. G. H. BARNARD: Apart from the very cogent arguments which have been advanced by the honourable gentleman from New Westminster (Hon. Mr. Taylor) to-night, there is another matter which I feel confident this House will not ignore. In any plebiscite placed before them, the people of the province as a whole never contemplated for one moment that in voting for Government control they were voting to do away with the right of private importation. So far as this controversy has gone last Session and this, the fight has centred around the question of export houses. I think that we on this side of the House have shown, to the satisfaction of reasonable men, that there has been no attempt, serious or otherwise, on the part of the Government of British Columbia or the Attorney General of British Columbia or any authority charged with the enforcement of the laws in that Province to do away with the export houses. My honourable friend the leader of the House the other day stated that export houses could exist without the sanction of the Federal Government. That is true, but only to this extent: that the export warehouses that can so exist only exist by reason of the Legislature of the Province of British Columbia and the Liquor Control Act of that Province. That Act Provides that liquor warehouses may be licensed and, in passing, I may say that even after the Attorney General of British Columbia was agitating here last session for the abolition of these warehouses, he was continuing his own legislation. He did not repeal it: on the contrary, he increased the annual license fee from $3,000 to $10,000. He could have repealed the provision in the Provincial Act providing for the export houses, and under the other sections of his Act there is a provision requiring anybody owning any liquor which has been imported into the Province of British Columbia to have it sold by the Provincial authorities, otherwise it is liable to seizure.

I say under these conditions it is practically impossible for an export house to carry on business. In the first place, as a matter of dollars and cents, it has to pay an import duty of something like $17 a gallon. So far, then, as bootlegging in the Province of British Columbia is concerned, an export warehouse which is not a bonded warehouse of the Dominion Government, wherever it may be situated, is practically out of business. Once the duty is paid the bootlegger cannot possibly compete with the Government vendor who sells legally.

The only thing that is left is this question of exporting into sister Provinces. I do not want to labour this question. We have tried to accentuate it so that honourable gentlemen opposite would take it in—not that I do not think they are capable of doing so, but possibly that they do not want to. It is an absolute financial possibility for an export warehouse that is not a bonded warehouse to bootleg on an extensive scale into our Provinces to the East, because of the duty and the high freight rates. I am free to admit that they can do a certain amount of bootlegging to the United States. But what has happened as a matter of experience? Under the Attorney General's regime there have been maintained a series of at least five or six warehouses at Fernie, on the boundary of Alberta, Cranbrook farther west, Greenwood, and so on, all along the American boundary, and all from 200 to 300 miles inland from the coast. These people could not ship from the coast overseas to any legitimate trade, for the simple reason that the freight rates, apart from anything else, would not permit them; for it is a known fact that you can ship freight from Montreal to Vancouver more cheaply than you can ship it from Fernie to Vancouver. So it is nonsensical to talk about shipping overseas from an interior point in the Province of British Columbia, importing your goods from Scotland and from Montreal to that interior point, breaking bulk, getting your orders, and then shipping on down to the coast. You would pay about three freight rates. There is only one thing that those houses along the boundary line could have remained there for, and that was to export either into the United States or into the Provinces of Alberta and Saskatchewan.

Hon. Mr. GRIESBACH: Are they bonded warehouses?

Hon. Mr. BARNARD: They are bonded warehouses maintained under Dominion regulations, with the consent of the Attorney General of the Province of British Columbia.

Hon. Mr. REID: At his request.

Hon. Mr. BARNARD: We have been told by the Department that those licenses would have been cancelled by the Federal Government had the Provincial consent at any time been withdrawn.

Hon. Mr. REID: The Provincial Government requested them in the first place.

Hon. Mr. BARNARD: A regulation was brought in by the Dominion Government.

Now, the honourable gentlemen who leads the House brought here an opinion from the Justice Department to the effect that they could not refuse to grant licenses for those bonded warehouses.

Hon. Mr. GRIESBACH: Who could not refuse?

Hon. Mr. BARNARD: The Federal Government. I have before me the regulation of the Department of Customs. It is very short: I will read it:

Ottawa, November 24, 1916.

To Collector of Customs,
Port of.. .. ..

Warehousing of Intoxicating Beverages to be Discontinued December 31, 1916, in Provinces and Districts where Provincial Prohibitory Laws are in force.

By order of the Minister of Customs, permission for the entry of intoxicating beverages in Customs bonded Warehouses of Class 2 and 3 is withdrawn and ceases to be in force from December 31, 1916, in all Provinces and Districts of Canada where the sale of intoxicating liquors is prohibited under Provincial Law unless the importer obtains and delivers to you the written consent of the proper Provincial Authority that such liquors may be kept in the Customs Bonded Warehouse described in such written consent.

You are instructed to give notice accordingly to proprietors of bonded warehouses and importers concerned at your port and outports.

Commissioner of Customs.

That has been in force and has been honoured throughout the whole country ever since 1916. The other day, after we had made the contention that the Attorney General of British Columbia maintained these warehouses, though he could have cancelled them at any time, the honourable gentleman went to the Department of Justice, and that Department furnished him with an opinion to the effect that this was ultra vires—that they never had any power to pass a regulation. That may or may not be right. I do not profess for one moment to set myself up as a legal authority in opposition to the Justice Department. But what I do say is this, that if the honourable the Attorney General of the Province of British Columbia had in honesty and sincerity desired to do away with those warehouses he would have refused his consent and tested the matter in the courts. He has in his Province a law—it is an iniquitous law, to my way of thinking—providing that there shall be no cost of any litigation given either for or against the Crown. He can carry his citizens into any court in the Province without any cost to himself, because of course he has his legal officers ready to carry on his litigation. Not only has he never tested the question, but he has never made any suggestion of testing it; he has never suggested to this Government that he could not refuse. On the other hand, he has given his consent consistently, and, in addition to the case which my honourable friend from New Westminster (Hon. Mr. Taylor) cited a few moments ago, after the questions in connection with these matters were put on the Order Paper this year—and too late for me to get an answer to the particular question on this point—that is to say, on or about the 20th day of March last, he issued another consent to the transfer of a license to the city of Greenwood, a little town of 300 or 400 people, on the Kettle Valley railway, just north of the city of Spokane, where the railway runs across the border half-a-dozen times, I suppose, in 10 miles.

In the face of these facts, can there be attributed to the Attorney General any real desire to do away with export warehouses? As I say, the point is this. I am not defending those interior warehouses. I think they are there only for the one purpose, and I think he can abolish them, and he ought to abolish them. But I do not think that in order to do so he has any right to come here and tie to that grievance the whole question of private importation, which is a different question altogether. That is what the honourable gentleman is doing. He knows, as any citizen of British Columbia knows who was in the Province at the time those plebiscites and votes were taken, that it never for one moment entered into the minds of the people of the Province that the right of importation was to be restricted at all. I am perfectly satisfied to leave that absolutely to the judgment of anybody in the Province of British Columbia, with the exception of the Attorney General or any person behind him who happens to be asking for this legislation.

If I am right in that contention, I would suggest that there is only one way in which this controversy can be settled to the satisfaction of everybody, and that is to take a vote of the people. A Province that has voted for prohibition under the Doherty Act does not automatically go bone dry. In order to prevent the right of importation into the Province, a plebiscite is taken in the Province, under the auspices of the Federal Government, and if the vote is yea the Province goes bone dry; if the vote is nay the right of private importation is maintained. Where the people of a Province have by a very large majority said, "We are not a prohibition Province, we believe in the right of the individual to buy liquor and use it

if he chooses to do so," surely it is only logical to say, "You shall have the right of private importation," if the same right is given to a Province which has voted in favour of prohibition.

Therefore, Mr. Chairman, as we are now dealing with the whole section, I beg to move the following amendment:

To strike out subsection five and insert in lieu thereof:

5a. Upon receipt by the Secretary of State of Canada of a duly certified copy of an order of the Lieutenant-Governor in Council of any province in which there is at any time in force a law vesting in His Majesty or the executive government of the province authority for the control and sale of intoxicating liquor in the province or in any board, commission, officer, or other governmental agency, the right of selling intoxicating liquor in the province requesting that the votes of the electors may be taken for or against the following prohibition, that is to say:

"That the importation and the bringing of intoxicating liquors into such province may be forbidden."

The Governor in Council shall proceed to take a vote on such question in the manner provided in section 152, and the provisions of sections 152 and 152A and 153 shall as far as applicable mutatis mutandis apply to the taking of such vote.

5b. If the prohibition is declared to be in force, the Governor in Council may by proclamation published in the "Canada Gazette" declare the prohibitions of subsection 1 of this section in that province, and the same shall thereupon be and continue in force therein,

Hon. M. BELCOURT: May I point out to my honourable friend that in my opinion it is a mistake to say that the Province shall do this or do that. I do not think that we have any power of that kind.

Hon. Mr. DANDURAND: He does not say that.

Hon. Mr. BARNARD: I do not think I have said that.

Hon. Mr. BELCOURT: Yes, that the Province "shall." The word "may" should be used.

Hon. Mr. GIRROIR: Before my honourable friend takes his seat, may I be permitted to ask him a question? He is more familiar with the Bill than I am. I would like to know the difference between the Bill as introduced last year and this one. There seems to be a wide difference between them.

Hon. Mr. BARNARD: The Bill as introduced this year is in terms identical with the Bill as introduced last year. So it is only fair to assume that the measure introduced both this year and last year were in the terms requested by the Attorney General of British Columbia. Owing to the opposition that developed in the House of Commons, the Minister of Justice offered certain amendments which, while hitting at the export warehouses, continued the right of private importation. As a matter of fact, the contention of those who were opposed to this legislation is, and always has been, that the export warehouses are not within the control of the Provincial Government of British Columbia; therefore that this legislation is absolutely unnecessary, so far as that phase of the situation is concerned. Our position to-day is that if the people of British Columbia declare by popular vote that they want this, we shall have nothing more to say; but we do not see why we should be deprived of the right to have the people speak on this question, just as they do in a Province which has gone dry, as we have not.

Hon. Sir JAMES LOUGHEED: May I ask my honourable friend, before he sits down, if he has thought of imposing the cost of this plebiscite upon the Provincial Government? I understand that the Canada Temperance Act provides that the cost of a plebiscite shall be borne by this Government. Now, I know of no more lucrative business than the liquor business carried on by the Provinces that have engaged in it, and if the Province of British Columbia clears up three or four or more million dollars a year out of this advantageous business, I see no reason why the cost of the plebiscite should not be borne by it. Those costs should not be borne by this long-suffering Federal Government upon whom are imposed from time to time all the onerous burdens of the indebtedness of the Dominion. The only regret I have is that the Dominion Government has not assumed control and entered upon the carrying on of this business from the Atlantic to the Pacific. It seems to me that no better solution could be found for meeting our public indebtedness than that of taking control of the liquor business from coast to coast. That is what should have been done at the start. I would therefore suggest to my honourable friend (Hon. Mr. Barnard) that if he wants to make this an interesting subject in the province of British Columbia he should charge the province with the cost of this plebiscite.

Hon. Mr. BARNARD: I would say to my honourable leader, in regard to that, that so far as we in the province of British Columbia are concerned I think the question does not interest us.

Hon. Sir JAMES LOUGHEED: It is a trivial matter. However, provision should be made for the cost, one way or the other; otherwise we have to pay the cost.

Hon. Mr. BARNARD: Under the amendment the cost would be on the Federal Government. My reason for drawing the amend-

ment in this way was that I wished not to differentiate as to cost between a province which has gone bone dry and a province which has gone in for Government control. I see myself no particular reason why, if this Government is going to interfere with these matters of provincial concern, they should make flesh of one province and fish of another. However, if it makes the slightest difference to the principle involved, I for my part am quite content to accept an amendment placing the cost upon the Province.

Hon. Sir JAMES LOUGHEED The Province will be less likely to submit a plebiscite it it has to pay the cost of it.

Hon. Mr. McMEANS: I would like to ask the honourable gentleman a question about the proposed amendment. I do not quite understand it. The Province of Manitoba is to take a referendum some time this month; I think it is on the 23rd: "Are you in favour of Government control of liquor?" Let us assume that the answer is in the affirmative. Do I understand that we would then have to take another referendum as to the right to import intoxicating liquor?

Hon Sir JAMES LOUGHEED: Unless we amend the Act in the meantime.

Hon. Mr. McMEANS: We would have to take a referendum over again? This is a matter of importance to the Province of Manitoba. If the referendum should be answered in the affirmative, the whole liquor policy of Manitoba, Saskatchewan and Alberta would be changed. I would have much preferred that this vote should not be taken, at all events until we knew the result of the referendum. Every member from the Province of Manitoba who dealt with the question was inclined to agree with the attorney General of that Province and vote in favour of the Bill as it stands at present.

Hon. Sir JAMES LOUGHEED: But the Province of Manitoba may not wish to dispense with the right of private importation.

Hon. Mr. McMEANS: I has been dispensed with already.

Hon. Sir JAMES LOUGHEED: No, it has not.

Hon. Mr. McMEANS: At the present time we cannot import liquor into that Province.

Hon. Sir JAMES LOUGHEED: Under your present law; but if the Provincial Government assumes control of the traffic then the right of importation obtains.

Hon. Mr. McMEANS: Will that necessarily follow?

Hon. Sir JAMES LOUGHEED: Yes just the same as in British Columbia and Quebec.

Hon. Mr. McMEANS: Suppose the local Government say, "We do not want private importation," then it will be necessary to have another referendum?

Hon. Sir JAMES LOUGHEED: Not necessarily.

Hon. Mr. BARNARD: Why should they not ask the question as to private importation in the referendum they are taking? I assume that the people of Manitoba who are conducting this referendum know exactly what is the situation and what is the law in the different Provinces to-day. If they had any doubts all they would have to do is put the question to their electors. They could do it now.

Hon. Mr. McMEANS: But the honourable gentleman's amendment was not in at the time that the question was proposed.

Hon. Mr. BARNARD: My amendment will not affect them.

Hon. Mr. McMEANS: To my mind the whole situation is this. There should be two proposals to choose from—Government control or prohibition. If Government control is not made a success then you will have prohibition. If you cannot make either prohibition or Government control a success, then you have nothing.

Hon. Mr. FOWLER: Except anarchy and chaos.

Hon. Mr. McMEANS: So far as I am concerned, I intend to vote for my Province receiving the right to prohibit the right to private importation of liquor. Feeling as I do on this question, how can I consistently say to the Province of British Columbia, "I am going to refuse you something which I would give to my own Province."

Hon. Mr. DANDURAND: My honourable friend from Victoria (Hon. Mr. Barnard) proceeds upon the assumption that British Columbia has not expressed its will on this question. I think I can demonstrate to the satisfaction of any one of my hearers who is not violently prejudiced in this matter that British Columbia has expressed itself in no uncertain terms. The people of British Columbia were asked: "Are you in favour of the present Prohibition Act, or are you in favour of Government control?" By 35,000 majority the answer was: "We are in favour of Government control."

Hon. Mr. PLANTA: Direct importation.

Hon. Mr. DANDURAND: What did that mean to the mass of the people of British Columbia? It meant that the Government would have the exclusive sale of liquor. Now, my honourable friend says—and the point was made by the leader of the opposition in the other House that the people knew that constitutionally they were retaining the right to cable to Glasgow or Bordeaux or Paris to get their wine or Scotch whiskey. This is a happy illustration of what a lawyer can do; but I affirm here that 99 per cent of the people of British Columbia never had in their mind that they were sacrificing anything when they said "Government control." Ninety-nine per cent of the people of British Columbia had never in their lifetime ever thought of buying liquor abroad. Ninety-nine per cent of the people of British Columbia to-day do not think of buying abroad—why?

Hon. Mr. BARNARD: Will my honourable friend pardon me, for a moment? I do not know that he has ever lived in a prohibition province; I do not think he has; but the people of British Columbia did, and we had a prohibition Act there, and at the same time we had the right of private importation.

Hon. Mr. DANDURAND: Expressed in that Act?

Hon. Mr. BARNARD: In that Prohibition Act, and the people of British Columbia were very much alive, I can assure honourable gentlemen, to their right to import, and they did import very extensively prior to the coming into force of the present Act.

Hon. Mr. DANDURAND: Well, we will discuss now where those people are importing from. I say 99 per cent of the people of British Columbia never imported a pint or a bottle of whiskey or of wine into the province from outside.

Hon Sir JAMES LOUGHEED: Then why did they ask for the repeal of the law, if 99 per cent have not done so?

Hon. Mr. DANDURAND: We will discuss that point in a moment, but I want to establish first that the masses of the people of British Columbia never had in their mind the thought that they were renouncing a right, because most of them did not know of that right; and 99 per cent of the people did not utilize it, because they could not afford to, for it takes a man of some means to import from Glasgow or from France. I know what takes place in a city that is fairly prosperous, the city of Montreal, and I venture to affirm that no man in his senses will dare to say that when the plebiscite was taken, and the question was put to the people of British Columbia, the people thought they were retaining the right of importing. They were sacrificing the right of buying from the corner grocery in order to buy from the Government agency.

Hon. Mr. BARNARD: I think the honourable gentleman is putting the boot on the wrong foot. They may not have thought they were retaining any right, but they certainly did not think they were giving up a right that they already had.

Hon. Mr. DANDURAND: I say that the people of British Columbia did not care a fig for that question of their right of importation, and never thought about it; they had never utilized it. They could not utilize it, because they could not think of cabling to Glasgow for a few bottles of whisky, or to Bordeaux for a dozen bottles of wine. What man in his senses will say that that was not the state of things when the plebiscite was taken? I know that some have thought they were retaining that right, and they valued it; but who were they? A small privileged class of prosperous people, the small aristocratic set in British Columbia.

Well, shall we force the people of British Columbia to go back to the poll for that small aristocratic set which says, "I want to have the right to buy my own brand of liquor?"

Hon. Mr. BARNARD: Why not?

Hon. Mr. DANDURAND: My honourable friend from New Westminster (Hon. Mr. Taylor) said that there were 79 brands of Scotch whisky in the liquor houses of the Government. Surely that offers a liberal choice, and surely among those brands there must have been some good ones; and I am officially authorized by the Attorney General to say that he is ready to take the order of any of the honourable members of this House for whatever they please, but in order to be on the same plane as the common people of British Columbia, they should stand the same conditions as to price.

Hon. Mr. FOWLER: He is looking for trade.

Hon. Mr. DANDURAND: Well, he is looking for what the people voted for—control. The Attorney General is not assuming powers. The people said, "Control." Can there be control if anyone can buy outside? Everybody else seems to admit that there was an extraordinary condition of things in British Columbia—that every private importer or export house was doing the business of bootlegging. It is admitted on all hands that there was bootlegging in British

Columbia. Will anyone stand up here and say there is none? Will any member from British Columbia say there is none?

Hon. Mr. BARNARD: Will the honourable gentleman say there is none in Quebec?

Hon. Mr. DANDURAND: No, I do not say there is none in Quebec.

Hon. Mr. BARNARD: Or in Ontario?

Hon. Mr. DANDURAND: No, I do not say there is none in Ontario. But as to Quebec I have theauthority of the Attorney General, Hon. Mr. Taschereau, who has wired me that he is strongly in favour of this measure.

Hon. Mr. BARNARD: Will the honourable gentleman say that if this legislation goes through there will be no bootlegging in British Columbia?

Hon. Mr. DANDURAND: No, I do not say that; but my honourable friend says, "Look at those export houses along the border," and he denounces them. I say, let him join with me and wipe them out.

Hon. Mr. BARNARD: There is no necessity to do it in this way.

Hon. Mr. DANDURAND: Then apparently there is no hurry in the mind of my honourable friend.

Hon. Mr. TAYLOR: The Attorney General can wipe them out.

Hon. Mr. DANDURAND: The Attorney General cannot wipe them out.

Hon. Mr. TAYLOR: Why?

Hon. Mr. DANDURAND: Because, as I have already stated, the opinion of the Customs Department and the Department of Justice is that once a license is issued it is granted for an unlimited space of time. Of course, it can be withdrawn, but I have a statement from the Customs Department that they would allow as much as two years and more for a man who has a customs warehouse to dispose of the goods that are in it.

Hon. Mr. BARNARD: That is not in accordance with the reply which was given to the House by the Customs Department in answer to a question. They said it could be cancelled at any time for cause, or withdrawn by provincial consent. They may have told something else to my honourable friend, of course. I am quite free to admit that in his official position he can possibly get answers from the Customs Department that a humble member of Parliament could not get; but we can only put questions on the Order Paper and take what they tell us.

Hon. Mr. DANDURAND: Now we are facing the situation in British Columbia—a general complaint that there is illegal business in liquor trading going on, and here we present a Bill by which we authorize British Columbia, and Quebec as well, to control the importation, or limit it to the Government and to the public carrier who comes into or through the province; and we permit the distiller to import for blending and flavouring—I do not say also the brewer, because I intend to move against the brewer.

Now, if it is demonstrated to me that the distillers throughout the country do not need this special advantage, let us wipe out the distiller; but if, on the other hand, the distiller needs to import for his legitimate trade, let us allow him that privilege. But that is all that is done by this Act, and the only argument that my honourable friend can put up against passing this Bill that will be that he is in favour of the export house. My honourable friend from New Westminster has admitted that he is in favour of the legitimate and honest export houses. Now he can make the distinction or where he will draw the line I do not know.

Hon. Mr. TAYLOR: Would the honourable gentleman like me to tell him?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TAYLOR: The Attorney General of British Columbia has at present authority in the Act to send his officers into every export house and make the most minute inquiries possible into the receipt of all liquor there, and into the dispatch of all liquor, and to obtain absolute knowledge as to every transaction within that export house. There could be nothing more complete than the power that the Act and the regulations combined give him. As to the expense of doing that, the tax now levied on the export house is $10,000 a year for each warehouse; so that out of that sum the Attorney General has money to make the inspection as thorough and complete as possible, and if he does his duty it is absolutely impossible for an export house so regulated to be engaged in bootlegging.

Hon. Mr. DANDURAND: Well, the Attorney General states that he is doing his level best. He has increased the license fee from $3,000 to $10,000, which seems to indicate that he is working in that direction; he has quite a number of officers watching, for he says there is undoubtedly a danger in the existence of all those institutions, and he would prefer that they should disappear. It is for us to say whether we will give a pro-

vince that has Government control that right to wipe out the export house. Everyone will take his responsibility. It is for the Senate to say whether we are in favour of wiping out the export house when a province asks for it.

Hon. Mr. TAYLOR: But the Province has not asked us; the Provincial Legislature put a limitation on its request to this House, and this House is being asked to go against the request of the Legislature of British Columbia.

Hon. Mr. DANDURAND: It is very hard to satisfy my honourable friend. Last year we brought in a Bill containing that clause that came as far as this House, and he protested vehemently against the whole Bill. Now we bring in an improved Bill by which we absolutely wipe out the export house. In the Bill that was introduced last year and in the Bill that was this year presented to the Commons, we proposed to give the Attorney General power to do away with the export house by his requesting the Federal Government to do so through an Order in Council; but the Hon. Mr. Stevens said in the other House: "Why do you delegate your power to the Attorney General, Mr. Manson, or to the Attorney General of any Province? You dispose of the Federal power, and you tell him that when he pleases he can instruct us to utilize it." The Minister of Justice said: "If this is your principal grievance, I will not delegate that power to the Attorney General; I will exercise it, and I will wipe out the export house." So the Bill comes here with the export house wiped out.

But that is not all. There remains that one per cent of the population that claims to have the desire to buy outside. Now, I say to that one per cent: "We will not legislate for you, or we should not; what is good for 99 per cent of the population should be good for the people who are at the head of that province."

Hon. Mr. BARNARD: I would like to ask the honourable gentleman whether he would not think that the right and privilege of the individual to import might have a very salutary effect on the prices that the Government might charge in a province?

Hon. Mr. DANDURAND: I would suggest that that one per cent should stand up manfully, and, if they enjoyed their glass of whisky or wine, put up the price. No one can afford it better than they; they have the money; they are prosperous; they are the "classes" of British Columbia. Why do they not come down to the level of the masses, and do their little part in order to enrich their treasury by that much? My honourable friend can buy or order the liquor of his choice from the Government and pay the price, and he will not be paying more than he would by sending to Glasgow or Paris, because he has admitted that the provincial Government has seen fit to put a tax upon importations that brings them up to the price he would pay at the Government liquor store.

Hon. Mr. FOWLER: But they are blending it now, you see; they are mixing it; they are spoiling it, taking the pure liquor and mixing it with all sorts of ingredients—home brew and everything else—and that aristocratic one per cent have to drink hog-wash at the Government price.

Hon. Mr. DANDURAND: Oh, no, they can give their order, and have their liquor in sealed packages. Now, I leave it to a jury of men of experience, who know what goes on throughout Canada and around them in their own province, and who know how small is that part of the population that buys through importation—I leave it to them to say whether I am exaggerating when I affirm that the proposed plebiscite would be as to whether only one per cent should relinquish their constitutional right.

Hon. Mr. PLANTA: May I point out that it is not only one per cent who would relinquish that right. Although the 99 per cent do not perhaps exercise it, they have that right, and that is what we wish to preserve to them. Every other province in the Dominion of Canada has that right; before any prohibitory measure is put in force over the people of any Province, there must be a plebiscite submitted, and that is all we ask for the people of British Columbia.

Hon. Mr. BELCOURT: But you have had your plebiscite.

Hon. Mr. PLANTA: The honourable leader speaks of the conditions in British Columbia, but I do not know that he should put his views so strongly against those of members who live there. We surely must know conditions there better than he does.

Hon. Mr. DANDURAND: But my honourable friend forgets that I am backed by two-thirds of the Legislature of his Province; and he must not forget, either, that there was a plebiscite which united on this question not only the Liberals, but labour men, if there are any, and 35 Conservatives, and that is a respectable minority. But let us not forget

a little incident of the last Provincial election in British Columbia: it is quite interesting.

Hon. Mr. PLANTA: The last Provincial election was bought and paid for by the liquor interests.

Hon. Mr. DANDURAND: I will revert to that in a moment, because there is something that has amused me very much: it has been the indignation of honourable gentlemen from British Columbia at the suggestion that money would be offered to party funds for resistance to this legislation. Not one of them got up without insinuating that the Legislature of British Columbia was being corrupted, and that corruption funds were being gathered for the next election.

Hon. Mr. BARNARD: The honourable gentleman never heard me make any such suggestion.

Hon. Mr. DANDURAND: I have it from the lips of the honourable gentleman from New Westminister who spoke half an hour ago of what would happen in answer to my honourable friend, the senior member for Ottawa (Hon. Mr. Belcourt). My honourable friend said, in a very solemn tone, that it was rumored in British Columbia that a considerable corruption fund was being organized for the corruption of the electorate at the next provincial election.

Hon. Mr. TAYLOR: Yes, and in addition to that we had this private letter from the Attorney General of British Columbia to the Solicitor General of Canada, which he asked the Solicitor General of Canada to keep mum, and not to make public, warning the Solicitor General of Canada that there were involved in this Legislation large contributions to the election funds of both parties.

Hon. Mr. DANDURAND: In the letter which I cited, of the 16th of January?

Hon. Mr. TAYLOR: Yes.

Hon. Mr. DANDURAND: No; he said, "There will be a considerable fund which will be organized to resist my legislation."

Hon. Mr. TAYLOR: No.

Hon. Mr. DANDURAND: Yes, if my honourable friend will read that letter;and this will explain the state of mind of that gentleman, which seems to be general in British Columbia, if I may judge by the speeches I have heard. That state of mind of the Attorney General, as disclosed by the letter of the 16th January, explains the letter of the 24th or 26th that my honourable friend has read.He feels so certain that considerable efforts will be made by the Pooh-Bahs of the bootlegging business to stop this legislation which he desires that on the 26th he says that he should perhaps give them time to dispose of their stocks.

At the last Provincial election, the people of British Columbia voted with unanimity in favour of Government control. The Liberals ranged themselves in favour of complete control, and the other elements, with the exception of the members in opposition, did likewise. It is conceded that in popular houses the function of an Opposition is to oppose, but what did they say to the people at the preceding election? They said this in their pamphlet to the electors:

This new Government—

the Conservative Government to be, if the Opposition won, of course—

—will also use every effort with the Dominion Government, within whose jurisdiction the matter lies, to see that Legislation is passed at Ottawa which will stop the importation of liquor into this Province by private parties so that all liquor purchased and sold in British Columbia will be absolutely under Government control.

If this was in the pamphlet of the Conservative party at the last provincial election, I say we must treat with some reserve the vote of the official Opposition in the Legislature, particularly when the members forming the majority have asked this Parliament to enact this legislation.

Hon. Mr. SCHAFFNER: Where did that information come from?

Hon. Mr. DANDURAND: It comes in that famous letter of the Attorney General of British Columbia, who cites from page 14 of the Conservative pamphlet this expression of opinion. This has not been challenged, and I take it for granted that when the Attorney General cites from a public document he is pretty sure of his facts.

Hon. Mr. FOWLER: We want something more than that.

Hon. Mr. WATSON: Conservative campaign literature is not very reliable.

Hon. Mr. DANDURAND: One honourable gentleman from British Columbia says that not only the Conservatives but the Prohibitionists were against this Legislation. I do not admit that statement, and I think I shall be able to show that it is incorrect. I said to my honourable friends that the Rev.

Mr. Cooke and the Rev. Mr. Peck were in favour of the legislation. The Hon. Mr. Stevens quoted in another place a letter that apparently came from Prohibition headquarters, without giving the signature or the date, and the Attorney General wrote to the Rev. W. W. Peck, Secretary and Organizer of the B.C. Prohibition Party, in Vancouver, on the 10th of May, 1923, citing that part of Mr. Stevens' speech, and asking if the statement made emanated from the Prohibition organization in British Columbia.

In closing he said:

I have already discussed the matter with the Rev. Mr. Cooke, the Presidents of your Association, and the has assured me that he had no knowledge of the letter until I drew it to his attention—that it was not written by anyone authorized to so write by the Prohibition Association of the Province or its Executive, and Mr. Cooke gave me to understand that insofar as his personal attitude was concerned he was entirely in sympathy with the legislation I was seeking at Ottawa to prohibit private importation of liquor into this Province and in particular the importation by export concerns, it being understood, of course, that Mr. Cooke did not approve of the Government Control system, but was a firm believer in complete prohibition. If you would care to express your personal views with regard to the legislation I would appreciate it very much.

I have a copy of the letter from the Rev. Mr. Peck of the 11th of May, to the Hon. A. M. Manson, K.C., Attorney General, Victoria, B.C., which is as follows:

Dear Mr. Manson:

I have your favour dated May 10th, 1923, in which you write regarding a statement reported in the House of Commons Debates as having been made by the Hon. H. H. Stevens on the 2nd day of May, 1923. This statement begins: "I have in my hand a letter from the B.C. Prohibition Association dated February 1st of this year and I want to read it for the purpose of showing the attitude of mind of a large section of the public in regard to this legislation and in justification of my position to-day."

I have attended, I believe, all the meetings of the B.C. Prohibition Association and of its Executive held during the last eight months and have no knowledge of our Association or of its Executive having taken any official stand on this point, or having authorized anyone to make any representation to any party on their behalf. The statement made by Mr. Stevens must have been the private view of someone interested in this matter.

Regarding my personal view I am of the opinion that the free importation of liquor as now permitted has attracted to British Columbia a class of individuals who have evinced little or no regard for good social or moral conditions; whose interest is purely monetary. Their desire seems to have been to use the present freedom of importation to enable them to send virtually unlimited quantities of liquor into Prohibition Provinces and into Prohibition United States. Our information is that when they could succeed in doing so that they did not hesitate to become the source of supply for bootleggers in British Columbia. I am satisfied that stopping of their supply would result in a better feeling between British Columbia and sister Provinces, an improved feeling between British Columbia and the Western States, and a decided improvement in social and moral conditions in our Provinces.

Hon. Mr. DANDURAND.

You, of course, understand that personally I am opposed to the Government Control system in the handling of liquor and I am a believer in a complete prohibition that would make all importation impossible except for scientific, manufacturing, medicinal and sacramental purposes. You have my entire sympathy in your efforts to improve conditions in our Province.

With very kind regards, I am,

Sincerely yours,

W. W. Peck.

Honourable gentlemen will see that this is not the same tune that we hear in this Chamber. Here are two reverend gentlemen—the Rev. Mr. Cooke, President of the Association, and the Rev. Mr. Peck, Secretary of the Association—who assure Mr. Manson that they are with him in his efforts to wipe out bootlegging. They make but one reservation—that they favour complete prohibition.

I close now, honourable gentlemen. I think that this matter, after very many speeches, perhaps represents much ado about nothing. We simply state in this Bill that when a Province has declared in favour of Government control we will allow that Province to give effect to the will of the people; and, furthermore, that, if they feel that the export houses are an eyesore and a danger to the public morals of the community, we will wipe them out. With this in view, I say it would be cruel to ask British Columbia or any other province, that to-day needs to implement its legislation by what we are offering, to go to an expense of from $75,000 to $100,000 for a plebiscite; more especially when a plebiscite may be taken in six months or a year or a year and a half, because that is all that remains of the life of the legislature. It seems to me that it would be good policy and good sport on the part of the opponents of that Government to say: "You want that in order to show a clean bill of health. We will give you all you ask, but will judge you at the poll." I think that would be the fair stand to take, instead of assuming a share of the responsibility for the chaos which has prevailed in that Province for the last year or two.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it is with some reluctance that I crave the indulgence of the House at this time of night, particularly after so lengthy a discussion of this subject, while I make a few observations upon the question. Notwithstanding the heat which has been added to the heat of the day by the observations of my honourable friend, in which he has flagellated himself up to a state of ferment for the purpose of thoroughly enthusing himself upon this subject, I would venture to say that this is not the inflammatory mat-

ter that my honourable friend would seek to make of it. This is a very simple question. During the great war public sentiment was roused to the necessity of more or less moral reform, and we placed upon the Statute Book many measures which in cooler moments of statesmanship we would not have placed there; and I venture to say that if we were called upon to-day to consider similar measures there would be not only the greatest reluctance but a refusal to place them upon the Statute Book.

Among the measures dealt with at that time was an enlargement of the Canada Temperance Act. The movement started in Russia and finally reached the boundaries of Canada; and we concluded that what was good enough for Russia would be good enough for Canada. We consequently restricted the traffic in liquor to a very large extent. We constituted, so to speak, two systems, by which there could be prohibition or Government control of liquor in any Province, and which we would supplement, if necessary, by direct legislation. We classified the Provinces as prohibitory Provinces and wet Provinces, or dry Provinces and wet Provinces, as you choose to use the terms.

In pursuance of the legislation that we placed upon the Statute Book the Province of Quebec and the Province of British Columbia entered upon the control of the liquor traffic within their own boundaries. But there was preserved under the legislation which was then deliberately placed upon the Statute Book by the Dominion Government, with the concurrence of the Provinces themselves, the right of the private individual to import alcoholic liquor into those Provinces. If I am not right in that, I should like some honourable gentleman to correct me. That was a constitutional right given to the citizen at that time, and it was a statutory right. It had always been a constitutional right of the citizen under the Federal power of trade and commerce to import into the Province in which he lived, or any other Province, any article of commerce that he chose; and the Province of Quebec and the Province of British Columbia entered upon the control of the liquor trade within their boundaries subject to that right. I recollect with very much interest the emphasis placed by my right honourable friend the junior member for Ottawa (Right Hon. Sir George E Foster) last session upon the value of the right of any individual living in any of the Provinces to import a superior brand of liquor from Scotland or any other country into the Province in which he lived, in pursuance of the power which the statute gave him.

Right Hon. Sir GEORGE E. FOSTER: Is my honourable friend referring to me?

Hon. Sir JAMES LOUGHEED: Yes. If my honourable friend will look at Hansard of last Session, he will observe that he placed a very great value upon the right which was given to the individual by the statute. I do not charge my honourable friend with very large importations from Scotland; but I am sure that, as a statesman of very great distinction and very long standing in the Dominion of Canada, he will appreciate the constitutional right which is given to the individual citizen, whether or not he be a large consumer of the commodity involved in this subject. I think if my honourable friend will review his observations of last Session, he will find that he placed considerable stress upon the value of such a right. It was done academically, I will admit.

Right Hon. Sir GEORGE E. FOSTER: I think if my honourable friend will review the discussion of last year, he will not place the assertions with reference to myself in quite so exaggerated a form as he has done.

Hon. Sir JAMES LOUGHEED: I am quite prepared to reduce the exaggeration, so to speak, and to place it on literal basis.

Hon. Mr. DANDURAND: My honourable friend would put water in his wine.

Hon. Sir JAMES LOUGHEED: We approach this subject with each individual citizen in the province of Quebec, whose population numbers three millions, and each citizen of the Province of British Columbia, whose population numbers over half a million, possessed of this right, not only constitutionally but under statue.

Hon. Mr. BELCOURT: Or the right to give it up.

Hon. Sir JAMES LOUGHEED: Or the right to give it up. My honourable friend in introducing this Bill deals with this right as a very trifling matter. I say it is one of the most important rights exercisable by the citizen; and why should it be treated as unimportant?

Hon. Mr. DANDURAND: One per cent of the population—

Hon. Sir JAMES LOUGHEED: Not one per cent—one hundred per cent. This right extends to every man, woman and child in the Province of British Columbia and Quebec. I ask by what mandate the Province of British Columbia or the Province of Quebec has the right to say: "We demand that you wipe out the right of three and a half million citizens, and allow us to exercise it to the detriment of

those three and a half million subjects"? The leader of the Government said that when this question was submitted to the electorate it involved the abandonment of that right.

Hon. Mr. DANDURAND: Oh, I charge my honourable friend with exaggerating.

Hon. Sir JAMES LOUGHEED: Well, we will put that on a literal basis.

Hon. Mr. DANDURAND: I said it was a matter of total indifference to 99 per cent of the people, and that they could not consider it inasmuch as they had not the money to import.

Hon. Sir JAMES LOUGHEED: That is a very grave reflection upon the people of British Columbia. Does my honourable friend say that 99 per cent of the people of British Columbia are unable to import their liquor.

Hon. Mr. DANDURAND: I say they are unable to buy it in such quantities as would justify their buying aboard.

Hon. Sir JAMES LOUGHEED: My honourable friend is entirely mistaken. He must know that the great Province of British Columbia has access to the four continents. It has one of the great ports of the world. Ships come in there from the seven seas, laden with the best of liquor, and all that a citizen of British Columbia has—

Hon. Mr. DANDURAND: Is his wholesaler or his retailer.

Hon Sir JAMES LOUGHEED: —to indicate to the foreign exporter, is that he wants a certain number of cases, and they come. He is asked now to abandon his right. My honourable friend has made the contention, not only to-night but on other occasions, that at a former plebiscite there was an implied abandonment of this particular right by the citizens of British Columbia. I say that is not the case. My honourable friend as a lawyer must know that no plebiscite can be submitted to the electorate without having in contemplation the statute as it appears upon the Statute Book. It must be assumed that when that vote was taken every voter in the Province of British Columbia knew that, notwithstanding what might be the result on that occasion, the right of private importation continued, and that until this Parliament repealed the law as it then stood on the Statute Book it was impossible to abolish that right of private importation.

Hon. Mr. BELCOURT: Could that be consistent with Government control?

Hon. Sir JAMES LOUGHEED: Yes, it could be.

Hon. Mr. BELCOURT: No, it could not be.

Hon. Sir JAMES LOUGHEED: Of course it could be.

Hon. Mr. BELCOURT: No.

Hon. Sir JAMES LOUGHEED: Let me point out to my honourable friend when it is consistent with Government control. My honourable friend may not be aware that the Province of Quebec has been very successfully carrying on Government control for some years, and has been clearing up no less a sum than approximately $5,000,000 a year. The Province of British Columbia, since it entered upon this enterprise, has been clearing up three of four million dollars a year. Yet my honourable friend the senior member for Ottawa (Hon Mr. Belcourt) says this is inconsistent with Government control. I cannot conceive of any more successful business than those two Provinces have entered upon.

Hon Mr. BELCOURT: That is not my point. My point is whether it was inconsistent with Government control, after the question was put to the electorate of British Columbia.

Hon. Sir JAMES LOUGHEED: Yes; I am prepared to maintain that likewise. I say in all seriousness that the best protection for provincial control is the retention of this right of the private citizen to import his own liquor.

Hon. Mr. BEAUBIEN: That is right.

Hon. Sir JAMES LOUGHEED: If you wipe that out you hand over the exclusive right to the Province and entirely destroy the incentive of the Province to administer the liquor law in the interest of the people. In wiping out that right you say to the Province: "You may supply the people of this Province with the most deleterious liquors, the most poisonous mixtures, you choose." There is no way of remedying the abuse. The right of private importation is the only safeguard. I say in all seriousness ,and I think that honourable gentlemen will on consideration agree with me, that it is the only guarantee we have that the Province will administer its liquor laws wisely and well, and in behalf of the people.

If honourable gentlemen will recall the observations made by my honourable friend from New Westminster (Hon. Mr. Taylor) a few nights ago, they cannot fail to recognize immediately the necessity of this right being retained as a guarantee that the citizens of

British Columbia shall get a fair brand of liquor; otherwise they have to consume the deleterious mixtures which are prepared by the local Government, and which deal out destruction and death.

Hon. Mr. DANDURAND: There are 79 brands of whisky.

Hon. Sir JAMES LOUGHEED: But here is a right by which the citizen may import from any of the markets of the world the very best liquors that can be had, and at a price which must necessarily regulate the market in British Columbia and the Province of Quebec. I say honourable gentlemen, that this is no mean right, that this is the one of the constitutional rights, applying to three and one-half millions of people, and it should not be lightly treated. The suggestion of my honourable friend from Victoria (Hon. Mr. Barnard) that the question should be submitted by a plebiscite to the people is the only logical way of determining it. If the people of British Columbia are willing to abandon this right under a plebiscite, then we will accept their decision without any resistance; but if a plebiscite is submitted and they refuse to abandon it, the Government of British Columbia must simply proceed to regulate the traffic as is being done at present, and must be satisfied with the making of a paltry three or four millions of dollars, the amount which they are realizing to-day.

Hon. Mr. BELCOURT: How long is it since the last plebiscite was taken?

Hon. Mr. DANDURAND: In 1920.

Hon. Mr. BELCOURT: It would be costly to this Government to have plebiscites every two or three years.

Hon. Sir JAMES LOUGHEED: When the plebiscite was taken in 1920, no claim was made that the right of private importation should be abandoned. That claim appeared only before this last Session.

Hon. Mr. DANDURAND: My honourable friend is mistaken. A document has been read from the Premier of British Columbia, addressed to the honourable gentlemen's Government.

Hon. Sir JAMES LOUGHEED: Oh, well, we did not give any serious attention to that. The Premier of British Columbia did that in a Pickwickian sense, I may say to my honourable friend.

Hon. Mr. DANDURAND: The communication was couched in a very respectful terms.

Hon. Sir JAMES LOUGHEED: But British Columbia merrily entered upon the regulation of the liquor traffic, with most satisfactory results. They have been extremely successful. Can it be owing to dissatisfaction at not having made sufficient money out of the traffic that they ask for this additional concession?

Hon. Mr. DANDURAND: No. It is to stop bootlegging.

Hon. Sir JAMES LOUGHEED: I will deal with that, again. Let me tell my honourable friend that this will never stop bootlegging.

Hon. Mr. DANDURAND: In a certain measure it will.

Hon. Sir JAMES LOUGHEED: Does my honourable friend take that letter for gospel? My honourable friend must not forget the retraction which the Attorney General of British Columbia made to this Chamber in a humble and contrite spirit, which the Scripture says should not be despised.

Hon. Mr. BELCOURT: Seemingly the honourable gentleman cannot forgive or forget.

Hon. Sir JAMES LOUGHEED: Let me deal with that question of bootlegging. My honourable friend must be very credulous as to the resourcefulness of human nature if he thinks for one moment that the abolition of warehouses will prevent bootlegging. I say to-night in all seriousness that the bootlegging from export warehouses is in a sense a satisfactory guarantee of the quality of the liquor which will be trafficked. You do not wipe out bootlegging entirely. I may tell my honourable friend that there is as much bootlegging in Quebec as in British Columbia, and there is probably more bootlegging in the Province of Ontario than in either. There is not a Province in the Dominion of Canada in which bootlegging is not one of the dominant sources of trade to-day. If importation is suppressed, then liquor will be manufactured locally and bootlegging will be carried on with the most deleterious mixtures that can be compounded. I know whereof I speak. I know that in my own Province the serious bootlegging is not confined to the liquor which is brought in from British Columbia, but is connected with the traffic in liquors which are made locally and which are the most poisonous mixtures that could be administered to a human being. Therefore I say that, so far as bootlegging is concerned, this is one of the safest guarantees that we have as to the quality of the liquor.

Let me deal further with this question. We have placed upon our Statute Book a law which has had the result—and I say it is a shame to the Parliament of Canada—that a reservoir of liquor is established upon the Atlantic and another reservoir of liquor upon the Pacific, from which the intervening country can be supplied, and will be supplied for all time to come. Do honourable gentlemen fancy that with those enormous reservoirs on both oceans, at both ends of Canada, to supply the intervening parts of the country if necessary, we can stamp out the liquor traffic? Not at all. Yet we talk of regulating those enormous reservoirs that are making millions of money, and we talk of suppressing and wiping out bootlegging. Why, honourable gentleman, it is absurd. Those Provinces exercising Government control of the liquor traffic have practically abandoned provincial government. They have gone into the liquor business, the most lucrative business in which they can engage. Their revenues from that traffic far transcend the revenues of any other branch of the Provincial service, and to-day they are concentrating much of their attention upon the carrying on of this traffic, to the detriment of the whole Dominion. I say, honourable gentlemen, that if we are sincere in this matter the present legislation should be wiped from off the Statute Book. We should start anew and should see that all the provinces are placed upon a parity. The Parliament of Canada should not be a party to the trafficking in liquor and the amassing of millions of dollars, as it is to-day, when humanity is suffering from the demoralization that is caused not only in those provinces, but in the intervening provinces of Canada.

Honourable gentlemen talk about suppressing the evils of the bootlegging traffic by simply abolishing the individual's right to import liquor into British Columbia or Quebec. It shakes one's confidence in the intelligence of human nature to think that people are so credulous as to believe that reformation can be brought about by twaddle of that kind.

There is a statute giving to the people of the Province of Quebec and the Province of British Columbia the right to import liquor. There has been no pronouncement upon it by the people of either province. It is a right which is valuable entirely apart from the particular subject to which it refers. It is something more than the right to import liquor. It is a constitutional right, guaranteed to the subject by statute, and before the subject abandons his right there should be a pronouncement by the people of the province, whether it is Quebec, British Columbia or any other province, that they deliberately abandon that right which has been guaranteed to them by the constitution and by statute. Until that pronouncement is made the right should be preserved to them in its entirety.

Hon. Mr. DANDURAND: Is not that valuable right abolished when, as the result of a prohibition plebiscite only 51 per cent of the population vote aye? Are not 49 per cent obliged to submit and to surrender that valuable right, because of the vote of one per cent of the population?

Hon. Sir JAMES LOUGHEED: What we are asking is that a plebiscite be taken. If 51 per cent of the people of British Columbia vote for the abolition of that right, then we shall bow to the wishes of that province and willingly give them the legislation which they seek; but we will not submit because some Attorney General of a province, confident in all the powers and importance of his office—

Hon. Mr. DANDURAND: And with a majority behind him.

Hon. Sir JAMES LOUGHEED: —says to the Dominion Government: "My ambition is to control absolutely the liquor traffic in this great province." He demands from the Dominion Government that they barter and destroy the right of the people of his Province and give it into his hands, that he may tyrannically and exclusively exercise that control. If I know the Province of British Columbia, or if I know any of the provinces of this Dominion of Canada, they resent the exercise of any arbitrary or exclusive power by any provincial official, no matter how important or unimportant he may be.

Honourable gentlemen, it is not reasonable that the Province of British Columbia, which has been coining money out of the liquor business and clearing up three or four million dollars a year, distributing it lavishly amongst the municipalities and other bodies in the Province has money enough to hold a Columbia: "You have the right to import liquor into this Province: we desire to exercise the exclusive right of importation." The people should be asked to vote on the question whether the Province should exercise that exclusive right or whether the right of private importation should be retained. The Province has money enough to hold a plebiscite. The right of the people of British Columbia should be conserved until by their voice, on a plebiscite, they signify their abandonment of that right which they have

enjoyed in the past, and which is conserved to them by the Statute known as the Canada Temperance Act.

Hon. Mr. ROBERTSON: I want to point out to my honourable friend (Hon. Mr. Dandurand) that I think his argument with regard to one per cent only being effective is quite incorrect. It is true that in both Quebec and British Columbia the agitation for the referendum which resulted in Government control was started because the poor man in those provinces objected to the rich man exercising the right of importation while the poor man, who had the right, could not exercise it. He therefore said: "Give us government control, so that I may have a right which I can exercise—the right to get a bottle of liquor from a Government vendor, when I cannot import it." The vote for Government control in the Provinces of Quebec and British Columbia was in my opinion simply an announcement by the people in those Provinces that they desired to maintain that right for themselves.

Hon. Mr. REID: I would like to ask a question. If we take a vote on this proposed amendment, does that preclude us from amending other parts of the section?

Hon. Mr. DANDURAND: I understand that my honourable friend from Victoria (Hon. Mr. Barnard) wanted to make sure that his amendment would be considered before we adopted the first clause. I thought he might have waited until we reached subsection 5 of the Bill. However, the adoption of the amendment would not preclude us from considering other amendments. At any rate, that is my view.

Some Hon. SENATORS: Question.

Hon. Mr. DANDURAND: My honourable friend's aim is to add the obligation of a plebiscite or a referendum?

Hon. Mr. BARNARD: Yes. The effect of the amendment is that the prohibitions provided in the rest of the section shall not come into effect until a plebiscite has been taken.

Hon. Mr. ROCHE: But that should apply to all the provinces as well as British Columbia, because there is a question far beyond anything that has been dealt with in this House. It affects all the liquor enactments in the country. On the part of Nova Scotia I object to that very strongly.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to this fact, that he is throwing upon the Governor in Council, which is the Dominion Government, the obligation to hold a plebiscite. My conviction is that he is forcing the Federal Government to take a hand in this matter, and to employ its own machinery and the money of the people of Canada in general, in order to allow a province to express its wish. I suggest to my honourable friend that he amend his amendment in order to allow the alternative of a referendum or plebiscite by the provincial authorities themselves. I think we might as well reject the Bill as to vote for the honourable gentleman's amendment, which would defeat the object that the Province may have in view by throwing upon the Federal Government the responsibility of testing the wish of every province in such matters.

Hon. Mr. ROBERTSON: Does my honourable friend desire that the amendment of the honourable member from Victoria should be amended in that regard?

Hon. Mr. DANDURAND: No, I am not amending; I am voting against the amendment, because I believe that British Columbia has already expressed its will. But it seems to me that if my honourable friend wants a plebiscite to be held in his province he should not ask that the Federal Government be the only authority to have a plebiscite. His amendment limits it to the Federal Government.

Hon. Mr. ROBERTSON: I am quite prepared to move an amendment to that effect, and I would move that the amendment before the House be further amended by providing that.

Hon. Mr. BEAUBIEN: Perhaps the amendment might simply be amended by saying "the Lieutenant Governor in Council" instead of "the Governor in Council."

Hon. Sir JAMES LOUGHEED: In general terms I think it should be stated that this Act should come into force by a proclamation after the submission of a plebiscite by the Provincial Government.

Hon. Mr. BEIQUE: I think you have only to substitute for "the Governor General in Council" the words "the Lieutenant Governor of the province."

Hon. Mr. WATSON: Of British Columbia.

Hon. Sir JAMES LOUGHEED: No, because this will apply to any province.

Hon. Mr. BARNARD: I am prepared to substitute "Lieutenant Governor" for "Governor."

Hon. Sir JAMES LOUGHEED: The honourable member from Montarville (Hon. Mr. Beaubien) has been good enough to suggest that the word "Lieutenant" come in before the word "Governor," and that will solve the whole problem.

Hon. Mr. WATSON: But Manitoba is taking a vote on Friday and wants to avail itself of this legislation. Why tie up Manitoba?

Hon. Sir JAMES LOUGHEED: The legislation cannot come into effect before Friday.

Hon. Mr. DANDURAND: Manitoba would require a second plebiscite.

Hon. Mr. WATSON: This amendment should be confined to British Columbia.

Hon. Sir JAMES LOUGHEED: But my honourable friend has been battling for the province of Quebec.

Hon. Mr. DANDURAND: I am making it general.

Right Hon. Sir GEORGE E. FOSTER: I know this House is restive, and it is a warm summer night, and we have had a long discussion, but I do not feel satisfied with the position that the question is in at the present moment. I think we are putting on a motion the exact effects of which we do not yet understand, and I am going to ask the House to let this matter lie over until to-morrow. I think we cannot give it too much consideration. I do not know just what the effect of this amendment is, and I find it impossible to make it clear to my mind what it does mean, how far it goes, and what will be its results. Prima facie I am not in favour of tacking on to this legislation such a provision, at least as it appears to be from what I have gathered from it. I would be far better pleased if we could leave it over until to-morrow, and decide it then. Why not? If it is a good thing, it cannot run any risk if we pass another night over it. If it is a thing which has some disadvantages in it, we will not make a mistake if we give it more consideration, and take no steps which we will afterwards have to retrace. My own view is very strongly that this matter should be left over till another day.

Hon. Mr. DANDURAND: Of course, we may be pressed a little for time if there is to be prorogation before the end of next week, but I am disposed to abide by the suggestion of my honourable friend. However, I am in the hands of the House.

The Hon. The CHAIRMAN: The amendment has been altered to read:

The Lieutenant-Governor in Council shall proceed to take a vote on such question in the manner provided in any such province.

Hon. Mr. BEIQUE: Surely that is not the form of the motion—that the Lieutenant-Governor should proceed to take—

Hon. Sir JAMES LOUGHEED: The Lieutenant-Governor in Council.

Hon. Mr. BEIQUE: It is not the Lieutenant-Governor in Council who shall proceed to take the vote. That is not the proper wording.

Hon. Mr. BEAUBIEN: That is exactly the wording that exists in the law as far as the Federal authority is concerned; why not provincial?

Hon. Mr. BELCOURT: It does not say "shall." It says "may."

Hon. Mr. BEAUBIEN: I think "may" would be better.

The Hon. the CHAIRMAN: It reads now:

The Lieutenant-Governor in Council may proceed to take a vote on such question in the manner provided in section 152.

The amendment of Hon. Mr. Barnard was agreed to: contents, 31; non-contents, 18.

Hon. Mr. DANDURAND: Honourable gentlemen, I desire to move to strike out all the words of subsection 3 after the word "accused" in the fifth line, and substitute the following, so that subsection 3 will read:

(3) The burden of proving the right to import intoxicating liquor, or to cause intoxicating liquor to be imported, or to send, take or transport intoxicating liquor, or to cause intoxicating liquor to be sent, taken or transported into any province shall be on the person accused.

The following words are added:

—and where the person accused is a person duly licensed by the Government of Canada to carry on the business or trade of a distiller the burden shall also be on him of proving that all intoxicating liquor imported by him is imported solely for the purpose of being used for blending with or flavouring the products of trade of a distiller carried on by him in the Province, and that all intoxicating liquor imported and kept by him in the Province is kept in a liquor warehouse which conforms in all respects to the requirements of the law governing such places or warehouses, and that all intoxicating liquors imported by him, or liquor imported by him, is used solely for blending or flavouring the products of his said business or trade.

This will have the effect of purging subsection 3 of the condition under which export houses could receive and keep intoxicating liquor in a province, since we have removed the export houses.

Hon. Mr. DANIEL: Does the honourable gentleman's amendment affect the private importation?

Hon. Mr. DANDURAND: I will read the clause as it is.

Hon. Sir JAMES LOUGHEED: Do you strike out the distillers?

Hon. Mr. DANDURAND: No, I should have struck out first the words "or brewer," so I move to strike out those words in the fourth line of subsection c.

Right Hon. Sir GEORGE E. FOSTER: Those words come in three distinct times.

Hon. Mr. DANDURAND: My motion is to strike out those words wherever they appear in that subsection.

Hon. Mr. BEAUBIEN: Do I understand that this section applies now only to dry provinces?

Hon. Mr. DANDURAND: No; it extends only to the provinces that have Government control.

Hon. Sir JAMES LOUGHEED: It has only to do with the blending of liquors, and brewers do not blend liquors.

Right Hon. Sir GEORGE E. FOSTER: Does my honourable friend propose to go any further with that section? I raised a question in the general discussion of the Bill as to just what that meant. If you are going to allow a distillery, there may be one or ten or fifty. You may have regular distilleries, and you may have mushroom distilleries, as they have been called here; but what is to happen if you allow a man or a company which establishes a distillery, and commences business, to import intoxicating liquors of all kinds and blend and mix them? If blending or mixing is carried on by the distillers at present, and is a necessary and normal adjunct of their business, something might be said for it, but to my mind this makes it possible for a distillery, once it is established in British Columbia, to mix drinks and blend them, flavour them, and stimulate the process in any way it chooses. It is entirely apart from the general idea of a distillery, which is that out of your raw product you gradually get what is a potable product, and the best product, as it is said, by a system of maturing; and all our warehouse arrangements have been based upon that system of age and supervision for the maturing. But it looks as though it would be possible under this section to put up one, two, three or a dozen or twenty or thirty or forty distilleries in the province of British Columbia and allow them to import and blend and mix. I ask my honourable friend to look into that question very thoroughly, because it seems to me it is a loophole of tremendous size.

Hon. Mr. DANDURAND: I confess I know nothing of the business of a distiller. I have asked what was the occasion for the blending and flavouring process, because it would be simply for those two ends that they would have the right to import. I have obtained this statement—

Hon. Sir JAMES LOUGHEED: I would suggest that we adjourn this until to-morrow, because this question of blending is bound to occupy some considerable time.

Hon. Mr. DANDURAND: I do not intend to press the point to-night, but this explanation of blending and maturing has been put in to my hands, and between this time and to-morrow afternoon I will find what breweries in Canada are using this blending process:

Blending—By this term is meant the mixing of two or more different whiskies. These may be all pot-still products, but more generally are mixtures of patent and pot-still spirits. In the first case, the object of blending is to preserve uniformity of character; in the second, to obtain a milder, more uniform and also cheaper product than is furnished by pot-still spirit alone. The pronounced flavour of "self-whiskies"—the unblended products of individual distilleries—suits the taste of comparatively few consumers, whereas the blend appeals to a very much larger number. As practised in Scotland, the blending of pot-still and patent-still whisky is for the purpose of producing two distinct classes of spirits:—(1) mildly flavoured whisky of particular characters and good quality; and (2) a cheap but palatable whisky. As regards the latter, patent-still spirit costs less to manufacture than pot-still spirit, and if mixed with immature pot-still whisky —which is naturally cheaper than the fully matured article—the unpleasant taste is toned down, so that the mixture becomes more palatable. The proportion of pot-still whisky in these cheap blends depends chiefly upon the price: the cheapest may contain as little as 10 per cent, or less.

Maturing.—The flavour of newly-distilled whisky is crude and unpleasant. This is particularly the case with pot-still whisky, which contains more of the secondary constituents than the patent-still product. By storage in wooden casks certain changes are brought about in the character and amount of the secondary constituents, with the result that the flavour is improved. This process is "maturing"; it is effected more readily in the patent-still whisky than in that from pot-stills, which is often stored for many years in the wood. Casks which have previously held sherry are frequently used for the purpose, and new casks sometimes receive a preliminary treatment with a sweet wine before being employed for the maturing of whisky. Much the greater quantity of the spirit, however, is matured in plain wood.

My right honourable friend asks: is it necessary that the distiller should have the privilege of importing intoxicating liquor for blending and flavouring purposes? The answer to my inquiry is not absolutely satisfactory.

I have been answered yes. But I would like to have a further confirmation of that statement. If the distiller in the general course of his business does not need this privilege, we could perhaps dispense with the whole clause, which concerns only brewers and distillers; if the distiller does need this privilege, I will submit the amendment which I proposed, to strike out the word "brewer," and the further clause will have to be amended so as to harmonize.

Right Hon. Sir GEORGE E. FOSTER: I also made some inquiry from persons whom I considered good authority, and the suggestion that came to me was that this was a first-class method of making the whole thing a farce and a joke.

Hon. Mr. REID: I would like to ask the leader of the Government to consider another amendment. Subsection 2, paragraph a, reads as follows:

Intoxicating liquor which has been purchased by or on behalf of, and which is consigned to His Majesty or the Executive Government of the Province into which it is being imported, sent, taken or transported; or any board, commission, officer or other Governmental agency which, by the laws of the Province, is vested with the right of selling intoxicating liquors—

I want to ask the leader of the Government to consider the advisability of striking out the words "officer or other Governmental agency," so that it will read:

And board or commission which, by the laws of the Province, is vested with the right of selling intoxicating liquors.

In the province of Ontario it is the Government alone which sells intoxicating liquors. I do not like the words "Governmental agency," because under them private parties could be appointed as agents. I would like to see the law carried out in British Columbia as it is in the province of Quebec, so that that the liquor would be sold by the Government's own officers and not by some firm as a Government agency.

Hon. Mr. DANDURAND: I will examine into the suggestion.

Progress was reported.

BANKRUPTCY ACT

FURTHER CONSIDERED IN COMMITTEE

On the Order:

Consideration of the amendments made in Committee of the Whole to Bill 139, an Act to amend the Bankruptcy Act.—Hon. Mr. Béique.

Hon. Mr. DANDURAND: I would move that the House go into Committee of the Whole in order to consider an amendment.

The motion was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. DANDURAND.

Hon. Mr. Blain in the Chair.

Hon. Mr. BEIQUE: I would move to substitute the following for the proposed amendment to sub-clause 4 of clause 26:

Page 9, line 22.—After subclause (2) of clause 26 insert as subclause (3):

"(3) Subsection five of the said section is hereby repealed and the following substituted therefor:—

(5) (i) The Official Receiver or his nominee shall (be the chairman) at the first meeting of creditors. He shall decide any questions arising in connection with the appointment of the trustee by creditors, and from (any such) decision any creditor may appeal to the court;

(ii) At all (other) meetings the chairman shall be such person as the meeting by resolution appoints;

(iii) The chairman (of any meeting) may with the consent of the meeting adjourn the meeting from time to time and place to place."

Re-number subclauses (3) and (4) of clause 26 as (4) and (5).

The proposed amendment of Hon. Mr. Beique was agreed to.

Hon. Mr. BEIQUE: I wish to say that last night, during the consideration of one amendment, I said that it had been given to me at the last moment. I find that the amendment has not the effect that I indicated yesterday. It merely has the effect of removing two or three words which have no meaning, and does not change at all the working of the law as regards the Winding-up Act or the Bankruptcy Act as it stands at present.

The Bill was reported, as amended.

CONCURRENCE IN AMENDMENTS

Hon. Mr. BEIQUE moved concurrence in the amendments to the Bill made in Committee of the Whole House.

Hon. Mr. DANIEL: Honourable gentlemen, I thought the amendments were to be printed so that we would have some idea of what they are.

Hon. Mr. DANDURAND: They have been printed.

Hon. Sir JAMES LOUGHEED: They are all right. We discussed them last night.

Hon. Mr. DANIELS: I have not had an opportunity of finding out what they are.

Hon. Sir JAMES LOUGHEED: The honourable gentleman from De Salaberry (Hon. Mr. Beique) explained them most fully.

Hon. Mr. DANIEL: I certainly understood the leader of the Government to say that they would be printed and would be placed before us.

Hon. Mr. DANDURAND: They are printed in the Minutes.

The said amendments were concurred in.

THIRD READING

Hon. Mr. BEIQUE moved the third reading of the Bill.

Hon. Mr. DANIEL: There is not a man in the Senate who knows what he is voting for.

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

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

THE SENATE

Wednesday, June 20, 1923.

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

Prayers and routine proceedings.

LITTLE BRAS D'OR GOVERNMENT TELEGRAPH OPERATOR

UNSATISFACTORY REPLY TO INQUIRY

Hon. Mr. McCORMICK: Honourable gentlemen, with regard to my inquiry concerning the dismissal of a telegraph operator at Little Bras d'Or, I desire to call attention to the unsatisfactory nature of the reply. I asked:

1. (a) Was Mrs. Richard, government telegraph operator at Little Bras d'Or, Cape Breton County, dismissed from office about two months ago? (b) For what cause?

The answer to that question is:

Yes, April 11th, 1923. In the interests of better service to the community.

I have some knowledge of that locality; it is in the neighbourhood of the place in which I live. I know that office and the woman who was in charge of it. It is a place that was a fishing community 15 or 20 years ago, but it has changed and is now an industrial community. I find that there was no complaint whatever with regard to the way the office was conducted, and when I am told in this answer that the operator was dismissed in the interests of the service, I say there was no ground whatever for that statement. When Mrs. Richard was ordered to give up the implements of the office, the position was offered to another person, but he did not accept it. The position was then peddled around to a second man, and he refused to take it.

Little Bras d'Or is a growing community. Not only is it engaged in fishing and farming, but it is also an industrial community of some size with a coal mine of 500 tons production a day. Yet that office, located in what might be called the business centre of the community, has been abolished and no one has been appointed to the vacant position. The public for the last two months have been deprived of any service whatever. That is a most shameful condition of affairs. It is something that ought to be remedied. Back in 1896, in the days of the Laurier Government, when complaints were made against public officials, inquiries were instituted as to how they had conducted themselves, and if on inquiry a man was found to have transgressed in any way as a partisan he was dismissed, as he deserved to be. When the Borden Government came into power a like procedure was followed. But in these days, when we have adopted the Civil Service idea, and when it might be expected that some attempt would be made to place positions on a proper basis, a position is abolished without any complaint whatever worthy of the name, but on the suggestion of some political heeler in the district, and the people of that growing industrial community have been without any service whatever in that respect for the last two months. This is something which I think should engage the attention of members of this Parliament, and should be remedied. There is no justification for the reason given in the answer for the dismissal. It is altogether against the interest of the community. I do not say that the operator was dismissed on a suggestion coming from upper quarters, but the Government ought to be careful in listening to suggestions of irresponsible persons, which have no doubt been made. There is no reason whatever for the dismissal of this woman, who has given very satisfactory service. I am altogether dissatisfied, and the people in that community will be dissatisfied, with the inadequate reason given for her dismissal, and they have a grievance because up to this time no appointment whatever has been made and the public down there are suffering from the closing up of that office.

Hon. Mr. DANDURAND: Honourable gentlemen, I am not surprised at the statement made by my honourable friend that he is dissatisfied with the answer he has received. I read it for the first time when I communicated it to the Senate, and personnally I was not satisfied with it. I intend to acquaint my colleague of the Post Office with the remarks of my honourable friend, and to tell him that in my opinion the Senate is entitled to an answer more satisfactory in the spirit and the letter.

C.G.M.M. CANADIAN FARMER

INQUIRY

Hon. Mr. TAYLOR called attention to omissions from answers to questions respecting insurance claimed for C.G.M.M. Canadian Farmer and inquired:

1. Who on behalf of the C.G.M.M. made the specifications for the repairs by the Prince Rupert Dry Dock Company for which repairs a bill of $8,500 was rendered by the company.

2. On what date or dates and at what place or places were these repairs inspected by Mr. T. Louden, Mr. C. McCoskrie and Mr. W. A. Wallace.

3. (a) Why was not the $8,500 claimed from the insurance underwriters included in the estimated amount receivable shown in the assets as at 31st December, 1922. (b) Has this amount or any part of it been paid yet by the underwriters; and if yes, how much. (c) Has there been resistance by the underwriters against this claim or any part of it, and if so on what grounds.

Hon. Mr. DANDURAND:

1. Mr. T. Louden, Assistant Superintending Engineer, Canadian Government Merchant Marine, Limited.

2. Date Place Inspected by

Sept. 14, 1922, Vancouver, Mr. T. Louden,

Aug. 27, 1922, Prince Rupert, Mr. E. McCoskrie.

Sept. 14, 1922, Vancouver, Mr. W. A. Wallace.

After work commenced at Prinec Rupert, Chief Engineer Abraham was appointed to represent Mr. T. Louden, and Steamboat Inspector B. Mantrop to represent Classification Surveyor to supervise repair work. Final inspection made as above.

3. (a) $215.95 representing survey fees, etc., was paid by the Canadian Government Merchant Marine in 1922 and is not part of the $8,500 which is straight repair bill. This latter amount was not paid by the Management until April, 1923. Both these amounts are included in the claim against Underwriters. This claim is now in the hands of the Average Adjusters. (b) No portion has yet been paid by Underwriters. (c) There has been no resistance by Underwriters.

Hon. Mr. TAYLOR: I call the attention of the honourable gentleman to the fact that the important part of the question is not answered yet. I asked why was not this $8,500 claimed from the underwriters shown in the insurance recoverable at the 31st of December?

Hon. Mr. DANDURAND: I will let the question stand, and will ask for an answer to the query of my honourable friend if it is not answered.

Hon. Mr. DANDURAND.

DIFFERENTIAL RATES AGAINST HALIFAX

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Is it the intention of the Government during the current session of Parliament to take any steps that may be necessary to abolish the differential freight rate of one cent per hundred pounds, which is now effective against the Port of Halifax in favour of Portland, U.S.A., and St. John, N.B?

2. If legislation in the matter is unnecessary will the Government otherwise cause the differential to be abolished?

Hon. Mr. DANDURAND: This question has already been answered, but my honourable friend from Pictou (Hon. Mr. Tanner) stated that in the light of the stand taken by the Department of Railways and Canals in 1911, if I am not mistaken, the answer seemed to be incorrect. The supplementary answer I have received is as follows: When the statutory agreement, to which Hon. Senator Tanner refers, was reached between the Grand Trunk and the Intercolonial Railways, they were separate and competing organizations. Now both lines are included in the National System, and the rate in question is therefore regarded as purely a matter of domestic arrangement.

Hon. Mr. TANNER: Since the matter was up the other day, Mr. Dalrymple, who is, I think, Traffic Manager, or who holds some high position on the railway staff, visited the Maritime Provinces; and I want to read to my honourable friend a newspaper report of what he said on this subject, because there appears to be confusion between the Department and the Board of Railway Directors. As a similar report appeared in both Halifax newspapers, I presume it is correct:

On the question of the Halifax differential of one cent over St. John, he stated that he was in favour of the abolition of this. He was not in a position, however, to make an official announcement with regard to this. It would be necessary to confer with Ottawa as to the machinery necessary to change the agreement which was on the statutes of the Dominion. He did not expect, however, that there would be any difficulty working the problem out and he felt sure that the Halifax rates for next winter would be on a par with St. John.

It is not very clear whether or not Mr. Dalrymple thinks legislation is necessary; evidently he is under the impression that the Board of Directors alone cannot settle the matter. If it is not tied up by legislation, there should be nothing to prevent the Board of Directors from dealing with the matter, as I presume they could go to the Board of Railway Commissioners and recommend a change. All I am anxious about is this: If legislation

is necessary, the time is very short for introducing it; but if I can obtain a positive assurance that legislation is not necessary and that the matter can be otherwise dealt with, that will be quite satisfactory to me.

Hon. Mr. DANDURAND: That question was covered by the answer which I gave the other day, in which it was assumed that the Canadian National Railway Board had full authority to go into the matter and was looking into it.

C.N.R. GENERAL OFFICERS

INQUIRY

Hon. Mr. TANNER inquired of the Government:

What are the names of the persons who are known as the General Officers of the Canadian National Railways; the respective position at present held by each one of these general officers; and the yearly salary payable to each one?

Hon. Mr. DANDURAND: It is not considered to be in the interest of the Canadian National Railways nor in the interest of the public to make public such information.

DIVORCE BILL

FIRST READING

Bill D6, an Act for the relief of Herbet Hugh Keller.—Hon. Mr. Bennett.

EXTRA PAYMENTS TO JUDGES

FURTHER INQUIRY

On the Orders of the Day:

Hon. GEORGE GORDON: Honourable gentlemen, with the leave of the House I would like to refer to a question which I asked the leader of the Government a few days ago. My only excuse for bringing the matter up now is its vital importance, and because in Hansard of Monday I find an opinion expressed by a member of this House whom I have always looked upon as being probably one of the best-posted lawyers in the Dominion. The opinion which he gave was not contradicted by any member, more particularly by any lawyer. The question I asked the leader of the Government was in respect to the sum of $20,000 which it was alleged had been paid to two judges of the Supreme Court of Ontario since the passing of the Act in 1920 prohibiting judges from receiving remuneration for performing any duties outside of their regular duties. The member to whose opinion I refer is the honourable gentleman from De Salaberry (Hon. Mr. Béique). I cannot do better than quote what he said, at page 973 of Hansard:

If we turn to the statutes of 1920, we find that the prohibition of the payment to judges is absolute.

And he quotes the statute as follows:

No judge shall receive any remuneration in addition to his judicial salary for acting as administrator or Deputy of the Governor General, or for any duty or service, whether judicial or executive, which he may hereafter be required to perform for or on behalf of the Government of Canada or the Government of any province thereof.

He goes on to say:

The prohibitions are general; then there are exceptions providing for the payment of travelling expenses in certain cases. The provision in the present Bill does not amend this section of the Statute of 1920; it merely permits the judges to act in the additional cases mentioned. The prohibition against their being paid remains absolute.

In my opinion, honourable gentlemen, there is no reason why laws should not be obeyed by judges as well as by other persons; and, if the opinion of my honourable friend is correct, the law has been violated by two judges of the Supreme Court of Ontario having accepted the sum of $20,000 from the Province of Ontario.

Hon. Mr. DANDURAND: How are we officially seized of that information, because, unless it has been brought down from the Department of Justice or by a Minister of the Crown without my noticing it, it has not reached me, and I am at a loss to know upon what official data my honourable friend is making his statement.

Hon. Mr. GORDON: Early in February I put a question on the Order Paper asking if the Government was aware that two judges of the Supreme Court of Ontario had been paid $10,000 each by the Province of Ontario since the passing of this Act. The reply was no. I have no doubt that the Government has not been officially notified to that effect; but it is current gossip and has been reported in the newspapers that this sum of money was actually paid to these two judges. The point I am coming to is this. If this is the case, particularly in view of the opinion of my honourable friend the member for De Salaberry, will the leader of the Government get an opinion from the Justice Department as to the legality of these judges accepting this money.

Hon. Mr. DANDURAND: In the statute of 1920 or 1921 there is a clause relieving from some of the prohibitions judges who were then acting in certain cases. I do not know whether that provision would cover this case.

Hon. Mr. GORDON: The honourable gentleman is probably referring to section 35 of the Act passed in 1921. I believe there was a clause there which read to this effect:

Provided that this enactment shall not interfere with judges who are at present acting as commissioners or arbitrators completing the work on which they are engaged.

My opinion, and the opinion of nearly every person to whom I have spoken, is that that clause allowed the judges to act on commissions and to perform other duties outside of their regular duties; but that the clause in the Act of 1920 prohibited them from accepting any remuneration therefor. In this particular case these two judges were called upon as commissioners to decide as to the legality or illegality of certain actions of a very prominent man in the Province of Ontario; and if, after having acted on a commission of that nature, they deliberately accepted $20,000 from the Province, in contravention of this Act, I say it is something which should be brought to the attention of the Department of Justice. If it is found that there is some loophole through which they could crawl in order to accept this money in a legal way, we will have to be satisfied; but, according to the opinion of one of the members of this Chamber for whose opinion I have great respect, this was contrary to the law, and, I believe, is something which it would be well for the Department of Justice to look into, and I ask the leader of the Government to take steps to have that done. It was a great many years ago that a famous man named Samuel Johnson was credited with having said that true liberty could only exist when the laws were equally administered to the king and the beggar. Here is a case in which we want to find out whether the law is going to be administered equally to judges and to laymen. Would it be in order for the Department of Justice to ask the Treasurer of the Province of Ontario or the judges themselves whether this money has been paid over?

Hon. Mr. DANDURAND: If my honourable friend would put that question on the Order Paper, so as to bring the matter up regularly, he might obtain from the Department of Justice some elucidation of it.

Hon. Mr. GORDON: I submit that there is no way in which I can ask the question more plainly. The question is this. Two judges of the Supreme Court of the Province of Ontario have accepted $20,000 from that province in payment of services rendered for acting on a Commission.

Hon. Mr. DANDURAND: But my honourable friend surely could not make that statement without referring to an official document. If $20,000 has been paid in fees to judges, some trace of it will be found in the blue-books of the Ontario Government or legislature, and perhaps my honourable friend, with an official document in his hand, could make an affirmation and proceed to put a question.

Hon. Mr. GORDON: My opinion is that the blue-books of the province of Ontario are never ready within a year and a half or so of the time when they should be. They are not ready now anyway. I would like the honourable leader to get an opinion from the Department of Justice as to the legality of that payment. I have no objection to naming the judges.

Hon. Mr. DANDURAND: I will send the remarks of my honourable friend to the Deputy Minister of Justice, for him to give me whatever answer he can under his powers.

INDUSTRIAL DISPUTES INVESTIGATION BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 84, an Act to amend The Industrial Disputes Investigation Act, 1907.

He said: Honourable gentlemen, it is with some diffidence that I move the third reading of this Bill. I am here representing in most instances the Departments, and I suppose in a parliamentary sense the Government itself. Perhaps the Government will not recognize its child when the Bill reaches the House of Commons, but I have no objection to be the instrument that will carry it over, and I move the third reading.

Hon. Mr. FOWLER: They have a better child than they had before.

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

CANADA TEMPERANCE BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 43, an Act to amend The Canada Temperance Act.—Hon. Mr. Dandurand.

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: Honourable gentlemen, I moved an amendment last evening to erase two words "or brewer" from clause c, so that in any Province which has the system of Government control a brewer should not be entitled to import. That was agreed to. The question was asked why I should not strike out the word "distiller." I answered that I had been informed that the distillers throughout the country needed the

right to import alcoholic liquor for blending and flavouring purposes. I was not absolutely satisfied, because I had not sufficient information. We postponed that point, and I have asked the Assistant Commissioner of Inland Revenue or Excise, which now forms part of the Department of Customs and Excise, and his answer is as follows:

In accordance with your request for information respecting the importation of liquor by licensed distillers, I have the honour to state that in the ordinary course of business it has been the practice of distillers for many years to import liquor of foreign manufacture for blending purposes. The object of such importation is to impart a distinctive flavour to the various brands of whisky produced by distillers.

Article "B" of the "Departmental Instructions and Orders in Council respecting Distilleries and Products Thereof," which will be found on page 4 of Circular G-269 (copy enclosed), recognizes this practice, and defines the conditions governing importation and receipt of such liquor at a distillery.

I have the honour to be, Sir,
Your obedient servant,
Geo. W. Taylor,
Asst. Commissioner.

Hon. Mr. BEIQUE: We need the regulations, in order to see how far the matter is controlled. The information is not complete without them. I have known of cases in which spirit used for manufacturing purposes was kept in the premises of the manufacturer under lock and key, and under the control of the Customs officer, and could not be used except in the presence of that officer, so that the use and the quantity of the spirit was absolutely checked. I have no doubt there is a regulation covering the point.

Hon. Mr. DANDURAND: I have in hand the departmental instructions and the Orders in Council upon which is based the letter which I have read from the Assistant Commissioner. I have also received from Hiram Walker & Sons, Limited, a letter dated 28th June, signed by Mr. King, who is the Manager, I think, of the distillery:

With reference to your request for information on the subject of blending, we have the pleasure of informing you that "blending" is a normal and proper function of a distiller. Although the process may not be necessary to all the distillers, it is necessary to some of them. Some of the materials required for blending may have to be imported from abroad. Of a blend consisting of two or more kinds of spirit the distiller may make one and import the others.

The material required to be imported may be only for flavouring purposes (such as sherry or prune wine, etc.). Such blending and flavouring, with the consequent necessity for importation, is an ordinary function of the manufacturer of some kinds of whisky or other articles requiring to be made of two or more ingredients, all of which he may not manufacture himself.

Yours very truly,
Hiram Walker & Sons, Limited.
By C. King.

I have received this morning from the Consolidated Distillers the following telegram:

We are actually importing liquor for blending in our Quebec and Ontario distilleries with approval of provincial authorities. We require same rights for our distillery. Respectfully submit this is absolutely vital to our business, and cannot manufacture without these facilities.

Consolidated Distilleries, Ltd.

So that if there is no further amendment to that part of the clause, I will move to amend the following paragraph—

Right Hon. Sir GEORGE E. FOSTER: I might say, with reference to the inquiry that I made as to the practice, and as to what seemed to be the possibility, provided a distillery could be established at any place and carry on the art or practice or business of simply mixing intoxicating liquors—in which case there would be no limit to the number of distilleries that might be used—I desired to know whether or not this had been the normal condition of manufacture by distilleries. I have no idea or purpose of restricting the distiller beyond what he has been accustomed to in the making of his ware, so long as we allow his business to exist and give him the right to export. But from the information that my honourable friend gives me it seems that, even in normal times, and before prohibition enactments were made such as we have now, that was the process of manufacturing engaged in to a certain extent. I have no desire in this case to limit that. What I want to know is whether the insertion of this clause will put it in the hands of any other authorities to supervise and keep track of the work of the distiller who is under the Dominion authorities. I do not want it to transfer or widen the function of the distiller as far as restriction or supervision by the Dominion authorities is concerned; but if it can or will be kept as it is now, under the regulations of the Dominion Government, and enforced by the Department which supervises this work, so that no extension of the privilege of mixing is possible, then I have no objections at all.

Hon. Mr. DANDURAND: That is one of the questions I put to the Assistant Commissioner, drawing his attention to the Bill, and asking him to read it closely and tell me if it was in conformity with the regulations, and his answer is the one I read. Subsection c will then read as follows:

(c) The importation of intoxicating liquor into a province by any person duly licensed by the Government of Canada to carry on the business or trade of a distiller where the intoxicating liquor so imported is imported solely for the purpose of being used for blending with or flavouring the products of the business or trade of a distiller carried on by him in the province,

and while kept by him in the province is kept in a place or warehouse which conforms in all respects to the requirements of the law governing such places or warehouses, and is used solely for blending with or flavouring the products of his said business or trade as a distiller.

I move the adoption of that subsection.

Right Hon. Sir GEORGE E. FOSTER: Will my honourable friend have any objection to the addition of some words which I think would not restrict in any legitimate way the importation? My suggestion is to add, after the words, "carried on by him in the province," these words:

Under the supervision and direction of the Dominion Government.

This is in order to make it sure that no person in the province of British Columbia, by virtue of this legislation, will have any chance of interfering or any means of widening the scope of the business as regularly and normally carried on.

Hon. Mr. FOWLER: What do you mean by widening the scope?

Right Hon. Sir GEORGE E. FOSTER: This—that if the distiller carries on his business of making intoxicating liquors from grain of any kind, and if in the process he finds it necessary, and it has been permitted, to use certain flavours for blending or flavouring it, he may be allowed to do that, but that that must be done—to make it plain—not under any supervision or stimulus by Mr. Manson or any other member of the local Government, but under the supervision and care of the officers of the Department itself. That is all. I think that is fairly reasonable.

Hon. Mr. TODD: I understand that every distiller is under the care and inspection of the officers of the Excise Department. In that case, I think this amendment would be entirely unnecessary.

Right Hon. Sir GEORGE E. FOSTER: Then it would not do any harm to put it in, because whether it is possible to carry it out or not I certainly know that there is an idea that it can be used to enlarge the distribution of intoxicating liquor.

Hon. Mr. BEIQUE: I would suggest that it would be sufficient to add at the end of clause c the words:

Under the supervision of an officer of the Government.

Right Hon. Sir GEORGE E. FOSTER: Or the Department of Customs, whichever it is. Whatever is the legal form, I wish to put it that way.

Hon. Mr. DANDURAND.

Hon. Mr. BEIQUE: As the honourable gentleman has taken the initiative, he might make the motion.

Right Hon. Sir GEORGE E. FOSTER: Yes, I make that motion, that those words be added at the end of the clause:

Under the supervision of an officer of the Customs Department.

Hon. Mr. DANDURAND: Sometimes words can be added that are harmless, but add nothing to be strength of a clause. If we find in the clause itself all the essentials, my right honourable friend may not insist on his amendment. Let us see what are the essentials in that clause. We must remember that this is a Federal Act, which says that under certain conditions the Federal Government may prohibit the importation of the liquor in a Province except by certain parties. In this instance there are three: the Government, the public carrier and the distiller. That is what this clause says. When it comes to deal with the distiller, it says:

(c) The importation of intoxicating liquor into a Province by any person duly licensed by the Government of Canada—

Not by anybody else.

Right Hon. Sir GEORGE E. FOSTER: I know he must be licensed.

Hon. Mr. DANDURAND (reading):

—to carry on the business or trade of a distiller where the intoxicating liquor so imported is imported solely for the purpose of being used for blending with or flavouring the products of the business or the trade of a distiller carried on by him in the Province, and while kept by him in the Province is kept in a place or warehouse which conforms in all respects to the requirements of the law governing such places or warehouses—

And that is the Federal law.

Hon. Mr. FOWLER: That does not add anything to it.

Hon. Mr. DANDURAND (reading):

—and is used solely for blending with or flavouring the products of his said business or trade as a distiller.

I would point out to my honourable friend, in order that there may be no confusion in his mind as to the authority, that we are enacting an amendment to a Federal law, and we are declaring under what conditions a distiller licensed by us will be able to receive and retain liquor on his premises—for blending and flavouring. It must be "kept in a place or warehouse which conforms in all respects to the requirements of the law"—that is, the Federal law. I think that the danger which my honourable friend fears, that Provincial

authorities may assume some power under this Act, is a vain one indeed.

Hon. Sir JAMES LOUGHEED: I must say that I quite concur in what my honourable friend has said. If I had any doubt upon the subject I would support the amendment most warmly, but in my judgment it would be bad draftsmanship to import into the middle of this clause words such as my right honourable friend would employ, because it would throw a doubt upon this particular branch of the trade being under the supervision or inspection of the Dominion Government. The whole operation of this clause is absolutely and undoubtedly under the exclusive supervision or inspection of the Dominion Government, and if you employ the suggested words in the middle of the clause, what about the subsequent words? You throw a doubt upon that particular operation being under Dominion Government inspection or supervision.

Right Hon. Sir GEORGE E. FOSTER: The suggestion was to add the words at the end of the clause.

Hon. Sir JAMES LOUGHEED: The whole clause, as I understand, is practically taken from the Federal statute. This entire operation of blending is under the exclusive jurisdiction, supervision, and inspection of the Federal officers. The Province has nothing to do with it.

Hon. Mr. FOWLER: Would not the proposed amendment only confirm that?

Hon. Sir JAMES LOUGHEED: Why repeat? It is tautology, and it is certainly bad draftsmanship if it casts any doubt. The employment of the words suggested can only imply that there may be some doubt upon the subject when there is absolutely none.

Hon. Mr. DANDURAND: I think that the adoption of the amendment would import into the Bill the doubt which my right honourable friend has in his mind.

Hon. Mr. BEIQUE: I am inclined to think that the addition would be wise, for this reason. The clause, it is true, contains these words:

> And while kept by him in the Province is kept in a place or warehouse which conforms in all respects to the requirements of the law governing such places or warehouses, and is used solely for blending with or flavouring the products of his said business or trade as a distiller.

We have asked whether there are any regulations covering this point or not, and we have not been able to find any. The honourable gentleman has a copy of the regulations: I have glanced over them and have failed to find any regulation covering the point. So I fail to see any objection to adding after the words, "and is used solely for blending with or flavouring the products of his said business or trade as a distiller" the words, "under the supervision of an officer of the Customs Department"—or "of the Department of Inland Revenue." I am not sure which it would be.

Right Hon. Sir GEORGE E. FOSTER: It is all one now.

Hon Mr. BEIQUE: The public has no guarantee unless the use of the liquor is supervised by an officer, and that is what we want to make sure of, whether there is a regulation covering it or not. If there is such a regulation, the addition of the words will not do any harm. If there is no regulation, then this will make it obligatory upon the Government to see that such a regulation is made.

Hon. Mr. DANDURAND: I have no objection to adding to paragraph c "under the supervision of the Department of Customs and Excise."

Right Hon. Sir GEORGE E. FOSTER: That is all right.

Hon. Sir JAMES LOUGHEED: Put that at the end of the clause, and it will apply to everything.

Hon. Mr. DANDURAND: I am putting it there.

The proposed amendment was agreed to

On subsection 3 of new section 163—Burden of proof:

Hon. Mr. DANDURAND: We now come to subsection 3, which in the Bill as it comes to us from the Commons reads as follows. Honourable gentlemen will notice that it retains the phraseology consequent upon allowing export houses to exist. The export houses having been eliminated, this clause also should have been modified in the Commons, but by oversight it has been sent here without modification:

> (3) The burden of proving the right to import intoxicating liquor, or to cause intoxicating liquor to be imported, or to send, take or transport intoxicating liquor, or to cause intoxicating liquor to be sent, taken or transported into any province shall be on the person accused;

The words that follow will have to be struck out and replaced by others. The words that follow are:

> —and where the person accused is a person engaged in or carrying on the business of exporting intoxicating

liquor from the province, the burden shall also be on him of proving that all intoxicating liquor imported by him is imported solely for the purpose of his export business and that all intoxicating liquor imported and kept by him in the province is kept in a liquor warehouse which conforms in all respects to the requirements of the law governing such warehouses and that all intoxicating liquor sold or disposed of by him is actually exported from that province.

That manifestly covers export houses, which no longer exist. The clause should now read:

(3) The burden of proving the right to import intoxicating liquor, or to cause intoxicating liquor to be imported, or to send, take or transport intoxicating liquor, or to cause intoxicating liquor to be sent, taken or transported into any province shall be on the person accused;

That is, the carrier, the distiller, or the Government agency.

—and where the person accused is a person duly licensed by the Government of Canada to carry on the business or trade of a distiller the burden shall also be on him of proving that all intoxicating liquor imported by him is imported solely for the purpose of being used for blending with or flavouring the products of the business or trade of a distiller carried on by him in a Province, and that all intoxicating liquor imported and kept by him in a Province is kept in a place or warehouse which conforms in all respects to the requirements of the law governing such places or warehouses, and that all intoxicating liquor imported by him is used solely for blending with or flavouring the products of his said business or trade.

Right Hon. Sir GEORGE E. FOSTER: I had given notice of amendments to that section of the very same purport as the amendment which has just been read by my honourable friend, but the verbiage of his amendment is much better than the verbiage in the proposal I made. I am not a lawyer, and I have to rely upon my legal colleagues for the niceties of phrase and the accuracy of phrase which are so necessary in drafting.

Hon. Mr. FOWLER: Does that interfere with the right of private individuals to import?

Hon. Sir JAMES LOUGHEED: Oh, yes.

Hon. Mr. DANDURAND: Yes, it will, when authorized by Order in Council, preceded by a referendum as ordered by Parliament.

Hon. Mr. FOWLER: We do not want to put the burden of proof on the individual when he now has a perfect right to import.

Hon. Mr. DANDURAND: Oh, no. That does not affect the present situation.

Hon. Mr. BEAUBIEN: Do I understand from my honourable friend that the effect of the proposed amendment would be to hold the distiller or brewer responsible?

Hon. Mr. DANDURAND: Not the brewer. We have eliminated him. The brewer will be incapacitated from receiving.

Hon. Mr. BEAUBIEN: Subsection 3 refers to the preceding paragraph c?

Hon. Mr. DANDURAND: Yes, but we have amended c.

Hon. Mr. BEAUBIEN: There is now no question about the distiller?

Hon. Sir JAMES LOUGHEED: Subsection 3 has nothing to do with paragraph c.

Hon. Mr. BEAUBIEN: I desire simply to draw my honourable friend's attention to the fact that often distillers have to be represented. The assumption of the law I suppose, is that they are behind their agents. Sometimes there are many representatves. This paragraph c was very severe in the penalty inflicted, and much more severe, I understand, in the manner in which distillers would be deprived of their licenses. There ought to be something in the law to make it apply to the distillers who are directly responsible.

Hon. Mr. DANDURAND: Paragraph c states that a distiller may import only for two purposes, flavouring and blending.

Hon. Mr. BEAUBIEN: That is all right.

Hon. Sir JAMES LOUGHEED: But it seems to me that this amendment is scarcely germane to subsection 3. This deals with the exportation of liquor.

Hon. Mr. DANDURAND: No, the importation.

Hon. Sir JAMES LOUGHEED: No, the exportation.

Hon. Mr. BEIQUE: No. The exportation is wiped out.

Hon. Sir JAMES LOUGHEED: It deals with the export of intoxicating liquors from the Province. Now, what about the right of the distiller to export? The amendment simply deals with the importation of the blending product, and strikes out apparently all the provisions of the section as to export.

Hon. Mr. DANDURAND: Because the section as it read when it reached this House covered the export houses, and we have now eliminated them and are framing this clause in order to make it cover the distiller.

Hon. Sir JAMES LOUGHEED: But he still has the right to export, of course.

Hon. Mr. DANDURAND: Yes, he has the right to export.

Right Hon. Sir GEORGE E. FOSTER: That is not interfered with.

Hon. Mr. BEAUBIEN: May I then, if I understand my honourable friend rightly, suggest that a few words be struck out of the section? It has been narrowed down to deal with importations for blending or flavouring. Then, why the words, "or to cause intoxicating liquor to be sent, taken or transported into any Province?" I think that is a remnant of the clause as first submitted. Now that the clause is narrowed down to importation for blending or flavouring purposes, I would suggest the striking out of those words in the third line: "or to cause intoxicating liquor to be sent."

Hon. Sir JAMES LOUGHEED: I think subsection 3 should be entirely recast, because the right to export liquor through the Province of British Columbia to any foreign port continues.

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: It therefore seems to me that the language would consideraly embarrass that right, which is not to be interfered with:

> The burden of proving the right to import intoxicating liquor, or to cause intoxicating liquor to be imported, or to send, take or transport intoxicating liquor, or to cause intoxicating liquor to be sent, taken or transported into any Province. . . . .

Now, to transport the liquor for export purposes through the Province of British Columbia must necessarily involve its being sent into that Province. This clause seems to deal with two or three subjects, and there seems to be unnecessary confusion in it. It should deal exclusively with the blending of the product.

Hon. Mr. DANDURAND: In order that we may have a clear conception of what is covered by subsection 3, we must bear in mind that when this is put into operation there will be in the Province but three agencies having the right to import—the Government or its Commission, the public carrier, and the distiller. Those are all. So we must imagine what may be the various activities of the public carrier, as well as those of the distiller; and naturally the Provincial Government or its agencies will have to conform to the requirements of this Act. When reading clause 3 we must have in mind all the operations that may be carried on by these three parties.

Hon. Sir JAMES LOUGHEED: But you are striking out all the language applicable to the carrier, the person engaged in the exportation of liquor. Of course, I have not the amendment before me.

Hon. Mr. DANDURAND: Now that doubts have arisen, and questions are put, perhaps we may read the Bill a third time, never losing sight of the fact that there are three agencies that can import liquor under this Act.

Hon. Mr. BEIQUE: Under subsection 1 of section 163, the transportation of liquor is prohibited except for the Provincial Government selling liquor and the transportation and carriage into and through the Province by means only of a common carrier by water, and so forth. I think it will be necessary to add a clause to provide for the transportation in the Province of the liquor of the distiller, because the distiller seems to be debarred.

Hon. Mr. DANDURAND: No, we have him in subsection 3.

Hon. Sir JAMES LOUGHEED: The distiller is provided for; it is the carrier, I think, who is embarrassed by this amendment.

Hon. Mr. BEIQUE: He is protected so far as importation is concerned, but not exportation; so paragraph c will have to be amended so that he may not only carry into the Province, for blending, but may also carry for exportation.

Hon. Mr. DANDURAND: But we are not touching that at all; we are not prescribing anything concerning exportation.

Hon. Mr. BEIQUE: We are dealing with the subject, and must leave it in a decent way. You are not prohibiting the exportation by distillers; you do not want to interfere with the business of the distillers; but I am afraid that under subsection 1 of section 163, and subsection 2, a, b and c, as framed, you are not covering the transportation by the distiller for export. He should be covered, otherwise he will not be able to carry on his business.

Hon. Mr. DANDURAND: It is otherwise.

Hon. Mr. BEIQUE: It cannot be otherwise, because you are dealing here with the whole situation.

Hon. Mr. DANDURAND: No, we are dealing with importation only.

Hon. Sir JAMES LOUGHEED: You have already made provision for exportation in subsection 3, and you have stricken out the amendment.

Hon. Mr. DANDURAND: That was because we were permitting export houses; but the distillery is under another law.

Hon. Mr. BEIQUE: You are prohibiting the carrying.

Hon. Mr. BELCOURT: No, not for export.

Hon. Mr. BEAUBIEN: The honourable gentleman is right.

Hon. Mr. BEIQUE: Certainly. As far as the amendment to section 3 is concerned, I think it covers exactly what is required.

Hon. Mr. BEAUBIEN: I am very sorry to trouble my honourable friend, but I feel very much like my leader, that this is a clause that should receive a good deal of attention. It is very involved. The first part of it contains a prohibition; then there are exceptions.

Hon. Mr. DANDURAND: Three exceptions.

Hon. Mr. BEAUBIEN: The prohibition covers the transportation—not only the importation, but the sending—therefore, the sending out. The prohibition against sending out is complete: it is a blanket prohibition. Now, you are going to make an exception. Let us see whether the exception is sufficient. You say it is sufficient because you make an exception of importation for blending; but what about the curtailment of transportation? You have a total prohibition against transportation except for importation for blending. That is not sufficient.

Hon. Mr. DANDURAND: What does my honourable friend suggest?

Hon. Mr. BEAUBIEN: Like my leader, I feel that you may tie up transportation through dry Provinces, where it is quite legal.

Hon. Mr. DANDURAND: That is provided for. The public carrier can carry through a Province.

Hon. Sir JAMES LOUGHEED: Under the Canada Temperance Act, entirely irrespective of this?

Hon. Mr. DANDURAND: Yes, and in subsection b exception is made against the general prohibition. It says:

> The carriage or transportation of intoxicating liquor into and through a Province by means only of a common carrier by water or by railway, if, during the time the intoxicating liquor is being so carried or transported, the package or vessel containing the intoxicating liquor is not opened or broken or any of the intoxicating liquor drunk or used therefrom.

Right Hon. Sir GEORGE E. FOSTER: That gives your exporter full privilege.

Hon. Sir JAMES LOUGHEED: That only deals with importation into the Province.

Hon. Mr. DANDURAND: My honourable friend must not forget that he must limit his interest under this Bill to whatever alcoholic liquor is imported for blending or flavouring. It must reach the warehouse. Then what does it do? It does not leave the warehouse in the same form; it is used in blending and flavouring; and then the powers of the distillers remain complete to export their goods in such a way that none is dropped in the Province.

Hon. Sir JAMES LOUGHEED: That is not under this Bill.

Hon. Mr. DANDURAND: No. They can only sell to the Government agency and the distillery in the Province, and to their foreign clientele.

Subsection 3 was agreed to.

Subsection 4 was agreed to.

On subsection 5—Governor in Council may issue proclamation (reconsidered):

Right Hon. Sir GEORGE E. FOSTER: With reference to the matter which we discussed and passed upon last night, I said that I was not clear in my own mind as to what would be the result of the amendment. After having given it some attention in the meantime, I am not any more clear upon it. My doubt is entirely on the legal grounds, and I am not an authority on law.

This is the way it strikes me. Last night we passed an amendment; it may be all right; but it seems to me that there is a confusion about it. That amendment really makes provision for a plebiscite to be taken on the question of importation, and the bringing into a Province of intoxicating liquors, and it lays upon the Lieutenant Governor in Council the obligation to proceed to a vote:

> The Lieutenant Governor in Council may proceed to take a vote upon such question in the manner provided in section 152, and the provisions of sections 152 and 152A and 153 shall as far as applicable mutatis mutandis apply to the taking of such vote.

Under the Canada Temperance Act and its amendments we can, upon certain conditions being fulfilled by a Province which has prohibition, proceed to act under that statute and carry out the provisions of the same. Under this amendment we provide that it is the Lieutenant Governor who must proceed to take a vote on such question in the manner provided, as I have read. Is it possible for the Lieutenant Governor, and has he authority, to proceed in the same way as we would proceed under the Dominion statute? The Dominion statute lays it down that it is not the Lieutenant Governor in Council who shall take the vote or make the preparations

for it. It is the Governor in Council who is to do that. When your Legislature passes its resolution, in one case, or when the Government of a Province passes its Order in Council in another, they have nothing more to do with the matter. It then becomes the duty of the Government here to make the proclamation, appoint the returning officers, name the day and the hour of the poll, and appoint the representatives who shall be there, the summing up of the votes and returns. In every case this is to be done by the Dominion officers under the Dominion Government and by virtue of the proclamation of the Governor in Council. Now you say this is not the mode in which we are to proceed. If we were to proceed by that method, everything would be clear. You say now: "Mr. Lieutenant Governor, you go on and take the plebiscite; you appoint the returning officers, the day and the hour, when it is to be summed up, and you arrange that the returns shall be sent in, not as the law says, to the Dominion Government officers, but to whom?" I do not know. It is all left with the Lieutenant Governor. Has the Lieutenant Governor any power to do that? Will it not be inoperative? It seems to me that it must be. In the first place, neither the Lieutenant Governor nor the Legislature has any funds with which to work. Under the provisions of the Dominion Act there is always a vote which can be used for defraying the expenses of taking the vote. You say to the Lieutenant Governor, "You go on and take it"; but he has no vote, and he has no legislative authority from the Legislature to proceed in the matter at all. Can we, by simply substituting the Lieutenant Governor for the Governor in Council, transfer to him all the powers and prerogatives available under the Dominion Act? I am not a lawyer, but it seems to me that there is a difficulty to be met; and how that can be done, I leave with the lawyers in the House.

Hon. Mr. BELCOURT: Would my honourable friend read us the provisions referred to.

Right Hon. Sir GEORGE E. FOSTER: Section 152 of Chapter 8 of the Statutes of Canada of 1919, second Session, starts out with this: that when the Legislative Assembly of any Province, or the Council of the Yukon Territory, have passed legislation, a certified copy of which is sent to the Secretary of State, then the Secretary of State of the Dominion Government, not the Lieutenant Governor of the Province, issues a proclamation setting forth all the information I have mentioned—the date of the poll when such votes are to be taken, the name of the person appointed as returning officer, the appointment of deputies, the appointment of representatives, the date and place of the summing up, when the prohibition shall go into effect, and any further particulars with respect to the taking and summing up of the votes of the electors that the Governor in Council sees fit to require.

Then section 152A says that the said proclamation may be issued by the Dominion Government within three months. It is provided in this amendment, as I understand it, that after certain things have been done—if it is possible for the Lieutenant Governor to do them—the proclamation shall issue. These are the principal provisions which my honourable friend will find there.

Hon. Mr. BEIQUE: What is 153?

Right Hon. Sir GEORGE E. FOSTER: The proceedings thereafter are to be the same as those prescribed for bringing Part II of the Canada Temperance Act into force; and 154 is the prohibition itself, when, if a vote has been in the majority, the prohibition itself takes place, and then the penalty is stated.

The question with me is: is it possible for the Lieutenant-Governor to act under that amendment, or will it simply have the effect of postponing the whole thing sine die? Then we come to another difficulty, and that is why I offered the suggestion that we might go at this matter a little carefully and give it a little more consideration. Manitoba will vote on the 22nd of this month on the question whether the Government shall take over the control or not. Manitoba has the authority to take that plebiscite; it has done it by its own enactment; it is not done under this Act that I have been talking about. Manitoba holds the poll; it pays all the expenses. Now, suppose that Manitoba says, "We vote for Government control." If this clause remains the law, the Province of Manitoba, having just gone through a contest for the purpose of getting Government control, and the people having affirmatively stated that they want Government control, does not get anywhere under this clause, and it has to go through exactly the same operation: the Lieutenant-Governor of Manitoba has to take another plebiscite under authority of the Dominion Act, and pay the bill again. Now, I say that does not seem to be reasonable legislation. Other provinces may do the same; and just after having had a plebiscite, which gives the sole authority, they have to go through the same thing again under this clause.

Hon. Sir JAMES LOUGHEED: We can accept of those plebiscite results.

Right Hon. Sir GEORGE E. FOSTER: What does it all mean? I may be wrong, but it seems to me that the Lieutenant-Governor of British Columbia cannot get the verdict of the people under the legislation we have given here. He must go to his own Legislature, but the Legislature is not in session, so he has to do one of two things—call an extra session of the Legislature and get the necessary authority and the necessary money vote in order to ascertain the will of the people upon this, or else wait until next January or February, whenever the Legislature meets. Everything is hung up in the meantime. Was that a reason for the passage of this clause?

Is it reasonable that we should put a condition like that upon the people? If we had taken it man-fashion and said, "Yes, that is the Act; under that Act we have the money and the power, and we will go to work and call for this plebiscite right away, and there will be no delay in the matter," then in the course of two or three months everything would be ready. But I do not think that can be done, and I think this clause absolutely hangs the thing up to the middle of the sky until the Legislature gets together again. Well, I think we are taking some responsibility when we do that, and that is one reason why I felt last night that we might possibly have given a little more time to its consideration, and thus have avoided some of these difficulties.

Hon. Mr. BEAUBIEN: To what extent will the Province of Manitoba be bound by the plebiscite now about to be taken? Does that plebiscite simply ask the people whether they want to continue as a dry territory, or whether they want to adopt the same system as exists in Quebec and British Columbia, to import into Manitoba?

Right Hon. Sir GEORGE E. FOSTER: I suppose each province will have the choice of its own system, but the question is, shall we have Government control or not?

Hon. Mr. BEAUBIEN: That is, in Manitoba?

Right Hon. Sir GEORGE E. FOSTER: Yes.

Hon. Mr. McMEANS: There is an Act drafted and printed, and the proposition is, "Are you in favour of this Act?"

Hon. Mr. BEAUBIEN: Does that Act provide against the importation by private individuals?

Sir JAMES LOUGHEED.

Hon. Mr. McMEANS: I think not. I am not sure about it.

Hon. Mr. BEIQUE: They cannot do it, because they have no power.

Hon. Mr. McMEANS: Then there is another plebiscite besides the one next Friday. The other vote takes place a very short time afterwards, on the question whether they are in favour of a wine and beer licence.

Hon. Mr. BEAUBIEN: If the result of the plebiscite is that Manitoba can choose either to remain dry territory or adopt the sale of liquor by Government Commission, in case it decides on the latter course, but does not state whether or not it wants to stop importation by individuals, will not the Manitoba people be in exactly the same position as those of British Columbia? All the representatives from British Columbia have told us that the people have not given up, and never intended to give up, the right to import for themselves. Then why should my right honourable friend think that the Act about to be passed would create an extreme situation in Manitoba? It will not; it should not; and the plebiscite about to be taken will settle nothing about private importation, because it is intended that it should not settle that question. That is the way I understand it. If the people of Manitoba are willing to give up their right to trade in liquor, so to speak, but not to import, it seems only just and equitable that they be allowed another chance to give up the other right, that is, the right to import, exactly like the people of British Columbia. Let them say, in another plebiscite, "We are quite willing to tie our hands up altogether; having first given up the right to sell liquor, we are further willing to give up the right to import for ourselves." But until they do say that, why should we deprive them of that right?

Hon. Mr. BELCOURT: It seems to me that what this House should be most concerned about is to pass legislation that will mean something, and effect the purposes we have in our minds. If my right honourable friend is right in saying that under section 5, which we adopted last night, a plebiscite could not be carried out, surely we do not want to pass such legislation, independent of what the other consequences may be. We do not want to pass legislation that will be nugatory—which would not have the effect that we intended.

Hon. Sir JAMES LOUGHEED: Do you agree with that view, that it cannot be taken?

Hon. Mr. BELCOURT: No, and that is why I wanted my right honourable friend to tell us which of those provisions cannot be carried out by the Lieutenant Governor.

Right Hon. Sir GEORGE E. FOSTER: That is what I want to know. I am discussing the matter simply as a layman, and as a layman I do not see how it can be done. If it can, and my honourable friend as a lawyer has the matter within him, let him come out with it.

Hon. Mr. BELCOURT: I did not rise to build a fence in order to knock it down.

Right Hon. Sir GEORGE E. FOSTER: But I have built up something for you to knock down. Go at it.

Hon. Mr. BELCOURT: My right honourable friend has not given me one reason why that cannot be carried out.

Hon. Mr. BEIQUE: I appreciate the argument of the right honourable gentleman to be to this effect—first, that he is not satisfied that the Lieutenant Governor in Council shall be able to carry out the provisions of sections 152, 152A and 153 of the Temperance Act. As far as that is concerned, I think his point is not well taken, because in virtue of the words "mutatis mutandis" in the amendment voted upon last night, the Lieutenant Governor will be able to carry out the provision. I think, however, that the argument of the right honourable gentleman is worth consideration on the point that the Lieutenant Governor will not have the proper power to act, except by authority of his own legislature, and therefore that it is hanging up the provisions of this Bill until there is a session of the Legislature in the different provinces.

Right Hon. Sir GEORGE E. FOSTER: That was my whole point.

Hon. Mr. BEIQUE: That is a very strong point, and was very well taken. Now, I hesitate at this stage to adress the House on the merits of the argument, because I am afraid it is of no use, and that it should come on a motion to reconsider the vote which has been taken.

Hon. Sir JAMES LOUGHEED: The matter has been decided and the clause passed, and there is no motion to reconsider.

Hon. Mr. BEIQUE: Unless there is a motion to reconsider I am afraid it is useless, but I reserve to myself the right on a future occasion to occupy a few moments of the House to give my opinion of section 5 as passed last night, whether the occasion is a vote to reconsider, or whether it is at a future stage of the Bill.

Hon. Mr. TAYLOR: I think the lions seen in the path of this legislation by the right honourable member from Ottawa are not nearly so live as he depicts them. In the first place, we have just heard the opinion, which we must all respect, that under the amendment just passed the Lieutenant Governor can effectively exercise the powers laid down in the Canada Temperance Act. If he could not, we might meet the case by simply striking out the last 3 lines of this clause:

> The Lieutenant Governor may proceed to take a vote on such question in the manner, etc.

If we let that go we settle the business. But, apart from that, the fear as to the delay involved is purely imaginary. The regular time for the meeting of the Legislature of British Columbia is November, and it would be no hardship to advance that regular meeting time for a few weeks if necessary or advisable. But we have before us the statement of the Attorney General of British Columbia that he is not in a hurry to bring these reforms into effect; that if we give him authority to deal with the matter at all he proposes to deal gently and kindly with the export houses.

Hon. Mr. DANDURAND: But we have done away with them.

Hon. Mr. BEIQUE: This is not in order.

Hon. Mr. TAYLOR: I think I am perfectly in order. I am addressing myself to the remarks of the right honourable gentleman from Ottawa. and stating, in reply to his remark as to the delay, that we are already told by the Attorney General of British Columbia, in his application for this legislation, that there is no particular hurry about it, because he intends to give the export houses decent time in which to operate after the passage of this legislation. We are now at the end of June, and the legislature is fully due to meet in November, but it could be called in October without any hardship, and that leaves only 3 months within which the Attorney General could make good his promise to give time. Now, we have waited in British Columbia from the fall of 1920, when the last reference was taken on this subject, until 1923, and having waited for 3 years under the present conditions there will be no intolerable hardship in that Province to wait for two or three months more, and there is no doubt that if more authority is required the Legis-

lature can pass it in a couple of days when in the ordinary course it meets.

Hon. Mr. WATSON: But what about the other provinces? This is Dominion legislation. The honourable gentleman dwells entirely on British Columbia.

Hon. Mr. BEIQUE: For a quarter of an hour we have been discussing the clause that was passed last night, and as there is no motion for reconsideration, I raise the point of order.

Hon. Mr. McMEANS: I would like to ask the honourable leader of the Government what is really the meaning of this clause 6. Suppose they hold a plebiscite or reference in British Columbia, and declare that they want the importation stopped, the Lieutenant Governor and his Council can change the whole thing by making a request here, and, as I take it, change the result of the reference.

Hon. Mr. DANDURAND: I take it to mean that when the Lieutenant Governor in Council, having the proper authority either by a direct consultation of the people or by the Legislature, according to the law as it will be passed by this Parliament, will request the Federal Government to use its power to implement the wish of that Province. The Federal Government will do so, under this law. Later on, if the Province decides to alter its system, and desires the Federal Government to retrace its steps and raise the prohibition, it will apply in the same manner to the Federal Government.

Hon. Mr. McMEANS: But you do not catch exactly what I mean. As I understand this Act, it is drawn so that the British Columbia Government can stop the importation of liquor without a plebiscite, and any other Province can do the same; and, as I read it, in the event of one local Government desiring to stop the importation, they can make a request, and the law would be that that importation would be stopped. Then the next session or another election comes on—

Hon. Mr. BELCOURT: Or no election at all.

Hon. Mr. McMEANS: Or no election at all, and the Leiutenant Governor can pass an Order in Council, and request that those restrictions be removed. I do not see what these gentlemen from British Columbia are raising the row about. They have only to change their Government every five minutes.

Hon. Mr. BELCOURT: They do not have to change their Government at all: they have just to come to this Government and get the order.

Hon. Mr. DANDURAND: But my honourable friend says the Government may change its policy over night.

Hon. Mr. BELCOURT: It does not require an Act of the Legislature at all. The Lieutenant Governor in Council may ask that that be done, and this Government is bound by it.

Hon. Mr. McMEANS: So, if we take a plebiscite in Manitoba on this question, if clause 6 goes through it is useless, in my opinion. One of the geat difficulties that I see is that this clause lays down a definite way in which the plebiscite is to be taken. It states the exact words of the reference which must be made to the people. In the Province of Manitoba the Act which is to be submitted to the people is a very strong one. It prohibits the use or sale by any person; and, if I am not mistaken, it also prohibits importation of liquor in any way. Although the result of the referendum might be in favour of Government control, yet you could not stop importation, simply because the wording contained in that clause had been inserted in the referendum. It is going to be a serious matter, as I see it. The people of that Province may stick to prohibition, and the next week a law may be passed providing for wine and beer licenses. The question of granting such licenses is now before the people, and if importation is restricted I do not see how the people are going to get their wine and beer.

Subsection 6 was agreed to.

The Hon. the CHAIRMAN: Shall the preamble be adopted?

Hon. Mr. DANDURAND: Is there to be a motion for reconsideration?

Right Hon. Sir GEORGE E. FOSTER: Yes; I have a motion to which I would like to ask the attention of honourable members. I gave notice of it some time ago, and mentioned it in some remarks that I have made, and I think honourable gentlemen are quite well aware of the purpose and do not need any long sustained arguments as to the necessity for it or otherwise. I move that immediately after section 163, the following be added as 163A:

"163A. (1) It shall be unlawful to export any intoxicating liquor to any foreign country until a Consul or other proper consular officer of such foreign country has issued a certificate to the Customs Officer at the port from which it is proposed to export such intoxicating liquor certifying that such intoxicating liquor may under the laws in force in such foreign country be lawfully imported thereinto.

"(2) Every person who violates the provisions of this section shall be guilty of an offence and shall be liable on summary conviction to a penalty for the first offence of not less than five hundred dollars and not more than five thousand dollars, and in default of payment to imprisonment for any term not less than three months and not more than twelve months, and for each subsequent offence to a penalty not less than two thousand dollars and not more than ten thousand dollars, and to imprisonment for not less than one year and not more than three years."

The purpose I had in view in bringing this to the attention of the Government was in the first place to erect a strong barrier against possible illegal exports to either a Province contiguous to the Province that is affected here, or the United States, a neighbouring country which has enacted a prohibitory law of great force, in the shape of an amendment to the Constitution. There does not seem to me to be any hardship at all imposed upon the honest exporter in obliging him to obtain a consular certificate in order to make his outward entry. As far as the United States are concerned, consular certificates are demanded for the exportation of all kinds of merchandise to that country and consequently the obligation to get a consular certificate would not be any exception to the general rule; but the consular certificate in that case would declare that the United States of America was a country into which the importation of intoxicating liquor was forbidden by law and by the Eighteenth Amendment. There would be no difficulty or trouble in the way of interference with business, in requiring the consular certificate.

In the second place, a consideration much more important was that we should not place any obstacle or hindrance in the way of a neighbouring Government, whether of a Province of our own or a country like the United States, in enforcing its laws. Where there is danger that any part of this country may become a harbouring place for law-breakers, it is in the interest of our self-preservation, as well as of comity with our neighour, not to allow any Canadian citizen, or any person from another country who for the time being may be harbouring himself in Canada, to use any part of this country as a base of operations for violating the law of a neigbouring province or country.

I think that is a fair position to take, and I take it on this other ground, which I believe is absolutely proper, that law and order must be respected. Law and order can be defined only in the terms which the democracy of a country expresses in its legislation. We may not personally be in favour of the kind of law which is legislated into the Statute Book, but if the majority of the people come to the conclusion that such a law is necessary and advisable, and if they enact it by constitutional methods, then it should be respected so long as it remains in force. Good order, which means not the breakage of that law, but the observance of it, becomes the duty of all. If respect for law and order ought to be cultivated in every part of our country, it is something which should be cultivated also in the interest of a neighbouring province or country. There is a community of interest in this respect. I hold it is absolutely impossible for a man to connive at the violation of the law of a neighbouring province or country, or actively to arrange for and carry out propaganda and methods for breaking that law, and at the same time retain respect for law and order in his own country. The violation of the law of any other country breaks respect for law and order in one's own country. It is therefore in the interest of law and order and the respect for both in our own country, and for the sake of comity and help towards the neighbour, whether it be a province or a country, to make a provision of this kind. I know that it would be welcomed by the neighbouring Province, because we have had testimony of that, and it follows as a matter of course that it would be. I know also that it would be welcomed by a neighbouring country which, after a long campaign consisting of a series of efforts extending over fifty years, has marched gradually up to the placing of an amendment in its Federal Constitution. That is a most arduous and lengthy proceeding, requiring in the first place the vote of three-quarters of the individual States in favour of such a measure, and then a two-thirds vote of the Senate, in order that the amendment may become part of the Constitution. Whatever we may think of the wisdom of the United States in pursuing the course which the 110 millions of people there have pursued in coming to that conclusion, we must recognize that it is to-day the law of the land, with the Government behind it and with the opinion of the great majority of the people, as shown by their plebiscites and statutes in favour of its enforcement.

Therefore I think it would be honest, fair and just on our part to make it difficult for anyone on this side of the line, or in any particular province, to violate the law on the Staute Book and in force in a neighbouring Province or a neighbouring country.

Some honourable gentlemen may think that the penalties imposed are too high. I am not sticking on the height of the penalties, but they are intended to deter bootlegging, a law-breaking business in which immense amounts

of money are involved. I do not suppose any of us, unless we have studied the matter, realize what immense sums of money can be made by bootlegging operations. The amounts involved are almost incredible. Consequently a small penalty like a fine of a few hundred dollars is not adequate. A very large fine may not be an adequate penalty, but if you combine a term of imprisonment and a reasonable fine, then you impose a penalty which may be adequate for the infractions of the law, or for the gains which may be derived in that way.

Hon. Mr. BEIQUE: Honourable gentlemen, I am in sympathy with the purpose of the motion, but I am afraid that the object cannot be achieved. It would be impossible for the exporter to follow his goods. If the amendment were passed, what would prevent goods intended for the United States, for instance, from being imported into one of the West Indies, or any other country, and shipped from there to the United States? I fail to see how the object can be attained. Under this proposed amendment the distiller would be obliged to follow his goods to the point of delivery or consumption. He cannot do so. Means would easily be found whereby the object of the proposed amendment would be entirely defeated.

Then, the proposed amendment would give an advantage to countries which would not care to have action taken in the matter through their Consuls, who might remain silent. Take France for instance. France is not a prohibition country. There is no reason why distillers should not be at liberty to transport liquor to France, but unless the Consul acted, it would be impossible for the distiller to sell any liquor for export to that country. The distillers would be obliged under this proposed amendment to arrange with the Consul of some country or other to obtain from him a proper certificate, and then the goods, although delivered by the distiller with the intention of having them shipped to that country, could be delivered to the United States or any other prohibition country, and the distiller would be unable to follow them.

Hon. Mr. DANDURAND: Honourable gentlemen, the main object which my right honourable friend (Right Hon. Sir George E. Foster) has in view is, I suppose, to try to protect the fair name of Canada from being dishonoured by the illegal shipment of wet goods into the United States in spite of the Eighteenth Amendment; and for that purpose, knowing that no person acting in the name of the United States will agree to put his name or visé on any certificate to permit of shipment to the United States, the right honourable gentleman would require our distillers to obtain a visé from the Consul of every country to which they want to ship goods. In that way he would close up any illegal avenue by which the United States might be reached.

There are two objections to that proposition. First, it would be a self-imposed impediment to the trade of Canada, as it would prevent liquor from being shipped from Canada to any other country without the consent of the foreign consul. I am of course speaking only of legitimate trade. Some other provision has been placed in the Statute Book which attains the purpose my right honourable friend has in view without calling for the visé of foreign Consuls, and leaves us free to promote our trade abroad.

The second objection would be that among the 75 countries to which our goods are exported—of which I have a list in my hand—more than half have no Consul or representative in Canada. Thus it would be impossible to operate the clause which my right honourable friend proposes, as there would be no Consul at our port to perform the act called for by this amendment.

I am passing over to my right honourable friend the list of countries to which Canadian goods have actually been sent.

Hon. Mr. GRIESBACH: May I ask the honourable gentleman a question before he passes that point? I understood from the right honourable gentleman (Right Hon. Sir George E. Foster) that all goods shipped from this country to the United States must have on them the consular certificate.

Hon. Mr. BELCOURT: Oh, no.

Hon. Mr. DANDURAND: No, not at the present time. They would under the amendment of my right honourable friend.

Hon. Mr. GRIESBACH: I think the right honourable gentleman said that at the present time goods for export to the United States must bear consular certificate.

Hon. Mr. MURPHY: That is right.

Right Hon. Sir GEORGE E. FOSTER: That is quite right.

Hon. Mr. GRIESBACH: Well, if all goods now exported from this country to the United States require a consular certificate,—

Hon. Mr. MURPHY: Goods over $100 in value.

Hon. Mr. GRIESBACH: —in what respect is the amendment proposed stronger than the law as it now exists? And in what respect does it differ in its application from the present law?

Right Hon. Sir GEORGE E. FOSTER: There is no doubt that it has been the practice of the United States to demand a certificate, and it is not only the practice of the United States, but, so far as I remember, there is not a South American country to which we can export goods worth more than $100 without a consular certificate; and they would not get into the port of that country unless they had that certificate. The revenue therefrom in the case of the United States provides the cost of carrying on the whole diplomatic service of the United States and a comfortable surplus to go into the Consolidated Fund You cannot send a package worth more than $100 from Ottawa to any part of the United States unless you go to Consul Foster, or one of the agents in the district over which he has control, and get a certificate and pay the amount charged, namely, $2.

Hon. Mr. FOWLER: Then, why do you want this amendment?

Right Hon. Sir GEORGE E. FOSTER: This is a special business. It is different from the mere passage of goods to which there is no objection at all once the duty is paid. The argument of my honourable friend (Hon. Mr. Dandurand) that it would be an inexcusable burden placed upon the exporters of intoxicating liquor falls to the ground, I think, because most of the countries of the world demand a consular certificate now.

Hon. Mr. FOWLER: You have not yet shown why it is necessary to have an Act requiring a consular certificate when the Act of the United States already requires it.

Right Hon. Sir GEORGE E. FOSTER: The regulations of the United States makes a consular certificate necessary. A fee is imposed for the purpose of sustaining a service. That is about what it means. This is meant as a bar and hindrance to illicit exports.

Hon. Mr. FOWLER: But you have to have that certificate now.

Right Hon. Sir GEORGE E. FOSTER: You do not have to get it through the Customs; it is simply a regulation that you have to have this certificate in order to get into the United States. The certificate does not say anything as to the legality or otherwise.

Hon. Mr. MITCHELL: If that law exists now, why repeat it?

Right Hon. Sir GEORGE E. FOSTER: The law, if you call it a law, is not our law, but is a regulation of the United States of America. The consular certificate does not go to the point as to whether this is a contraband article or anything of that kind; it is simply a means of collecting a fee which is for the purpose of maintaining a service. The value of this proposed certificate is that the exportation, if illegal, could not take place.

Hon. Mr. DANDURAND: I suppose my honourable friend is aware of the amendment of last year to the Customs Act which contains the following:

> Section 101 of the said Customs Act is amended by adding the following proviso at the end thereof: Provided, however, that upon the entry outwards of wine and spirituous liquors to be exported from a Customs warehouse either by sea or by land or inland navigation, as the case may be, the person entering the same for such purpose shall give security by bond of an incorporated guarantee company authorized to do business in Canada, and whose bonds are acceptable to the Dominion Government, such bond to be in form approved by the Minister, in double the duties of importation on such goods, that the same shall, when the entry aforesaid is for exportation by sea, be actually exported to the place provided for in said entry, and when the entry aforesaid is for exportation by land or inland navigation, shall be landed and delivered at the place for which they are entered outwards, unless in either case the said goods were after leaving Canada, lost and destroyed, and that such proof or certificate that such goods have been so exported, landed or delivered, or lost and destroyed, as the case may be, as shall be required by any regulation of the Minister, shall be produced to the collector or other proper officer within a period to be appointed in such bond. This proviso, however, shall not apply to wines and spirituous liquors in a Canadian port, without entry thereat for warehouse and for no other purpose than their transportation in transit on a through bill of lading from a port outside of Canada to another port of destination outside of Canada via a Canadian port or ports.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I fail to appreciate the reason which seems to appeal to my right honourable friend in suggesting that this amendment be made. It seems to me to be extremely illogical in view of the fact that in the one breath we make provision for legalizing the manufacture and the export of liquor, and in the next breath my honourable friend proposes to handicap that trade in every conceivable way. The law is already on the Statute Book by which the manufacture of spirits is one of the great industries of Canada; and, notwithstanding the great progress which has been made in the passage of tem-

perance and prohibition legislation, we have still retained under the law upon our Statute Book the right of manufacture and export. This industry represents one of the most important industrial activities in the commercial life of Canada. Why we should proceed at once, having spent years in attempting to build up a large industry for export purposes, to handicap and shackle a manufacture in the interest of foreign countries who are not at all concerned as to this particular subject, I fail to understand. We can readily understand that if every export were to be handicapped by a consular certificate of this kind, the export business of Canada would be entirely destroyed. Let us be logical. If we establish a manufacturing industry, let us see that we do not handicap it more than necessary.

A good deal of attention has been paid to the consular certificate required by foreign countries. This is a certificate or obligation imposed by the foreign country, and is not analogous to this case at all, because it is now proposed to impose upon the Canadian exporter an obligation which the foreign country has imposed upon imports going into that country. Many of those countries have imposed this obligation for a particular purpose —for the purpose of fettering all foreign exports within their own boundaries as far as possible, and thus promoting their own home trade. That is the reason to a very large extent that the United States has imposed this requirement upon all exports from Canada and upon exports from other countries going into United States ports; and that imposition has been successful to such an extent that it has largely built up the trade of the United States. In the first place, the fees collected go largely, if not altogether, to support their consular service; and, in the second place, all the difficulties possible are thrown in the way of foreign goods going into that country. That same principle is observed by other countries. But to say that we, on the other hand, should impose this obligation on our own manufacturers and our own trade seems to me to be the most inconceivable policy to pursue for the purpose of building up Canadian trade.

Why should we exercise this deep solicitude for foreign countries? Are the United States lying awake at night, solicitous of protecting the trade of Canada? Are the South American republics or any of the European countries exercised by nerve-racking solicitude for the protection of Canadian interests? Why should we sit down and protect every foreign country against a Canadian manufacture. I cannot understand that process of reasoning at all; it seems to be extremely illogical. If we are establishing a manufacture in Canada, if we are building up a trade in Canada, whether export or otherwise, let us leave nothing undone to promote the progress and development of that trade.

In my judgment we would receive no thanks from any foreign country by reason of this; and furthermore, as my honourable friend from De Salaberry (Hon. Mr. Béique) pointed out, there are other countries competing for this trade. Every country in the world is manufacturing and shipping spirits and coming into competition with the Canadian producer and exporter. Are we going to build up a great commercial people within the boundaries of our own country if we seek to destroy our own trade and to promote the interests of foreign manufactures? Instead of exporting to all the countries of the world, we shall find those countries exporting liquor to Canada by reason of our having shackled and destroyed our own industry.

I do not think it is necessary for me to labour this subject, because it is obvious that, if we once legalize an industry, all our national energies should then be bent towards making it successful in the markets of the world.

Hon. Mr. ROCHE: I think all the argument about the introduction of intoxicating liquor into the United States is beside the question, because it will be prohibited in the United States, and no American consul could give a certificate that such an article should enter the United States. Almost all shippers of goods to Spanish American countries seek for their own protection the vise of the consul of that country in order to facilitate the entry of their goods, because, if the consul's certificate does not accompany them, the goods will likely be confiscated. That was the case in Porto Rico and Cuba before those countries were dominated by the Americans. Therefore any country of any magnitude to which these goods would be shipped would probably have an officer who could give a certificate of that kind; and, if merchants sought that certificate voluntarily, what objection could there be to their obtaining it when it would facilitate the admission of the goods to the place to which they were properly sent?

Some Hon. SENATORS: Question.

Right Hon. Sir GEORGE E. FOSTER: I do not propose to let the matter drop without saying another word. My point of view, and the point of view of my honourable friend to my right (Hon. Sir James Lougheed), may be, for fundamental reasons, somewhat different. We must have differences of opinion,

and according to our mentality and our views we will look differently upon different industries. My sole object was this: that in the first place we should put a bar, which is not a burdensome one in so far as the trouble is concerned, of getting a consular certificate against the bootlegging industry of this country extending into the United States. It is known through our country and in other countries that this business is largely carried on, is tremendously remunerative, has no heart or soul, carries a revolver, has a dagger in its hip pocket, and is ready to commit murder at any moment in order to carry out its purpose. I do not believe any good will come to this country or to any country by encouraging in it an industry which sets itself to work and becomes the accomplice of the smuggling and bootlegging trade into the United States or the other Provinces of the Dominion of Canada. The argument that you will make money out of it may be let go for what it is worth. So men made money out of slave-running; so men make money out of narcotics and various other implements of vice, which destroy the morale as well as the bodies of the citizens of a country. I say that a man who is engaged in an industry in this country, and who properly respects law and order, will not ally himself with the bootlegger in order that forbidden goods may be taken into the United States of America. I say that without heat or without any other idea than to state what I believe to be the truth. Anyone who will take up the history of the enforcement of the Volstead Act in the United States and of our Temperance Act in this country, knows that the facilities for the breakage and the non-enforcement of the law are aided and helped through these reservoirs on either side, of which my honourable friend spoke last night. The time is coming when these reservoirs will be broken up. To-day, the opinion of this country, whether it is the opinion of the Senate or not, is in the vast majority against the traffic in intoxicating liquors for beverage purposes—against an industry which makes that its sole business and carries it on. And if the process is a gradual one, to my mind it is none the less a sure one. We are working up to the will of the people in localities, in provinces, and in the Dominion—a popular will for the restriction to the utmost limit possible of the use of intoxicating liquors as beverages. Breweries and distilleries will be the last that will go. They have not gone yet, and they have a status of perfect legality in our country assured to them by the law. So long as they have that I do not want to interfere with them, neither does any other honourable gentlemen. But when the plea is made that for fear we lose trade, which is illegitimate in the purpose which is effected by it, in violation of the laws of the Provinces and of the Dominion, and the laws of the United States of America, or any other prohibition country, I say that that is a feature of it which does not command my adhesion and my respect.

That is the reason why I say that if it is possible for us to assist a neighbouring province whose people want to get rid of the traffic in intoxicating liquors for beverage purposes, if it is a fair thing to do to assist a population akin in ideal and purpose with ours on the southern part of an imaginary line, whose people by an immense majority and after fifty years of struggle have voted an amendment to the Constitution and a law to carry it out—I say that if we feel that it is in the interest of law and order for the world as a whole, and ourselves as a part of the world, we ought to be willing to go so far as to say to the man who wishes to ally himself with the bootlegger and the smuggler himself the illegitimate trader, that if he wants to do that we will not aid him in carrying that out.

Hon. Sir JAMES LOUGHEED: Will my honourable friend be good enough to explain to the Chamber how an exporter or a distiller would export liquor into the United States or into any prohibition province of Canada? He could not do it; it is against the law to do it. Why, therefore, should he be called upon to get a consular certificate? He has no right to ship except surreptitiously, and if he did so, even if we imposed on him the duty of getting consular certificates, he would not obey.

Right Hon. Sir GEORGE E. FOSTER: But does it not strike my honourable friend that you thus add to the difficulties of breaking the law?

Hon. Sir JAMES LOUGHEED: No, because he is not going to ship.

Right Hon. Sir GEORGE E. FOSTER: But he does ship.

Hon. Sir JAMES LOUGHEED: We will not know it.

Hon. Mr. MITCHELL: We have a law against that now.

Right Hon. Sir GEORGE E. FOSTER: I have here now and shall read an extract from a letter that I have received from Mr. Hales, of the Ontario Commission:

This letter gives me the opportunity of calling your attention to the very grave injustice which the law of the Dominion does to the people of Ontario. The busi-

ness of distributing liquor in Ontario from some distilleries and breweries goes on apace. Very large quantities of liquor are regularly shipped out from Belleville by boat under the sanction of the Dominion law, and provincial officers are prevented from interfering at the point of shipment. It is pretended that the liquor is to go to Mexico, to Cuba, or to some other place, but it is well known that it is to be either smuggled into the United States or illegally distributed back into Ontario.

Our officers have recently seized a good deal of the liquor shipped in this way, but the bulk of it escapes, and I can see no sign that the Dominion authorities intend to interfere. The situation may well be described as intolerable.

I may mention, also, that we have applied for the cancellation of licenses issued to three brewers, each of whom has been convicted more than three times. One would think that when a brewer proves himself an outlaw of that kind the Department which issued the license would immediately cancel it. Apparently this will not be done, and the brewers and distillers, so far as Ottawa is concerned, will be permitted to carry on their unlawful business without any interference.

It is difficult for us at this end to understand why the Dominion authorities will not give us any relief.

That bears particularly on the second amendment which I propose to bring to the attention of members of the Senate. But what is true with reference to our provincial laws and their enforcement, as detailed there, is equally true with reference to the infringements of the laws of the United States.

Hon. Sir JAMES LOUGHEED: Yes, but your amendment would not meet that condition at all.

Right Hon. Sir GEORGE E. FOSTER: Would it not make it more difficult?

Hon. Sir JAMES LOUGHEED: No, it would not meet it at all.

Right Hon. Sir GEORGE E. FOSTER: Before a man could put his liquor on board a vessel he would have to have a consular certificate.

Hon. Mr. MURPHY: He has to have that now.

Right Hon. Sir GEORGE E. FOSTER: He does not have to have a consular certificate of the kind I am speaking of. My honourable friend says that he must put up a bond. That is so, but that bond has nothing to do with illegal shipments; it is simply to make sure that the Government will get its duties, and that unless the shipment has been cleared, as stated in the outgoing entry, the bond is there to make good to the Department for the duties to which the liquor would be liable.

Hon. Mr. MITCHELL: Does your amendment apply to bootleggers, or to everyone?

Hon. Sir GEORGE FOSTER.

Right Hon. Sir GEORGE E. FOSTER: It applies to everybody, and it does not hit anybody who does not propose to go into an illegal operation. That was my contention at the first—that the amount of trouble and expense to an honest and legal exporter is nothing.

Hon. Mr. DANDURAND: What does my honourable friend say to the affirmation that quite a number of countries, the list of which I sent over to him, have no consular agents in Canada?

Right Hon. Sir GEORGE E. FOSTER: I think the most of them have consular agents.

Hon. Mr. POPE: Do you know that?

Right Hon. Sir GEORGE E. FOSTER: I think one may use his general knowledge of what is taking place in business, and I have had some knowledge of that. Although there may be 75 different places, I venture to say that the bulk of the exportations go to very few of those 75, and consuls and consular agents are as thick as butterflies in Canada and every other country. I do not think any very great difficulty would be encountered by the condition in which we would be placed in respect of consular certificates.

Hon. Mr. FOWLER: I would suggest to the right honourable gentleman that he strike out that part of his amendment relating to consuls. It seems to be an absolutely unnecessary and impracticable proposition; but he ought to retain that part that refers to those men that have been fined three times or more for a violation of the regulations.

The amendment of Right Hon. Sir George E. Foster was negatived.

Right Hon. Sir GEORGE E. FOSTER: I have a second amendment which I will read Seeing the success which attended my first one, I embark on this with great hope:

163B. (1) Any person holding a license to carry on the business or trade of a distiller or brewer issued under the provisions of any Act of the Parliament of the Dominion of Canada who is convicted more than twice within any period of five years of any violation of any law whether of the Parliament of the Dominion of Canada or of the legislature of any Province relating to the prohibition or control of the use, manufacture, sale, transportation, importation or exporting of intoxicating liquors shall forfeit his license and shall thereafter be ineligible to hold such a license.

(2) It shall be unlawful to export any intoxicating liquor in any vessel in which intoxicating liquor has previously been exported after the obtaining of a certificate under the provisions of this section unless evidence is produced to the Customs Officer at the port at which it is proposed to export such intoxicating liquor which satisfies such officer that the intoxicating liquor last so previously exported on such vessel was

duly delivered at the port of destination specified in the entry outwards made by such vessel or that there was some lawful and satisfactory reason why such intoxicating liquor was not so delivered.

The Minister of Customs and Excise shall have power to make regulations for the carrying out of the provisions of this subsection and the granting of such appeal, if any, as he may deem proper from the decisions of Customs Officers hereunder.

The first object of that is to punish the persistent violator and breaker of the law by the forfeiture of his right to carry on his business under a licence. The second object is to give a method to the Customs by which they may assure themselves, before the bonds are given up, after the exportation has taken place, that the exportation has not simply been given as a blind, but that it has been a bona fide exportation and has gone to the country mentioned on its outward entry.

The amendment of Right Hon. Sir George Foster was negatived.

The preamble and the title were agreed to.

Hon. Mr. DANDURAND: Honourable gentlemen, before we go out of Committee I would draw the attention of my honourable friend who proposed the amendment which was carried last night (Hon. Mr. Barnard) to the form of that amendment, and suggest that he could very well afford between this evening and to-morrow to examine into the question of modifying it.

Hon. Sir JAMES LOUGHEED: I have just suggested to my honourable friend, the mover of the amendment, that he should have the Law Clerk of the Senate bring it into proper line with the text of the Bill, and then on the third reading the amended form can be adopted.

Hon. Mr. DANDURAND: We could perhaps remain in Committee until this evening or to-morrow, because I would draw attention to the fact that a referendum can be taken on the initiative of a Provincial Legislation and Government. As a matter of fact, no province has consulted the Federal authorities on this question, so that I do not see why we should leave in this amendment the Federal machinery, because, in the last analysis, we are giving the Province the right to consult its own people. There are two ways by which the people can be consulted—under the Provincial law, and under the Federal law. Since the mover of the amendment has accepted the suggestion that it should be the Lieutenant Governor in Council and not the Governor in Council who should act, it seems to me that my honourable friend could well afford to embody in this Act the Provincial machinery. It can be done in a very simple way in order to carry out his own ideas, and not encumber the whole matter with machinery which is foreign to Provincial methods.

Hon. Mr. BEIQUE: I understand that the suggestion is that that part of the Bill be worded in such a way that the Federal machinery will be used only in the absence of sufficient machinery under the procedure of the Provincial Legislature.

Hon. Mr. DANDURAND: But I do not admit that there is any possibility of there being insufficient Provincial legislation, since a referendum has been taken in the very Province of British Columbia. In the Province of Quebec we went to the people under Provincial legislation, and I am sure that every Province has that machinery.

Hon. Mr. BARNARD: I am quite content to accept the suggestion of the honourable leader of the House, that the matter be referred to the Law Clerk to draft a clause to carry out the principle of the amendment. I may add that when the amendment was drawn the idea was to follow the Doherty Act as closely as possible, and that was done, which accounts for the form of it. It was only when the suggestion was made by the ex-Minister of Labour (Hon. Mr. Robertson) that a referendum should be taken by the Province, that the words "Lieutenant Governor in Council" were inserted instead of the words "Governor in Council." That is what has made the apparent confusion, and that is how it arose.

Progress was reported.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

NATURALIZATION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 85, an Act to amend the Naturalization Acts, 1914 and 1920.

He said: Honourable gentlemen, the main purpose of this legislation is to adopt the recent British legislation defining a natural-born British subject. The Naturalization Act, 1914, resulted from negotiations, correspondence, conferences and deliberations between the Governments of the United Kingdom and of the Dominions extending over fifteen years. It was in fact a pact between the United Kingdom and the Dominions for the purpose of introducing world-wide British

nationality. Under the former legislation naturalization in the United Kingdom, as well as in the various Dominions and Colonies, conferred the status of a British subject only within the territorial limits of the naturalizing authority. The Act of 1914 widened the status, making British nationality world wide when conferred under similar concurrent legislation. It is for the purpose of enacting in Canada legislation on the subject of naturalization which was passed by the Parliament of the United Kingdom in the Session of 1922 that this Act is primarily introduced.

At common law British nationality was conferred by birth within His Majesty's Allegiance. Primarily birth within His Majesty's Allegiance was upon British soil or a British ship. This principle is quite opposite to that which prevails in all countries following the civil law. There nationality is solely under the jus sanguinis, the right of the blood. The common law of England was under jus soli, the right of the soil. The common law was amended in the year 1708, grafting the jus sanguinis upon the common law principle of the jus soli and providing that the children of natural-born subjects born out of the allegiance of His Majesty were deemed to be natural-born subjects. This, in effect, provided that the first generation following natural-born subjects were themselves considered natural-born subjects.

A further extension was made in the year 1731, 4 Geo. 11, Ch. 21, and British nationality was extended to the second generation, so that the grandchildren of natural-born British subjects, even if the father were born out of the allegiance of His Majesty, were deemed to be natural-born British subjects.

The legislation stood in this condition until the year 1914 when the Imperial Naturalization Act was passed. After due consideration it was decided that the second generation born out of His Majesty's Dominions should not be deemed to be British subjects, but it was also provided that the first generation of naturalized British subjects should also be considered to be natural-born British subjects. In this way the rights of naturalized and natural-born British subjects were more closely assimilated than under prior legislation.

Since the enactment of the Act 1914 there has been a world-wide agitation on behalf of people residing out of British territory that this legislation should be changed so that British nationality might pass by descent from generation to generation. This is provided for by this Bill. It is surrounded by precautions as it is only where the birth is registered at a British consulate that British nationality is conferred. Moreover, when the person so registered at a British consulate attains the age of twenty-one years, it is necessary for further action to be taken to decide whether British nationality should be retained or not.

The other question involved in this Bill is the repeal of Section 7 of the Act of 1920 This provides for the cancellation of certificates granted to former enemies and the prohibition of naturalization of former enemies for ten years after the expiration of the war, with certain exceptions: (a) those who served with the allies during the war; (b) those of a race opposed to the former enemy governments; (c) those of British origin; and (d) those who came to Canada prior to 6th of July 1909.

The question of the naturalization of the former alien enemies was before the Imperial War Conference of the year 1918. On the 22nd of July the following resolution came up for consideration at the Conference:

> This conference is of opinion that legislation should be passed throughout the Empire restricting for a period after the war, so far as in the circumstances of each country may be possible, the naturalization of citizens of present enemy countries, and also preventing them from becoming entitled to any form of political rights, or acquiring land or mining privileges.

This resolution was opposed by Sir Robert Borden, representing the Dominion of Canada. The discussion indicated that it was not intended that all parties to the Conference should be bound by the resolution if passed. In the result a resolution of quite different character than that proposed was passed, namely,

> That a special Conference, representative of all parts of the Empire, should be held at the earliest practicable date to examine and report upon any question connected with nationality or naturalization which any Government represented at the special Conference may desire to raise, and upon any suggestions which may be made for the amendment of the existing law.

It is quite apparent from the discussion which took place that the legislation of the United Kingdom on the subject of the restriction of naturalization of former alien enemies was not necessarily to be followed by all the Dominions, but that each part of the Empire was to consider the subject from its own point of view and deal with it as might be considered most advisable in its own interest.

I do not know, honourable gentlemen, whether I have covered so far the various clauses of the Bill If not, I undertake to give to the best of my ability the information that may be desired on each clause of the Bill when we go into Committee.

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

PUBLIC SERVICE RETIREMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 191, an Act to amend the Public Service Retirement Act.

He said: This is a bill to extend for one year from July 1st, 1923, to July 1st, 1924, the temporary Superannuation Act commonly known as the Calder Act. The original measure was first enacted in 1920 and has been continued from year to year.

I have a memorandum concerning retirements under the Calder Act, and perhaps honourable members of this House may desire to have a statement on this subject.

There were 731 officials retired with annuities. Of these officials 46 have since died; leaving 685 on May 29th, 1923, drawing annually $380,046.95.

There were 271 retired with gratuities, and consequently they are not an annual charge.

The total retirements were 1,002. The amount of gratuities paid would be considerably over $200,000. The exact figures could be obtained only by specific information from the various departments.

The memorandum gives these particulars concerning retirements under the Calder Act:

	Number of Annuities Granted	Total of Annual Allowances
Public Accounts, Page 98, 1920-21..	64	$ 45,689 28
Public Accounts, Page 111, 1921-22	423	215,340 00
1922-23..	244	119,017 67
	731	
Less, dead..	46	
	685	$380,046 95

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. McMeans in the Chair.

Section 1, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

BIOLOGICAL BOARD BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 206, an Act to amend the Biological Board Act.

Hon. Mr. TURGEON: May I be permitted to ask that this Bill be postponed until to-morrow or Friday?

Hon. Mr. DANDURAND: Perhaps I should explain the Bill.

Hon. Sir JAMES LOUGHEED: I have no objection to my honourable friend explaining the Bill, but I was asked by the honourable member from Middleton (Hon. W. B. Ross) to request the Government to permit it to stand.

Hon. Mr. DANDURAND: I have no objection. I will explain the Bill; then we may postpone it until to-morrow.

Hon. Mr. MURPHY: It is not as innocent as it looks, as you will find before you are through.

Hon. Mr. DANDURAND: I find that it is perhaps a more complete Bill than I thought.

Hon. Mr. BRADBURY: Hear, hear.

Hon. Mr. DANDURAND: I confess that, after glancing through the half-column of the House of Commons Hansard, before I saw the statement of the Department, I thought the only change brought about by the Bill was that three additional members would be appointed by the Government. The Minister said:

> One will be an officer of the Department of Marine and Fisheries, and the two others will be representatives of the fisheries industry, probably one in the East and one in the West. The object is to have these men work with the scientists and impress upon them what are the most immediate needs of the industry. I may say that the work of these gentlemen is rather of a voluntary nature. They do not receive any salary. They are all scientists and the only thing we pay is their expenses.

The universities' representatives are generally recommended or suggested by the universities.

Hon. Mr. BELCOURT: How many members are there on the Board now?

Hon. Mr. DANDURAND: This seems to be a somewhat restricted Bill not subject to the criticisms which were directed to the one that came before this House some three or four years ago.

I will now read the statement which I have:

The only change is that the Minister shall appoint five members of the Board instead of two. The Biological Board at present consists of the following members: Professor A. P. Knight, Department of Marine and Fisheries, Chairman; Professor E. E. Prince, Commissioner of Fisheries, Secretary; Professor L. W. Bailey, University of New Brunswick, Fredericton, N.B.; Professor A. H. R. Buller, University of Manitoba, Winnipeg, Man.; Very Rev. Canon V. A. Huard, Laval University, Quebec, P.Q.; Professor J. Playfair McMurrich, University of Toronto, Toronto, Ont.; Dr. A. H. Mackay, Dalhousie University, Halifax, N.S.; Professor W. T. MacClement, Queen's University, Kingston, Ont.; Professor R. F. Rutan, McGill University, Montreal, P.Q.

The Chairman, Doctor Knight, has been regarded as one of the Departmental representatives for a number of years. He is a retired Professor from Queen's University, and he has been a member of the Board since its inception.

The object of the amendment is to enable the Board to be brought into such close contact with the Department and with the Fisheries industries that it will take the place of a scientific division of the Department, and thus avoid the duplication that would be involved in building up such a division. It is proposed that the three additional members shall consist of a departmental officer, and two persons to represent the fisheries industries on the Board.

The scientific staff of the Board now consists of one permanent paid worker on the Atlantic coast, Dr. A. G. Huntsman, and one paid worker on the Pacific coast, who gives but one-third of his time to the work, Dr. C. McLean Fraser, as well as between twenty and thirty volunteer workers who spend about three months at the stations each summer. While there are obvious advantages in the Board keeping in close contact with our Universities, and thus encourage such to have workers specialize along lines that will fit them for Fisheries investigations, the plan of depending on volunteer workers has its limitations. Additional competent permanent investigators must be put to work on both coasts, who will be assigned to the solution of problems that now stand in the way of rapid development of our Fisheries industries.

Amongst the lines of work it is proposed to take up, without unavaoidable delay, are:—

1. A study of all articles used in the preservation and canning of fish to ascertain just what their effects on fish are.

2. The determination of the best methods of curing fish and the extent and rapidity of the penetration of the different kinds of salt at different temperatures and the effects of foreign ingredients, they may contain, on the fish.

3. A determination of the conditions necessary to the proper drying of fish.

4. A determination of the methods and conditions necessary for the proper smoking of fish.

5. A determination of the conditions and best methods of freezing fish.

6. A determination of the best methods of canning the different kinds of fish.

7. A study of the best means of reducing fish offal into commercial products and thus overcome the huge waste of raw material that now obtains.

8. A study of the best methods of preparing fish for the table.

There are two well-equipped Biological Stations in Canada—one at St. Andrews, N.B., and one at Departure Bay, near Nanaimo, B.C. To accomplish the work intended, it will likely be found necessary to establish a sub-station on each coast, at such place as will be determined to be most suitable.

It is further proposed that educational work amongst the fishermen and fish curers and manufacturers will be carried on from these stations, and it is anticipated that they will soon come to be recognized, by those engaging in the different branches of the industry, as the places to which they will refer all difficulties that may be encountered in the handling, curing, canning, etc., of fish, and thus make these stations do for the fisheries all that a well-equipped experimental farm can do for the farmers.

To enable the above to be accomplished, it will be necessary to procure an additional appropriation, and such will be asked for in the Supplementary estimates for the present year.

These are the explanations offered by the Department in support of the Bill which is now before us.

Hon. Mr. BRADBURY: Can the honourable gentleman say what the increase in the expense will be in connection with these new appointments?

Hon. Mr. DANDURAND: No. I see that the Supplementary Estimate is to be asked for. Even if the amount has not yet been granted, we should be able to ascertain what the Department has.

Hon. Mr. BEIQUE: On referring to the statute of 1912, I find the following in section 10:

A detailed statement of the expenses of the Board up to the close of the preceding Fiscal year shall be prepared annually by the Secretary-Treasurer, and such statement shall be submited to and be examined by the Auditor General.

It might be well to have a copy of the last statement when we take up the Bill in Committee.

Hon. Mr. ROCHE: I wish to make an observation on that point. No doubt the Minister read out a list of very eminent scientific men; but on a question like the fisheries they should have a man on the Board who knew something about fishing. That I think, would be a great deal better, because I think the book knowledge of fishing would be very lacking in comparison with the knowledge of a practical fisherman who would know about taking the fish and curing them. I think the Board is too scientific: it is like the Academy at Legardo. There is a great deal of capital invested in the fishing industry, and the people engaged in it possess far more knowledge than these scientific gentlemen.

Hon. Mr. DANIEL: I would like to ask the Minister whether there has been any complaint of want of efficiency of the Board as at present constituted. He spoke of inquiry being made into the smoking of fish and matters of that kind, which are already under consideration by the present Board. The Board at the present time is under the direction of the Minister, in so far as conducting investigations into

any subject which the Minister may bring before it is concerned, so that increasing the personnel of the Board had not effect whatever in respect of carrying out the wishes of the Department of Marine and Fisheries, because, as already stated, they already do that. If there has been no wish on the part of the present Board that its personnel should be increased, or no complaint by the Department of Marine and Fisheries that the present Board is too small to carry on its duties, I see no reason for increasing the Board, and so far the Minister has stated neither the one reason nor the other. If the Government wishes to secure the passage of this Bill it should give some reason for increasing the Board. As to remuneration, I believe none of the members of the Board are paid, the appointees of the Government being already officials, and receiving salaries for their every-day duties, while the work of the university men is entirely gratuitious, only their travelling and hotel expenses being paid when they are absent on duty.

Hon. Mr. ROCHE: What have they done now?

Hon. Mr. DANIEL: They are doing the very thing which the Minister has been saying they ought to do—inquiring into the best means of preserving, propagating and marketing everything in connection with the development of the fish industries.

Hon. Mr. BELCOURT: I have on one or two occasions voiced the disappointment and regret of people living in the interior cities of Canada at the difficulty of procuring fresh sea fish. In the city of Ottawa, which is not so far from the Atlantic coast, we cannot get really fresh fish.

Hon. Mr. DANIEL: And the people cannot cook them when they get them.

Hon. Mr. BELCOURT: Perhaps not, but as this Board has the marketing of fish to consider among its other duties, I think they should devise some means for providing fresh sea fish to the Canadian people. They might make recommendations to the railways and to the Merchant Marine of Canada as to the possibility of meeting this need. It would be in the interest of everybody that that should be done, and I think a campaign urging the eating of fresh fish in Canada would be desirable. The people in this vicinity could certainly eat a much larger quantity of fish than they do, and I think the Minister of Marine, who has control of this Board, ought to direct particular attention to that subject.

Hon. Mr. DANIEL: You would hardly think that that had to do with the biology of fish.

Hon. Mr. BELCOURT: My honourable friend himself spoke about the marketing of fish.

Hon. Mr. McMEANS: Is my honourable friend from Ottawa aware that fish to-day is one of the greatest luxuries in the market?

Hon. Mr. BELCOURT: I am; that is why I want to get more.

Hon. Mr. McMEANS: But why should you ask people to indulge in a luxury? A Chicago fish-dealer told me the other day that they cannot land fresh halibut in Chicago at less than 35 cents a pound, but he can go out and buy roasting pork at 18 cents a pound. He said the reason for the difference was the enormous express rates. What is the use of trying to educate people up to buying fish at 35 cents when they can get pork at 18 cents?

Hon. Mr. MURPHY: This Bill looks very innocent, but it seems to me that it is an old friend in a new dress. Three or four years ago we had a Bill such as this, and it fell to my lot to lead the attack on it. We had a special committee appointed, and notwithstanding the duress of the Minister at that time, the Committee sat and heard witnesses, and reported that in their opinion the Bill was not justified in the public interest. The Minister at that time put still more pressure on the leader of this House, who happened to be my leader at the time, and the leader of the House moved that the Bill be referred back to the Committee. He got a snap verdict, and forced the Bill back. I told him he had put it in cold storage, and it was likely a good place to keep it, as it would be preserved there till the end of the Session, and we did not meet, according to the direction of the House. I think His Honour the Speaker was Chairman of that Committee. Subsequently, when the Committee was not meeting, the honourable leader gave notice that unless the Committee reported by a certain day he would move the Bill into Committee of the Whole. Under this duress the Committee met again, but not having any other witnesses that they could subpoena, as a natural consequence they reported back to the House that in the absence of any further testimony they could not see any reason to change their opinion; in other words, they could not very well swallow themselves. So my honourable friend moved the House into Committee of the Whole on

the Bill. It fell to my lot to move that the House should not go into Committee that day, but six months later, and the feeling of the House was that six months was the proper time.

I am not going to discuss the merits of this Bill. The honourable member for Middleton (Hon. W. B. Ross) was one of the members of that Committee, and I think it will be necessary to see if anything has developed in the meantime to justify the increase of the Board. The previous Bill asked for only one member to go on with those scientific men, but I see that this Bill calls for five.

As a result of the squabble that ensued at that time we lost the chief man of that Biological Board. He was paid a salary, but he resigned in consequence of the friction; I refer to Prof. McCallum, probably the ablest man of the whole, who now fills the chair of Bio-Chemistry in McGill. That will be found to be the result this time.

In view of the honourable leader allowing the Bill to go over till to-morrow, we will let it stand as it is.

Hon. Mr. BRADBURY: The honourable member for Halifax (Hon. Mr. Roche) spoke about the members of this Committee being members of the Fisheries Department. I would like to remind him and the House that the Chairman of this Committee is Prof. Prince, of the Department of Fisheries, the ablest man in Canada so far as the fish of Canada are concerned, a man who was brought here from Scotland many years ago and has proven to the world, wherever he is known, to be the very best; but he has been wonderfully handicapped in his Department.

To me, the explanation read by my honourable friend, the leader of the Government, is simply camouflage. I can trace the handiwork of the man who penned that memorandum. The understanding and idea is to make room for himself on this Board, and crowd out this other man, who is worthy and eminent man in fisheries. I would like to urge that the Minister of Fisheries, who has certainly up to the present time resisted this man's importunities, and has been able to hold him at arm's length, should continue to do so. I have had a great deal of experience with the Fisheries Department. For many years I had the honour of representing the county of Selkirk, and we produced in lake Winnipeg alone over 10,000,000 pounds of the finest whitefish in the world. I have found that ever since the Fisheries Department came under the control of the man who practically controls it, who is not the present Deputy, but I believe he calls himself Commissioner of Fisheries, he has been a menace to the best interests of the fisheries of Canada. There is trouble in every case connected with our fisheries, largely on account of mismanagement in the Department. The Government should start with the Department itself, providing it with a proper and efficient head, and then we would have very little trouble.

Regarding the complaints as to supplies of fresh fish, I think the price the people of Canada have to pay for our fish is a crime. That is a question altogether outside of this one, and must be discussed in committee; but I wish to point out that, as the head of this Board is the ablest man on fisheries in Canada, there is no excuse for the Department asking for power to place another man from that Department on the Board

Hon. Mr. ROBERTSON: I think the information asked for by the honourable member for De Salaberry (Hon. Mr. Béique) is to be found in the Auditor General's report, volume 2, which shows that the Marine Biological Stations and Investigations in the year 1921-22 cost $46,743 for the one year.

Hon. Mr. DANDURAND: I do not remember who were members of that committee outside of my honourable friend (Hon. Mr. Murphy), the honourable member from Middleton (Hon. W. B. Ross), and His Honour the Speaker.

Hon. Mr. MURPHY: The late Senator from Halifax, Senator Power.

Hon. Mr. DANDURAND: The members who rise now speak of the matter as if everyone was familiar with the question. I would very much like if someone who remembers would tell exactly what was the Bill that came before us, and give the reasons why the Senate would not accept it, and also in what particulars this Bill is different from or similar to the one which the Senate rejected.

Hon. Mr. MURPHY: It is practically the same Bill, except that it provides for more men to be appointed on the Board—five instead of two. The other Bill had just one clause, the same as this one.

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

MILITIA PENSION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 219, an Act to amend the Militia Pension Act.

He said: Honourable gentlemen, by chapter sixty-one of the statutes of 1919 the period

of service required before both officers and other ranks of the Permanent Active Militia will become eligible to receive a pension was reduced from twenty to ten years.

Under section four of subsection one of the Militia Pension Act an officer to become entitled to a pension must be compulsorily retired. He cannot receive a pension if he retires voluntarily unless he has had twenty-five years' service, in which case, if he so retires, his pension is reduced by 20 per cent, or, if he has had thirty-five years' service, he can voluntarily retire and receive the same pension as if he had been compulsorily retired. On the other hand, non-commissioned officers and men of the Permanent Active Militia, under the Act as it at present stands, have a statutory right to a pension after completing ten years' service, and can claim their discharge with a pension after the completion of such period of service. The result is that, during the past months, a considerable number of non-commisioned officers and men have claimed their discharge after completing ten years' service, and, under the Act, there is no alternative but to grant them a pension.

In the majority of instances, they are young men in the prime of life who, for a number of years in the future, would still be able to perform useful service in the Force, and, further, after completing their ten years' service in the Force they have become exceedingly valuable and useful members thereof, and it is just when they have become useful and valuable that they claim their discharge.

Under the circumstances, therefore, it is considered desirable to take some action whereby such non-commissioned officers and men should not be able to claim their discharge with a pension just when they have become useful and valuable members of the Force, and to take the expenditure which would be occasioned by the granting of pensions under such circumstances.

To that end it is proposed to restore section eleven of the Militia Pension Act to the form which it had previous to its amendment by chapter sixty-one of the Statutes of 1919, so that a non-commissioned officer or man cannot claim his discharge with pension until he has completed twenty years' service.

With regard to officers, a somewhat different situation arises. As pointed out above, if an officer voluntarily retired before he has completed twenty-five years' service he cannot receive a pension, and it would be only on a compulsory retirement after ten years' service that he would be so entitled. The number of such compulsory retirements since the re-organization of the Permanent Active Militia has been very small, and it would be only on the ground of medical unfitness, or a reduction in establishment that such retirements would be effected.

Under these circumstances, however, it is proposed to restore subsection one of section four to the form which it had previous to the amendment by chapter sixty-one of the statutes of 1919, which made the period of service required before a pension could be granted one of twenty years, with the following exception, namely, that officers who, on account of their service during the late war, were taken into the Permanent Active Militia when the ten year period of service required for pension was in force should still be eligible to be retired after completing ten years' service. The reason for this is two-fold:

Certain officers of the Non-Permanent Active Militia who had distinguished themselves in the war, were appointed to the Permanent Active Militia, but their ages were such that they could not possibly serve in the Permanent Active Militia for a period of twenty years, as, by the time they would reach the age of retirement under the regulations, they would not have completed twenty years, but would have completed ten years' service. The interests of these officers must be safe guarded, and having accepted appointments in the Permanent Active Militia, with the expectation that they would be eligible to receive a pension after completing ten years, it would be unfair to practically debar them from receiving such a pension when they reach the age for retirement.

The other reason for this is, that under the Militia Pension Act the widow of an officer of the Permanent Active Militia who dies whilst serving therein is entitled to receive one-half of the pension to which her husband would have been entitled had he been compulsorily retired immediately prior to his death, and if such officer is in receipt of a pension at the time of his death his widow is entitled to receive one-half of such pension.

If, therefore, in the case of the officers mentioned above, the period of service required to establish eligibility to pension is increased from ten to twenty years, the wives of such officers will have absolutely no protection in the way of expectation of a pension in the event of the death of their husbands, and by the protection which it is considered should be offered to the wives of such officers it makes it specially desirable that, so far as they are concerned, the minimum period of service required before eligibility to pension is established should remain at ten years. By keeping this period the same, it will not mean that as soon as these officers have com

pleted ten years' service they will be compulsorily retired, except where they happen to be retired on account of reaching the age limit, but that for those officers who are serving with wives having the expectation of obtaining some protection if their husbands having completed ten years' service should die.

All the other officers who are serving in the Permanent Active Militia, with the exception of some graduates of the Royal Military College who have been appointed to the Permanent Active Militia and who were too young to see Active Service in the late war, were appointed to the Force under the Act as it originally stood when twenty years was the minimum period required, and it is considered that, in so far as these officers are concerned, no injustice will be done in restoring the Act to its original form.

To that end, it is proposed to amend subsection one of section four of the Militia Pension Act, as amended by chapter sixty-one of the Statutes of 1919, by substituting for the word "ten" in the said subsection the word "twenty," and by adding thereto a proviso designed to protect the interests of those officers of the C.E.F. who were brought into the Permanent Force under the Militia Pension Act when ten years was the minimum period of service required, and whose interests under the Act as so amended must be protected.

Hon. G. D. ROBERTSON: Honourable gentlemen, this Bill, I think, merits some attention at the hands of the House, particularly because during years past, to my knowledge, other branches of the Public Service have at times questioned the propriety of the discriminations that seem to exist as between the Militia Department and other Departments. I assume that the Government contemplates bringing down and submitting some sort of pension law covering the Public Service, inasmuch as they have just to-day extended the Calder Act for a period of one year, while they are, I have no doubt, investigating the whole question.

The amendment included in Bill 219, to amend the Militia Pension Act, it seems to me, takes away from officers and men who served during the Great War the benefits that the Government and Parliament of 1921 gave them, for a specific reason. Under the Revised Statutes of 1906, Chapter 42, provision was made whereby an officer might be compulsorily retired on a pension after he had served 20 years. It was represented that in the case of officers who had given up their usual vocation, sacrificed their business, and gone into military work during the Great War, because they had perhaps been trained and had taken an interest in military life to some extent and were still in the Militia Service, some consideration should be given to them by way of shortening the period within which they might be retired on pension. So in 1921 the Parliament of Canada revised the Militia Pension Act, cutting down that period from 20 to 10 years. Bill 219, now before us, proposes to restore the original provision, namely 20 years' service instead of 10. That is the pith of section 1 of this Bill.

Sections 2 and 3 of this Bill, as I interpret them, refer to the men and not the officers. Likewise in 1921 Parliament extended the same consideration to the men as was extended to the officers, namely, the reduction of the period from 20 to 10 years. But under the Act of 1906 the men in the Permanent Militia Force were, if incapaciated for any reason, either physically or mentally, permitted to retire on pension after a service of 15 years; and if they became sound in body or mind, as the case might be, according to their infirmity, they were again liable for service up to the extent of the full 20-year period. In the legislation of 1921 that feature was wiped out and the ten-year period applied to all. Now sections 2 and 3 of this Bill seem to re-enact the provisions of the statute of 1906 and restore the 20-year maximum, with the 15-year requirement in the case of disability.

I am not taking serious objection to what the Government have proposed; I am not objecting to the extent of moving any amendment or opposing the passing of the Bill; but I do respectfully call the attention of the honourable leader of the Government in this House to this fact, that the law, on the recommendation of the Government and with the approval of Parliament, was intended to take care of those men who served as officers or privates during the Great War. I respectfully suggest that until a reasonable period has been allowed for those men now in the Militia to take advantage of the amendments of 1921, so that there may not be many more applying, it may be wise not to amend the law.

The Bill now before us would have the effect of reversing, in large part at least, what was done in 1921, and of taking away from the officers and men now in the permanent Militia force the privilege of retiring on pension under the regulations as they now exist. It would seem to me that if the Government have in view the preparation of pension legislation covering the employees

in the Public Service generally, to be adopted at a future Session of Parliament, perhaps the next Session, they would be very well advised not to amend the Militia Pension Act, at least this year, but to leave it for another year or two, until men now in the permanent Militia force, who stayed with it in expectation of reaping the benefits of the Act of 1921, have accomplished that desire. It is in my opinion somewhat unfair to them that, after they have continued to serve the country in the capacity of officer or private in the Militia for three or four years after the end of the war, in anticipation of enjoying the benefits of the law as laid down in the Militia Pension Act, they are to be deprived of what they believe is their due.

I hope that the Minister in this House who has presented this Bill will, before it is considered in Committee, give some thought to the points that I have raised.

Hon. Mr. DANDURAND: Does the honourable gentleman object to our going into Committee on this Bill, or to our giving it the second reading?

Hon. Mr. ROBERTSON: Not if my honourable friend feels that the points that I have raised do not merit any consideration on his part.

Hon. Mr. DANDURAND: The honourable gentleman's suggestion is that we should postpone consideration of the Bill?

Hon. Mr. ROBERTSON: My thought was that further action on this Bill might be suspended until to-morrow, and meanwhile the honourable gentleman would be good enough to draw to the attention of the Minister of Militia the questions that I have raised, pointing out that the effect of the amendments of 1921 will be wholly lost, probably to the disappointment of many men now in the Militia service who believe they have certain rights under the existing legislation. We ought not to pass this measure hastily before the Minister has been apprised of these points and we have ascertained his opinion with regard to them.

Hon. Mr. GRIESBACH: I with to mention just one aspect of the case. The proposed law should not be made applicable to those members of the Force who enlisted with the understanding that they would be pensionable within ten years. I quite agree with the honourable gentleman from Welland (Hon. Mr. Robertson) as to that.

Of course, the real reason why men are getting out of the Permanent Force is that Parliament has so reduced the Force that there is no longer a future in it. These men joined the Permanent Force of Canada in good faith, believing that it offered them a career. Parliament, or the Government, has reduced the Force and men who, as the memorandum read by the honourable leader of the Government says, are now becoming useful, find that there are no prospects for them in the Service, and they are retiring and taking their pensions. It seems to me the Government should stand by the consequences of its own policy and should pay the pensions.

Hon. Mr. DANDURAND: Will anyone move the adjournment of the debate until to-morrow?

Hon. Mr. ROBERTSON: I do not object to the Bill being given the second reading now, but I suggest that we do not go into Committee to-night.

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

DRY DOCK SUBSIDIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 220, an Act to amend the Dry Dock Subsidies Act, 1910.

He said: This Bill, honourable gentlemen, deals with advances to be allowed to dry dock companies during construction, on progress estimates. Previous to the year 1917, the subsidy was not paid upon dry docks until completion. The 1917 amendment to the Act provided, in the case of First Class Docks, whether floating or graving docks, that a progress subsidy might be paid during construction and provision was made that when it had been established to the satisfaction of the Minister that not less than $1,000,000 had been spent on the work and materials for such Dock, a subsidy at the rate of 4½ per cent might be paid on 75 per cent of the cost of the work done and materials provided at the time of such payment. The 1919 amendment to the Act made similar provision in the case of Second Class Dry Docks and Floating Docks when not less than $500,000 had been expended. This left a percentage of 25 per cent of the cost of the work done and materials provided, as a drawback or guarantee, increasing as the work proceeded, of the ultimate completion of the work.

The present amendment provides that when either a Graving or Floating Dock of the First or Second Class is three-quarters, or 75 per cent, completed, subsidy at the rate of 4½ per cent may be paid on 90 per cent of the cost of work done and materials provided, thus decreasing the 25 per cent drawback to 10 per

cent, which is ample for a work which is three-quarters done. In ordinary contracts, 10 per cent is all that is requested as security in the first place, and in the case of larger works running into millions of dollars, 5 per cent is all it has been the practice to ask. Then, as the work proceeded under these contracts, it has been the practice to return portions of the security and drawback.

The two dry docks now under construction, under subsidy agreement, which will be affected by this amendment, are the First Class Graving Dock at St. John, N.B., and the Second Class Floating Dock at Vancouver, B.C. The latter has only recently got under way and no application has so far been made for progress subsidy. In the case of the St. John Dry Dock three progress subsidies have been granted and the Dock itself, from reports from Public Works engineers in charge, is more than three-quarters completed. The engineers state that a sum of $750,000 will cover the completion of the dock, which, I may add, it is expected to have completed and open for business in the month of October next.

To take an illustration of the working of the Act, let us assume the cost of the dock to be $1,000.

Hon. Mr. ROCHE: One million.

Hon. Mr. DANDURAND: No; I am speaking of a unit of $1,000 as an illustration. When the dock is three-quarters completed, or $750 has been spent, the largest progress subsidy the contractors could get would be 4½ per cent on three-quarters of $750. That leaves $187.50 worth of work, on which no subsidy is allowed, as the Department's guarantee. It is considered that after the three-quarters completion stage has been reached, 25 per cent is too large a drawback to retain, and it is proposed to pay a subsidy on 90 per cent of the work done.

Hon. Sir JAMES LOUGHEED: That is, for the remaining 25 per cent?

Hon. Mr. DANDURAND: To illustrate: When $900 worth of work has been done under the amendment now proposed, a subsidy may be paid on $810, which still leaves $90 value of work done as a guarantee for the performance of the remaining $100 worth of work to complete the dock. On its completion the rest of the subsidy would be payable.

Hon. Mr. FOWLER: The construction of this dock forms the subject of a contract between the people who are building it and the Government. Is that not right?

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: That contract was entered into by both parties and there has been already one amelioration of it.

Hon. Sir JAMES LOUGHEED: In pursuance of the Act at present on the Statute Book.

Hon. Mr. FOWLER: Now it is proposed to soften the contract still more. What does the Government receive for that and why is it done? When tenders for the construction of this dock were called everybody who tendered understood the terms and conditions upon which it was to be built and nobody could have anticipated that successive Governments would soften it. In view of the strigency of the times it does seem to me that the contractors should stand by the contract that was made originally. The building of this dock is a greater expense to the country by reason of this amelioration.

Hon. Mr. DANDURAND: I do not think so.

Hon. Mr. FOWLER: But I am sure of it, because you begin that much earlier to pay the subsidy, and that certainly is a loss to the country and a gain to the people who are building the dock. If the modification were not a gain, why would they be after it? I will guarantee that it if it were a loss to them they would not apply for it; they would be up here howling their heads off because the Government was putting more onerous duties and obligations upon them than what they had contracted for. These people undertook the contract with their eyes open. They entered into it in competition with other people, who, I have no doubt, were prepared to carry out the original terms. I see no reason in the world why this Bill should be passed, and I protest against it. We are taxed to death in this country, and this Government is voting and spending money—I was going to say if it would not be lese majeste to say it—like drunken sailors. Here is a case in which contractors, who perhaps have been fairly generously dealt with, are going to be dealt with still more generously at the expense of the country at large.

Hon. Mr. DANDURAND: When the honourable gentleman put his question I was not clear as to there being a contract between the Government and the Company. There are very often three parties to the agreement: first, a port, like that of St. John or Montreal, which decides to build a drydock, or a floating or a graving dock, asks a company

to bid for the building of the dock. The Government helps according to the general terms of a general Act which is to be found in the Statutes.

Hon. Mr. FOWLER: That does not alter it being a contract.

Hon. Mr. DANDURAND: Contractors generally accept as part payment the annuities to which they are entitled under the Act. It is my recollection that they extend over about thirty years.

Hon. Mr. FOWLER: They sell bonds, and those bonds are issued on the strength of the subsidy.

Hon. Mr. DANDURAND: Sometimes it is done in that way, but I recollect that within 25 years, in order to tempt the people to build drydocks and equip our country with them the statute has been altered three or four times by increasing the amount of the annuity.

Hon. Mr. FOWLER: The rate of interest, yes, but before the contract was entered into, to induce men to enter into it.

Hon. Mr. DANDURAND: The amount that is to be paid is not varied; it is simply the amount to which the contractor will be entitled under progress estimates.

Hon. Mr. FOWLER: Of course, the amount is not varied, but the payments are hastened, which is a cost to the country.

Hon. Mr. DANDURAND: I am not prepared to say that it increases the cost to the country.

Hon. Mr. FOWLER: Of course it does; a man does not require to be a mathematician to figure that out. Any schoolboy could do it in his head.

Hon. Mr. DANDURAND: I am not ready to admit that it materially increases the cost to the country.

My knowledge is somewhat lacking in regard to this Bill. All I have offered is the explanation handed to me by the Public Works Department. Without binding ourselves to the principle of the Bill, we may go into Committee, when I shall have a great deal more information, and we shall have with us the Deputy Minister. Then, if we are not satisfied with the explanations, the Committee may rise.

Hon. Mr. FOWLER: I have no objection to going into Committee, provided that by so doing we do not accept the principle of the Bill. I object to this, because it is a change in a contract entered into some three or four years ago; and I say without fear of successful contradiction that this change will impose an additional burden upon the taxpayers of Canada.

Hon. Mr. DANIEL: My recollection of the facts of the case quite coincide with that of the Minister. The drydock in St. John, at all events, and I presume it is the same with regard to the drydock in Vancouver, was built entirely under the Drydock Subsidy Act. A Company gets together and undertakes to build a drydock under that Act, and it gets the amounts and the percentages laid down in the Subsidy Act, and no more. As I understand it, the Government does not enter into a contract with the Company to build the drydock. The Drydock Company applies for a certain subsidy after doing certain things. As the honourable gentleman from Sussex (Hon. Mr. Fowler), will know, the first firm that undertook to build the St. John drydock got into difficulties and failed during the war. I do not remember its name just now.

Hon. Mr. MURPHY: It was an English firm.

Hon. Mr. DANIEL: Yes. And the work was in abeyance for quite a while. Then the present Company took it over and are finishing it.

I can see nothing in this Bill but an attempt towards the latter part of the work to make it easier for the Company that is building the dry dock; that is all. I think the statement is correct that the Courtenay Bay dry dock is expected to be completed this fall. It is very far advanced, and is a first-class dock, as stipulated in the Dry Dock Subsidies Act. The people building it have got nothing more than the Subsidies Act will allow them, and are entitled to the full benefits of the Act. This arrangement, I presume, will make it a little easier for them, but it does not give them any more money.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that this bears simply on the amount of drawback that will be retained by the Government to insure the faithful execution and completion of the contract. It is believed that we are retaining a much larger amount than is needed to insure the faithful fulfilment of the contract. That is all there is in the Bill, and I believe that is all that will be found to be in it.

Hon. Mr. FOWLER: There was a contract entered into for the building of this dock, although a subsidy was granted. To say there is no contract is an absurdity, because

of necessity there has to be a contract. Even if it is only a letting-go of a portion of the drawback, to that extent it is giving to the Company money to which they are not entitled under the contract. The money is not buried in vaults, but is used for the purposes of the Government; therefore it is depriving itself of the use of money, and to that extent is mulcting the people of Canada. To explain is a work of supererogation. I feel ashamed to have to make the explanation. I cannot understand the leader of the Government requiring an explanation.

Hon. Mr. MURPHY: Honourable gentlemen, I agree with the honourable member for Sussex (Hon. Mr. Fowler); and while the Bill involves a certain extra cost to the country, I do not regard that feature as being as bad as the position in which it places the other tenderers. They tendered under certain conditions of subsidy, and that is all that they expected would be paid. This looks to me like letting your friends down easily, because if you are making advances earlier to allow them to proceed with the work, it puts them in a position in which they do not have to raise money to such a large extent as they otherwise would. I regard this as more serious than the amount which it will cost the country. I think it is altogether unfair to the other tenderers for the dry docks.

Hon. Mr. BENNETT: When the Bill comes before Committee, perhaps the Minister will give us the excuse for indulging these gentlemen with these favours. They started out with a contract under very favourable circumstances. Being rather short of cash, and requiring either half a million or $1,000,000, the Government guaranteed their bonds which were then put on the market and sold.

Hon. Mr. ROBERTSON: There is one further point that has not been touched wherein it occurs to me that there might be some danger in making the drawback as small as ten per cent. It is true that in the building of dry docks the contracts are let to the firms who submit the best tenders If this Act is changed, those who tendered unsuccessfully will feel that they have a grievance.

But the point I wish to mention is this: If the contract proves to be an unremunerative one, and the loss of ten per cent drawback which the Government now proposes to hold amounts to less than the prospective loss if the contractor completes his contract, the Government may find themselves with 90 per cent of the dry dock paid for and the director abandoning his contract entirely. It seems to me that the 25 per cent drawback is a much greater protection to the Government and to the country.

Hon. Mr. DANDURAND: The argument of my honourable friend is self evident. But there often comes a point when it is apparent that the work is so far advanced that the total amount of the drawback would finish the work three times over, and when the owner of the work realizes that he has in his hands three times the amount he would need, if the contractor fell down, to continue and complete the work. At this stage the owner of the work is sometimes asked by the contractor, either directly or through the architect, to ease up a little, and there is no one in this Chamber who has had that experience who will not say: "Well, there remains work to the extent of $500, but I have got $5,000 worth, and I will ease up and help the contractor."

The honourable gentleman from Simcoe (Hon. Mr. Bennett) thinks—and he is not the only one who has advanced the argument—that this is somewhat unjust to the other tenderers. But all the tenderers were on an equal footing and knew what the conditions were when they tendered.

Hon. Mr. MURPHY: They did not know of this condition.

Hon. Mr. DANDURAND: But this condition generally prevails in large contracts and small ones.

Hon. Sir JAMES LOUGHEED: No, it is a condition of the statute.

Hon. Mr. DANDURAND: It is a condition of the statute, so they are on an equal footing. It is for us to say whether there are not sometimes circumstances towards the completion of a contract which would justify the Department in abandoning part of the drawback or reducing it. It is simply a question of business which we can thresh out in Committee.

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

DIVORCE BILL

SECOND AND THIRD READINGS

Bill C6, an Act for the Relief of Jessie Anne Epstein.—Hon. Mr. Bradbury.

EXPLOSIVES BILL

REPORT OF COMMITTEE

Hon. Mr. FOSTER moved the adoption of the Report of the Standing Committee on

Banking and Commerce to whom was referred Bill D, an Act to amend the Explosives Act.

The Hon. the SPEAKER: I would point out to the honourable gentleman that if the motion is carried in its present form, it will absolutely wipe the Bill off the Order Paper. Would it not be better to order that the report lie on the Table?

Hon. Mr. FOSTER: I understood that it was the wish of the Committee that it should be wiped off. The Committee reported against the Bill, and defeated the amendment suggested by the honourable senator from De Salaberry (Hon. Mr. Béique).

The motion was agreed to, and the report was adopted.

RETURNED SOLDIERS' INSURANCE BILL

SECOND READING

The Senate resumed from June 19 the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 203, an Act in respect of the Returned Soldiers' Insurance Act.

Hon. Sir JAMES LOUGHEED: I presume my honourable friend intends to move for a Committee at this point.

Hon. Mr. DANDURAND: I stated yesterday that I would move the second reading of Bills 203, 204, 205, and ask that they be referred to a Special Committee. I will move now the second reading of this Bill.

Hon. Sir JAMES LOUGHEED: I think the proper course to pursue would be to appoint a Committee and to allow the second reading of the Bill to stand until the Committee has reported.

Hon. Mr. DANDURAND: I thought we had agreed that we would take the second reading without binding this Chamber to the principle contained in the Bill.

Hon. Sir JAMES LOUGHEED: Personally I have no particular conviction upon the subject, but it was pointed out by some honourable gentlemen that they were not prepared to concur in the second readings until certain information was brought down by the Government. My recollection is that the appointment of a committee of inquiry was suggested, and when this committee would furnish the information necessary to be brought before the Senate, we would proceed with the second readings. I think that would be the better method.

Hon. Mr. DANDURAND: Of course this is a very exceptional way of going about it. My understanding of the consent given by the honourable gentleman from Moosejaw (Hon. Mr. Calder) was that provided we were not bound to the principles contained in these Bills we could take the second readings and then send them to Committee. I think that is perhaps the more regular form.

Hon. Sir JAMES LOUGHEED: I did not understand it in that way. It seemed to me there were two or three honourable gentlemen who asked for information, and it was suggested that that information would be forthcoming before the Committee, and that upon the report of the Committee the second readings could be had. That prevents the anomaly of our proceeding with these most important measures without having any particulars as to what cost is involved.

Hon. Mr. DANDURAND: My opinion is that we will have a better view of the whole situation when we obtain that information from the Committee, because it is largely a question of impression which we may gather from more than one source. I am under the impression that in the Department itself there is a large variety of opinions as to what these Bills would represent.

Hon. Sir JAMES LOUGHEED: Take the second reading on the understanding that we are not committing ourselves to the principle.

Hon. Mr. FOWLER: I cannot understand the advantage of taking the second reading until we get the information.

Hon. Sir JAMES LOUGHEED: I must say I do not, but my honourable friend desired to have it done.

Hon. Mr. FOWLER: I do not understand his desire. If it was anybody else but the leader of the Government I would have thought there was a motive behind it.

Hon. Mr. DANDURAND: I have no strong opinion about it, except that generally a Bill goes to Committee after the second reading.

Hon. Mr. FOWLER: But we do not gain anything by it, as I understand. This is a very important Bill.

Hon. Mr. DANDURAND: And we do not lose anything, either.

Hon. Mr. FOWLER: Well, maybe not, but it foreshadows a very large expenditure, and I supmit that it is a matter that should be considered with great deliberation. The Senate must not be stampeded on this question, but have time to consider it, even if we have to stay here a few days extra, because it is too important to be hurried. While I have

the greatest sympathy with the returned soldier and his requirements, and the obligation of the country towards him, yet we have to think of other things as well, and there are other people in this country besides returned soldiers who have some rights, and towards whom we have some obligations. I think that nothing will be gained by taking the second reading now. Let us wait till we get the report of the Committee, and have some knowledge of what we are going into. Do not let us go into it blindly; too much expenditure has been blindly gone into in this country, and I for one protest in the interest of the taxpayers of Canada, a greatly overburdened class of people, against any sudden move, or blind move, in this matter. Nothing will be lost to those who are in favour of the Bill by allowing it to remain.

Hon. Mr. DANDURAND: My only preference for the ordinary course lies in this idea, that by sending the Bill to Committee after having taken the second reading, we shall be free not only to obtain information, but to modify the Bill according to our notions of equity and justice. Without taking the second reading, we would be appointing a special Committee simply to investigate the general merits of the principles that underlie these three Bills, and after having the Committee's report we might after passing the second reading, and going into the Committee of the Whole, have to begin all over again.

My idea was that, instead of going into Committee of the Whole after the second reading, we refer the Bill to a specially named Committee that will hear the various parties interested, seek information, and do the best for the country. When I say the best for the country, it is without losing sight of our obligations, moral and contractual, or of the financial conditions of the country. But what harm is there in pursuing the natural course which a Bill takes through Parliament, namely, taking the second reading after a clear statement that we are not binding ourselves to any of the principles, if we find them to be principles, in the Bill; leaving ourselves free to decide in Committee, as to what is the best course, have the report of the Committee made to the House, and deal with this report when it is made. That is all that I have in my mind.

Hon. Mr. DANIEL: I might remind the honourable member from Sussex (Hon. Mr. Fowler) that there will be this advantage when we go into Committee of the Whole, that there will be no embargo, and the honourable gentleman can speak as often as he likes, whereas no member of the Senate can speak more than once on the subject before the House while His Honour the Speaker is in the Chair.

Hon. Mr. FOWLER: That may be a disadvantage.

Hon. Mr. BEIQUE: I think that the honourable leader of the Government is right in insisting that the Bill—

Hon. Mr. FOWLER: If he insists, that is another matter; I do not think he will help his case very much.

Hon. Mr. BEIQUE: If the honourable gentleman will allow me, I will try to give reasons for the position I take. At first sight I was inclined to think that possibly we might defer the second reading, but I will call the honourable gentleman's attention to something which he may appreciate. It is this. Suppose that the Bill is referred to a Committee before it receives its second reading, and that the Committee suggests or reports a Bill in different form, we will not be able, because of our rules, as I understand them, to move the second reading of the Bill except as introduced in the House. We would not be able to move the second reading of the Bill in a different form. We would have to do the same thing as is now proposed to be done.

Hon. Mr. FOWLER: What difference does that make?

Hon. Mr. BEIQUE: This, that what we are asked to do now we will have to do tomorrow or in a week when the report is made; and therefore I think it is better to proceed as usual—to have the second reading, with the understanding that we are not accepting the principle of the Bill at all, so that we are free to deal entirely with the measure; and, if the Bill is referred to a Committee, as is intended to be done, the Committee is to be at liberty to suggest that the form of the Bill be changed so that the House may be able then to deal with the report of the Committee, which otherwise it would not be able to deal with.

Hon. Mr. FOWLER: Before I heard the argument of the honourable gentleman who has just spoken I was inclined to agree with the honourable leader of the Government. He has failed to bring forth anything that is convincing to me as to why I should agree. However, in deference to the honourable leader, and on the consideration that this does not affect the principle of the Bill, and that we shall still be able to discuss it as though the second reading had not been taken, I will bow to the request, but not to the insistence.

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

Hon. Mr. DANDURAND: Honourable gentlemen, after conferring with my honourable friend opposite I have the honour to move that this Bill be referred to a Special Committee composed of the following: Honourable Messieurs Béique, Belcourt, Black, Blain, Calder, Dandurand, Green, Macdonell, Griesbach, Lougheed (Sir James), McHugh, Pardee, Ross (Moosejaw), Sharpe and Watson, to examine into this Bill and report.

The motion was agreed to.

SOLDIERS' CIVIL RE-ESTABLISHMENT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 204, an Act to amend The Department of Soldiers' Civil Re-establishment Act.

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

PENSION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 205, an Act to amend The Pension Act.

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

Hon. Mr. GRIESBACH: Can the leader of the Government give an idea how soon this Committee will meet, as the time is getting short, and if the Committee should become involved in an interminable discussion we might find ourselves confronted by the end of the Session. I take it that the Committee will determine its own procedure when it does meet.

Hon. Sir JAMES LOUGHEED: It is up to the Committee to determine that.

Hon. Mr. GRIESBACH: I would ask if the Committee will sit while the House is sitting, or while the House is in recess.

Hon. Mr. DANDURAND: We could perhaps arrange for morning or evening sittings.

Hon. Sir JAMES LOUGHEED: It will be for the Committee to determine that.

DIVORCE BILL

FIRST READING

Bill E6, an Act for the relief of Nellie May DeBlaquire—Hon. Mr. McCoig.

LOCKPORT N. S. WHARF

INQUIRY

Hon. Mr. TANNER inquired of the Government:

1. Did any Department of the Government, or the Canadian National Railways, purchase or otherwise acquire a wharf property at Lockport, N.S., during 1922, or 1923?
2. From what person and through what person was the property purchased, or acquired?
3. What is the price paid or agreed to be paid for the property?
4. Has the price of the property been paid and if so to whom?

1. Yes, by the Department of Public Works.
2. From F. W. Sutherland.
3. $4,200.
4. (a) Yes; (b) F. W. Sutherland.

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

THE SENATE

Thursday, June 21, 1923.

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

Prayers and routine proceedings.

BANK BILL

FIRST READING

Bill 83, an Act respecting Banks and Banking.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, I would ask that the rule which requires two days to intervene between the first and second readings of a Bill be suspended, in order that we may take the second reading of this Bill now; and so that, if there is no prolonged discussion on the second reading, we may go into Committee on it this evening. I will only ask that we go into Committee on the Bill this evening if we have before us a memorandum which is being printed explaining the changes made to the Bill. From this memorandum we shall be able to see what the changes are. We may proceed as far as possible with the unopposed or unimportant sections of the Bill, and leave for further consideration the more important clauses, and others that may be asked to stand.

Hon. Mr. FOWLER: That may be all right; but, speaking for myself, I may say that the Bank Act is too important to be rushed through this House without plenty of time being given for its consideration. The fact that it took three or four months to get the Bill through the other House ought to be

sufficient argument in favour of giving plenty of time for its consideration in this House. We do not want to give the impression that we are prepared to pass it without proper discussion.

Hon. Mr. DANDURAND: No. But my honourable friend will admit that neither he nor any other member of this House intends to contest the principle of the Bill on the second reading. As a matter of fact, the second reading in the other House took very little time, the desire being to have the Bill considered in Committee. I take it for granted that we will consider this Bill in Committee of the Whole. I am simply asking for the second reading.

Hon. Mr. FOWLER: If it is going to be considered in Committee of the Whole instead of by the Banking and Commerce Committee, as it was in the other House, that is all the more reason why we should have more time.

Hon. Mr. DANDURAND: If there is no objection we may take the second reading, and then decide whether we will put it into Committee at this evening's sitting. We may have no other work before us; and I take it for granted that if we can we should give the evening to running through and passing the unopposed clauses.

Hon. Mr. FOWLER: Oh, yes, the unopposed clauses.

Hon. Mr. DANDURAND: I propose that the necessary rules be suspended.

Hon. Mr. FOWLER: Are we going to have copies of the statement distributed?

Hon. Mr. DANDURAND: I would not think of going into Committee without having the memorandum before us.

Hon. Mr. FOWLER: We ought to have a day or two at least to consider it.

The motion for suspension of the rules was agreed to.

SECOND READING

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

He said: Honourable gentlemen, all are aware that the purpose of Bill 83, an Act respecting Banks and Banking, is to extend the Charters, which are given for a period of ten years. As the tenth year will end on the 1st of July next, it is imperative that we should proceed with this Bill as rapidly as possible. We have plenty of time from now till the 1st of July to do it justice. A certain number of clauses have been modified. The Senate may, if it deems proper discuss the clauses that have not been affected by the work of the House of Commons, but it will, I suppose, give more attention to the changes that have been made.

Hon. Sir JAMES LOUGHEED: May I draw my honourable friend's attention to the fact that the Progressive Party is absent today. I do not know how we are to proceed with this measure.

Hon. Mr. CASGRAIN: He will read the Debates.

Hon. Mr. MURPHY: Stand it over.

Hon. Mr. DANDURAND: We will make sure that the Progressive Party is here, at all events, for the third reading, if not for the Committee stage. The most important changes made by the House of Commons in the existing Bank Act may be briefly summarized as follows:

Under Section 54 there has been provision for an Annual Statement of the affairs of the Bank to be made to the shareholders. Certain changes have been introduced into this section in order that the statement of the management may be in such form as will give an assurance and undertaking, both to the shareholders and to the public, that the items in the assets side can be depended upon to realize the sums which the figures indicate. In addition, provision is made that if the Bank has a subsidiary company such as a real estate holding company, particulars of the Bank's interest in that holding company must also accompany the Annual Statement.

The provisions with regard to a shareholders' audit have been remodelled, and the duties of auditors have been enlarged. The shareholders are to annually select two properly qualified persons, independent of each other in a business way, to make an outside audit of the bank's affairs. One of these auditors can, under the amendments ,be continuously in office, but the other one must be changed at the end of two years. Such other one, after being out of office for two years, would be eligible for reappointment. The purpose of these amendments is to prevent the audit becoming stereotyped. One new provision affecting the auditors is of very great importance, namely, it shall be the duty of the auditors to make reports to the directors, individually, in writing of any transactions or conditions affecting the well-being of the bank which are not satisfactory to them. In addition, the auditors shall specifically report to the General Manager, and to the directors, from time to time, any loans

exceeding one per cent of the paid-up capital of the bank, which in their judgment, are inadequately secured.

These provisions are intended to meet a complaint, quite common nowadays, that directors do not direct. By bringing home to the directors individually any defects in the bank's affairs, it is hoped that a sense of greater responsibility on the part of Boards of Directors will be secured.

There is a further provision with regard to the shareholders' auditors under which they are prevented from accepting any retainer or undertaking any employment on behalf of or at the instance of the bank other than that of auditor of the bank. If the management of the bank could place in the way of the bank's auditors remunerative outside business, it was believed that if the time ever came when it would be the duty of the auditors to criticize the management, they would not be free to do so because of the benefits they indirectly receive. In other words, the provision is intended to prevent the auditor of the bank having to choose between his own interests and his duty.

There are other amendments dealing with the business and powers of the bank (section 76) to the effect that the bank can only lend to its own officers without the consent of the directors, a limited sum, $1,000, and with the consent of the directors, a sum not exceeding $10,000. There have been abuses in the past and these provisions are intended to prevent a continuance of such abuses.

Provision is also made that a director of a bank cannot borrow from the bank of which he is a director, a sum in excess of 10 per cent of the paid-up capital of the bank unless two-thirds of the directors present at a regular or special meeting of the Board approve of such advance.

There is an important amendment to subsection 7 of section 88, the section dealing with loans to wholesale dealers, manufacturers, farmers, and ranchers upon a pledge of goods and commodities. An amendment was introduced into the House of Commons, to the existing provision in this behalf, to the effect that any claim by an unpaid vendor would have priority over security taken under this section. It may be questioned whether such an amendment does not rob the whole section of its value. On the other hand, a substantial amendment has been made to the bill (section 88A) providing that any person intending to give to a bank security under the authority of section 88 must first give notice of such intention before any loan is made by the bank to such person, and that the notice of intention to give security must be registered in a public office where the public can see if the individual who is seeking credit has given a lien upon his goods to any bank. This new section removes the charge that could formerly be made that under section 88 the bank acquired a secret lien.

The legislation with regard to monthly returns to be made by each bank to the Minister (section 112) has been changed in some particulars and generally revised with a view to securing an accurate and complete statement of the banks' affairs for the benefit of the public.

Certain abuses have developed in Winnipeg and elsewhere where persons, generally foreigners, receive money on deposit or receive money for transmission to a foreign country, and ultimately fail. Such a failure occurred in Winnipeg within the last few months involving losses to the public of $800,000, and upwards. The new Bill (section 156, subsection 3) provides that persons who receive money on deposit must do so under conditions to be prescribed by the Minister of Finance, provided the activities of such person are brought to the attention of the Minister.

These are, honourable gentlemen, in the main, the chief changes in the Bill. There are numerous other amendments of lesser importance, which will, no doubt, engage the attention of the Senate.

I have some special information to impart to the Senate, if required, on certain clauses, when we come to them in Committee. I will reserve my remarks for the Committee stage.

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

Hon. Mr. DANDURAND: Honourable gentlemen, I beg to move that this Bill be put at the foot of to-day's Orders of the Day, for the Committee stage. We may take it up or we may not, but I suggest that we retain the right to deal with it during this sitting.

The Hon. the SPEAKER: Honourable gentlemen, it is moved by Hon. Mr. Dandurand that this Bill be referred to the Committee of the Whole House during the present sitting of the House.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I did not understand my honourable friend to move that. It would then go to the Committee of the Whole. I understand his proposal was that the Bill should remain on the Order Paper, at the foot of the list, and that a motion might later be made, determining whether it should go to the Committee of the Whole or to the Committee on Banking and Commerce.

Hon. Mr. DANDURAND: No. My honourable friend was engaged in a conversation when I made my statement. I had not in mind that the Bill should go to any Standing Committee of the House.

Hon. Sir JAMES LOUGHEED: Oh.

Hon. Mr. DANDURAND: I thought we should deal with it in Committee of the Whole. However, I am ready to comply with the opinion of the Senate on this point.

Hon. Sir JAMES LOUGHEED: Personally I favour the Committee of the Whole.

Hon. Mr. DANDURAND: Then, that is my motion.

Hon. Sir JAMES LOUGHEED: I thought the honourable gentleman was in doubt about the matter.

Hon. Mr. DANDURAND: No.

The motion was agreed to.

THE PREPARATION OF BILLS

AMENDMENT OF THE RULES

Hon. Mr. BELCOURT moved:

That the Rules of the Senate be amended by the insertion of the following as Rule 60A:

60A. (1) In the preparation of Bills amending existing enactments the amendments shall not ordinarily be made by clauses which add or leave out words or substitute words for others, but by clauses which re-enact the section, subsection or other minor division, as it is amended.

(2) As the text of the Bill, on the left hand page, new matter shall be indicated by such typographical means as may best suit the varying circumstances of each case, such as brackets, italics, underlining, asterisks, etc. Opposite each clause, on the right hand page, the enactment amended thereby, or so much thereof as is essential, shall be printed with the proposed changes to be made therein similarly indicated.

(3) When a clause repeals an existing section, subsection or other minor division of a section, that section, subsection or division, or so much thereof as is essential, shall be printed opposite the clause.

(4) A memorandum by the draftsman explaining briefly the reason for each clause, shall be appended to the Bill, or distributed therewith. Whenever practicable the memorandum shall be printed on the right hand page of the Bill, in paragraphs opposite the clauses referred to and numbered correspondingly.

(5) The above rules shall also as far as practicable apply to the reprinting of Bills.

Hon. Mr. BEIQUE: I understand that this is in accordance with the joint report of both Houses. Is it?

Hon. Sir JAMES LOUGHEED: This is to become one of the Standing Rules of the Senate.

Hon. Mr. BELCOURT: It is part of the report of the Joint Committee.

Hon. Sir JAMES LOUGHEED.

Hon Mr. BEIQUE: Has the report been adopted by the House of Commons?

Hon. Mr. BELCOURT: Yes, and notice has been given of the introduction of a Bill to carry it out.

Hon. Mr. DANIEL: May I remark to the honourable gentleman who has introduced this motion that subsection 2 contains the words, "In the text of the Bill, on the left-hand page, new matter shall be indicated" etc. Generally it should be, I think, on the right-hand page.

Hon. Mr. BELCOURT: It is for the House to say which is preferable. I think it is all right as it is.

The motion was agreed to.

HOPPE COAL MINING LEASES

INQUIRY

On the Orders of the Day:

Hon. Mr. POPE: I desire to call the attention of the honourable leader of the Government to reports regarding a Bill that was passed in this House and in the Commons and is now law with reference to the Hoppe coal mines. Very disquieting rumours are being renewed in this city and in the city of Montreal, with reference to the effect that that legislation would have. I would like the honourable leader of the Government to give us some information with regard to the matter.

Hon. Mr. DANDURAND: I may inform my honourable friend that this matter has engaged the attention of the Government within the last 48 hours. I am unable to give further information. However, the Government is alive to the situation.

EXTRA PAYMENTS TO JUDGES

INQUIRY

On the Orders of the Day:

Hon. GEORGE GORDON: Honourable gentlemen ,yesterday when I called the attention of the honourable leader to the fact that the sum of $20,000 had been paid to two Judges of the High Court of Ontario, he asked me to produce some evidence to show that such was the case, and I replied to the effect that I did not think I could obtain it at this time. But last night I was fortunate in securing a copy of the Votes and Proceedings of the Ontario Legislature and I found in No. 50, at page 478, that this question was asked by a member of the Legislature:

1. What payments are included in the $118,000 given by the Attorney General as the cost of the Timber Commission? 2. To whom were these several payments

made, and for what purposes? 3. What were the several dates of such payments? 4. Are any further amounts claimed by any person in connection with this Enquiry? 5. If so, what are such amounts, and by whom, and for what services are such claims made?

In reply to those questions, the Attorney-General said:

1, 2 and 3. If this amount was given by the Attorney-General, it was given by him from his recollection in answer to a question put to him during his address in reply to the Speech from the Throne. There should be added to this amount an accountable warrant for $50,000 issued to Mr. R. T. Harding in 1920, making a total of $168,952.69. This amount is made made up as follows:

Items on pages E 83 to 87 of the Public Accounts, 1920-21..	$113,781 05
Items on page E 72 of the Public Accounts 1921-1922..	33,556 07
Paid since 1st November, 1922:	
The Hon. Mr. Justice Riddell.. ..	$10,000
The Hon. Mr. Justice Latchford..	10,000

I need not read the rest of the reply.

I submit, in view of this evidence, that the Department of Justice should be made aware of this and asked as to the legality of the proceeding, because, as I understand the 1920 amendment of the Judges Act, which was cited here yesterday, these judges in accepting the $20,000 were doing something which was absolutely illegal, or else the enactment which was placed upon the Statute Book goes for nothing. Language could not be plainer than what is contained in that particular amendment. It appears to me that the offence committed by these judges is all the more serious because one of the duties which they had to perform in the particular commission on which they were engaged, was to see whether or not a certain prominent individual in the Province of Ontario was acting in accordance with the law. They gave it as their opinion at the time that this particular gentleman was making a law unto himself.

Hon. Mr. MURPHY: The same as they did.

Hon. Mr. GORDON: Yet it seems to me that they should have been the first to give an example not only to that gentleman but to the whole province of Ontario that they were going to be, like Caesar's wife, above suspicion; and that, even if there was some little loophole by which they could slip this $20,000 into their pockets, they would have avoided doing so. I feel quite justified in making these remarks, owing to the manner in which these Commissioners descended from the Bench and went about the country and threw mud in the most unjustifiable way.

Hon. Mr. DANDURAND: I doubt, Mr. Speaker, if the honourable gentleman is in order. There is no question on the Order Paper. What I suggested to my honourable friend was that he should find some official document upon which to base a question. He has found an official document, and my idea of the rules of this House is that upon that document, citing it, he should ask the Department of Justice what justification those judges had for accepting that sum. Then, if the Department of Justice is of opinion that an offence has been committed by those judges, we might discuss it. I am not seized of the facts nor of the opinion of the Department, and that is why I would ask my honourable friend to put himself in order by bringing this matter regularly before the Senate.

Hon. Mr. GORDON: Then I beg to move the adjournment.

Hon. Mr. DANDURAND: The honourable gentleman will give notice?

Hon. Mr. GORDON: Yes, I will give notice that later I will inquire.

Hon. Mr. DANDURAND: You may draft your notice.

CANADIAN NATIONAL RAILWAY OFFICIALS

UNSATISFACTORY REPLY TO INQUIRY

Hon. C. E. TANNER: Honourable gentlemen, I would like to draw the attention of the House to a matter which appeals to me as being of urgent public importance. I told the leader of the House last night that I wanted to make a few remarks on the subject. The matter arises out of answers which were brought down to questions on the Order Paper yesterday. The question I asked was this:

What are the names of the persons who are known as the General Officers of the Canadian National Railways; the respective position at present held by each one of these general officers; and the yearly salary payable to each one.

The answer of the Government to that inquiry was:

It is not consdered to be in the interest of the Canadian National Railways, nor in the interest of the public, to make public such information.

Now, I want to say at once that I am not moved at all by any idle curiosity in regard to the gentlemen who occupy the positions of general officers on the Canadian National Railways, or the respective positions which they hold, or the salaries they are paid; nor would I for one moment protest against any of those gentlemen being paid what any reasonable man might describe as adequate compensation for the services they give to the country. The reason I put that question on the Order Paper was that I had learned

that there is a great deal of discussion in various parts of the country in regard to those general officers, and what I believe to be exaggeration in regard to salaries which some of them, at least, are being paid. I was really moved to ask the question in the interest of those gentlemen themselves, in order that the facts might be known and the exaggerations dispelled which probably existed. I think it is in their interest that the owners of those railways should know the facts. For the life of me I am unable to see how any of those gentlemen can be prejudiced in the slightest degree, or how the public interest can be prejudiced, by a statement showing how much each one of them is being paid by the country.

I am aware that there is more or less discussion in regard to keeping politics out of the railways, and I am thoroughly in sympathy with that policy. I would not desire, and I am sure no honourable member of this House would desire, to return to the old days when the Government-owned railways were practically run by the politicians instead of by the Management. As honourable gentlemen are well aware, such matters as the making of contracts on behalf of the railways, the purchasing of supplies, and the appointment of employees and officials, were all conducted with deference to the views of politicians in the various provinces. I know that to have been the case in the eastern provinces. I would hold up both hands gainst the re-introduction of any system like that. At the same time I think there is a great deal of folly about this parrot-like statement that we must keep politics out of the railways. I prefer to take the ground taken this Session by men like the Minister of Finance and the Minister of Railways. The latter gentleman says the people own these railways, and there must necessarily be certain references to the politics of the railways; and the Minister of Finance has stated that anyone who thinks that politics can be kept out of the railways is making a great mistake; but by politics he means—and he made his statement that way—that politics are the business of the people, and the railways are the business of the people; and, according to Mr. Fielding it is unthinkable that the people, who are the owners of those railways, whose business is being managed in connection with those railways, would, as he says, turn over the entire business to an irresponsible body, and have nothing whatever to say in regard to that business.

The Hon. the SPEAKER: Do I understand the honourable gentleman to move the adjournment?

Hon. Mr. TANNER.

Hon. Mr. TANNER: I intend, if necessary, to move the adjournment of the House. I say that I am sure that the Finance Minister or the Minister of Railways did not have any idea in their minds, when so speaking, that there should be a return to the old days when, if a man wanted to sell railway ties or any other kind of supplies to the railway, he would enlist the sympathy and support of a politician, or if a man wanted to be made a brakesman or to be put in a roundhouse or otherwise in the railway employ he would have to go to the railway with a letter from a politician. Those days have gone by, and I would not have those conditions again introduced. I am sure that the Minister of Finance and the Minister of Railways have no idea either, that those conditions should be brought back; but they recognize the fundamental fact which I have stated, that the people are the owners of those railways, and that they have surely some rights in regard to the management and to information relating to the management of the roads.

But when I ask for the names of the general officers and their salaries and the respective positions which they hold, I am told that it is not in the public interest nor in the interest of the railways that those facts should be disclosed. Let me point out, to begin with, that I have in my possession the names of those officers. There is no secret about that: the names are printed in the annual statement of the Canadian National Railways.

Hon. Mr. MITCHELL: Might I ask the honourable gentleman through what channel the people could have something to say? He says he is very much opposed to politics being introduced.

Hon. Mr. TANNER: I am going through the channel now.

Hon. Mr. MURPHY: Parliament.

Hon. Mr. TANNER: Exactly; the correct channel. I expect to get somewhere, too, in regard to the matter. I find there are somewhere about 40 of those men who are known as general officers, headed by Sir Henry Thornton. There appear to be two of them in the city of London. I do not know whether this gentleman named Aronovici, of Paris, is one of the general officers; perhaps it might be difficult to say how much his salary is; perhaps he gets his remuneration by commissions on the purchase of real estate. However, there are 40 of those gentlemen, and I want to know, and I think this House should want to know, why it is not entitled to be told what position each one holds—because I understand there have been some

changes—and further, what salary each one is paid. Those 40 gentlemen conduct the business of the railways. I would like to differentiate between asking questions in regard to the business of the railway, and asking a reasonable question in regard to those beneficiaries of the railway. I think that is a sound position to take. I can understand that it might be inadvisable for me to make an inquiry in regard to pending business of the railway, or business relating to the operation of the railway, or as to what is to be done in regard to purchasing supplies, the appointment of men, or the regulation of anything of internal concern in the management of the railways business; but that is entirely different from asking a question as to who are the officers, what positions they hold, and how much salary each one is paid.

As I see it, the fundamental principle beneath the argument that there should be no politics in the railways, if there is a principle, is that nothing should be done by politicians or public men which would embarrass the business of the railway, or prevent the managers from carrying on their operations in a businesslike way. I am prepared to concede that point; but I want to know, and I hope my honourable friend the leader of the Government will be able to tell me, how the business operations of the railway can be embarrassed in the slightest measure or prejudiced in the slightest degree by telling me how much Sir Henry Thornton gets, or how much any other member of the general staff gets, as salary, and what position he holds. I think there is a clear and distinct cleavage at that stage and it is because this subject is so befogged by the reiteration of the statement that there must be no politics in the railway that I decided to bring the matter before the Senate.

We all know how much money is paid to the station agents along the line, to the drivers, the conductors, the brakesmen; we know how much the ordinary officer along the railway gets. Where is the principle or policy that would suggest that the Government should say to any member of this House or the other House: "You are entitled to that much information in regard to the railways, but when you come to ask how much any one of those forty gentlemen who are called general officers gets, then the lid must be put on." Why should it be put on? What public interest is served by that? What public interest would be prejudiced or imperilled by telling me how much any one or every one of those forty gentlemen is paid by the country? I am sure, although I have never had the pleasure or privilege of attending a meeting of the shareholders of the Canadian Pacific Railway, that if I were a shareholder and attended the annual meeting of shareholders of that railway and asked how much the general counsel or the legal manager or the passenger manager was being paid, I would not be told that it was not in the public interest that that information should be given. I take it that any shareholder would be told at once.

Hon. Mr. DANDURAND: I beg to differ from my honourable friend.

Hon. Mr. TANNER: Well, perhaps I am wrong; I have never had the privilege of attending a meeting of that railway company.

Hon. Mr. TODD: Do you mean to tell me that that railway company would tell the public?

Hon. Mr. TANNER: I do not say the public; I say that if I were a shareholder and went to a meeting I would be told. My honourable friend forgets that it has been laid down time and again in this Parliament that the shareholders of the Canadian National Railways are the people of Canada. It may be, that there are 8,000,000 shareholders, but that does not alter the principle. There might be only a hundred shareholders of the Canadian Pacific Railway, but if there were a million it would not alter the principle, and the mere fact that there is a limited number, say a dozen, would not exclude the people of Canada from having an answer to that question.

Hon. Mr. FOWLER: Why shouldn't they tell?

Hon. Mr. TANNER: Yes, why should not the Management of any corporation, on being asked the question, give the information? Notwithstanding what has been said, I am sure that if I were a shareholder of the Canadian Pacific Railway I could get that information.

But although the officers refuse to give me the names, let me point out that I have the names. Sir Henry Worth Thornton heads the list as Chairman and President. Now, we are told how much Sir Henry Thornton gets; but why should we be given that information if we are to be denied any in regard to other members of the general officers? The next man is Major Graham A. Bell, who occupies the position on this list as Vice-president. We know what he gets; there is no attempt to hide from Parliament or the country the

salary that is paid to Major Bell. The next we find is the General Solicitor. Now, I want to know, and I think it is a reasonable request, why the shareholders, the people of this country, should be told what Sir Henry Thornton, the President, gets, and what the Vice-president gets; but when we come to the General Counsel, to the Vice-president in charge of Operation, or to the Vice-president in charge of Traffic, or the Vice-president in charge of Construction, what policy comes in or what principle intervenes so that they say to me: "You can have the information regarding the President and the Vice-president, but you shall not have the information in regard to the other officers"?

Honourable gentlemen, I think I have clearly stated the situation, and we seem to have arrived at the stage now, if I understand it correctly, when people are not to be given any information in regard to those railways. We have hotels being bought in Paris; we have other properties being bought in other parts of the country; we have railways being extended in the United States, and possibly hotels being bought on the line of that railway in the United States to which reference was made at an earlier stage of the Session; there may be great public offices contracted for in other parts of the country; and information is not given in respect to these matters. The people's representatives—and in that expression I include this honourable body—are denied information in regard to the management of the business which is their own in common with all others of this country.

For these reason I want to protest as vigorously as I can against this closing-up of information. I repeat that I do not want to interfere with the business operations of the railway; but I want to be shown how I am interfering with the business or management of the railway by asking what are the salaries and the positions of the men to whom I have referred. In conclusion, I want to say again that it is in the interest of those men themselves, so that disquieting rumours which are current through the country in regard to their supposedly exaggerated salaries should be set at rest, that the public should be given the facts.

In order to put myself in order in this matter, I will move the adjournment of the House.

Hon. Mr. DANDURAND: Honourable gentlemen, when this country enlarged its holdings in railway ownership and management to the extent of 22,000 miles, everyone realized that a peculiar situation would develop which would have to be treated with some delicacy; and there would be hardly any known rules which could easily be applied to the administration of such a large system by the State. We have come at this moment to one of the delicate situations that will have to be dealt with by the Parliament of Canada. In the administration of that immense system we should try to be governed by the general principles and the best traditions which prevail in the administration of such railway corporations. In solving a problem, we generally proceed from the known to the unknown.

What is the system of administration of a big railway in the hands of private shareholders? The shareholders meet once a year; they elect their board of directors, who in turn elect an executive. The shareholders can every year at the annual meeting put a certain number of questions. I am confident that such questions as those put by my honourable friend, except those as to the names of the officers, which are generally known because they are printed in the official publications of the company, would not be entertained. Answers would be bluntly refused, or the questioner would be told that he could get that information by applying to the Management.

Hon. Mr. TANNER: That is what I am doing.

Hon. Mr. DANDURAND: One moment. If my honourable friend will allow me to complete my demonstration, I think he will not then so readily jump to that conclusion. Why would the chairman ask the shareholder to apply to the Management? Because in many cases it is not good policy to impart information to competitors. I know from my own experience that shareholders have often been denied an answer on the spot, but have been turned over to the Management because it was in the interest of the company to maintain a certain amount of secrecy as to the general management of the line.

How does our present ownership of the railway compare with that tradition which obtains in these large corporations? The railway is the property of the people. The people are the shareholders, but they cannot have an annual meeting at which they would obtain direct information. They can only obtain it through their representatives in Parliament. I take it for granted that we in this House stand on an equal footing with the elected representatives on that score, and that Parliament represents the body of shareholders of the National Railway. Now, we are the shareholders attending the annual meeting, and my honourable friend is putting an official question, and he is answered: "Kindly ad-

dress yourself privately to the Management." That is why he is denied that open, public information which he has asked for from his seat in this House.

Hon. Mr. FOWLER: How could the interests of the railway be possibly affected by answering a question as to the amount of salary that each individual officer receives? That is not a question of policy: that is not asking anything about the policy of the road. Why should there be any trouble about that?

Hon. Mr. DANDURAND: Suppose we reduce the railways of Canada to two large systems. Suppose the shareholders of the Canadian Pacific Railway ply the Management with questions at the annual meeting, and obtain information concerning one or two or ten or fifty of the officers. What will be the effect on the neighbouring system? Certain officials will find that for various reasons they are receiving less than the amount mentioned as being received by other officials who occupy similar positions—I am simply speaking now of salaries—and right away you have dissatisfaction throughout the whole system. There may be other reasons; I simply give a reason that comes to my mind at this moment, and it may not be the best reason.

Hon. Mr. FOWLER: Would you like to guarantee that every officer of the Canadian Pacific Railway does not know what every officer of the Canadian National gets for salary? And would you guarantee that the reverse does not hold true—that every officer in the Canadian National does not know what every official of the Canadian Pacific Railway in like standing is getting?

Hon. Mr. CASGRAIN: I have asked the leader of the House to allow me to answer this question, because I happen to know something about it. In the case of the C.P.R. there is a sum appropriated to be divided among a certain number of superior officials, and no one knows how much those officials are actually drawing. I defy anyone in this House to say what Lord Shaughnessy drew as salary, or what the present President is drawing. I might remind honourable gentlemen that a man who has been a member of the other House, and who was a shareholder of the Canadian Pacific Railway—I refer to Sir Donald McMaster—who for many years rose at the annual meetings of the Canadian Pacific Railway and inquired what was the salary of this one and that, and could not obtain an answer.

Hon. Mr. BENNETT: Do they pay by cash or by cheque?

Hon. Mr. FOWLER: I venture to say that if it had been known by the representatives in Parliament that the heads of the Government-owned railway could apportion a certain sum of the money of the country to themselves to be divided secretly, there would have been very much stronger opposition to the acquisition of the road, particularly of a road that is going behind at the rate of $100,000,000 a year.

Hon. Mr. DANDURAND: I have realized within the last twenty-four months that machinery would have to be devised to enable the shareholders of the National Railway to obtain some information as to the administration of this immense asset. I call it an asset, knowing fairly well that it could be called otherwise; but I hope the day will come when it will show a surplus.

Hon. Mr. FOWLER: It never will if this kind of work goes on.

Hon. Mr. DANDURAND: It has struck me that we might well consider the formation of a joint committee that would represent all parties to obtain direct information from the railway Management. At this moment I would not suggest that that committee, which could call for persons and papers, should report to Parliament except under very exceptional circumstances. I recall the fact that in the British Parliament and in the French Parliament there are Committees that sit with closed doors. I know that in the French Parliament there is a Committee on Foreign Affairs which is composed of representatives of all the groups in Parliament, and which calls before it the Minister of Foreign Affairs and obtains from him all the information that he possesses upon the relations of their country with the rest of the world. The members of the British House of Commons who visited the French capital during the war and studied the operations of the French Parliament returned to London feeling that the French Parliament had a much larger authority over the various departments of Government than had the British Parliament. They particularly mentioned the fact that this Committee on Foreign Affairs knew all that was going on, while under the British system only the inner Cabinet knew what was going on. I throw out the suggestion, which may have been expressed by some in the other House, that it will not be possible to allow the administration of our big railway system to remain in the hands of a Board without reference to those who have the responsibility and the obligation of taxing the people having a look into its administration.

Hon. Mr. FOWLER: I say so.

Hon. Mr. TANNER: I do not want to single out any one of these gentlemen; but to give an illustration I may say that only the other day, since I asked this question, a reputable citizen of Ottawa asked me if I knew that the Vice-President and General Counsel, who comes next to Sir Henry Thornton and Major Bell, was receiving a salary of $25,000 a year, which is twice as much plus $5,000 as the Deputy Minister of Justice gets.

Hon. Mr. BENNETT: I am sure the Government will welcome the close of this Session after the exhibition that has been made here to-day of a want of accord in the Cabinet. A week or two ago there was an exhibition elsewhere on the slippery question of oleomargarine. To-day the Minister has laid down the principle that nobody shall know anything about the salaries paid to the officers of this road.

Hon. Mr. DANDURAND: I have laid down no such principle. I simply carried into this Chamber the answer of the Railway Department.

Hon. Mr. BENNETT: The Railway Department or the Canadian National Railway Board?

Hon. Mr. DANDURAND: I have not the answer which I read to my honourable friend the other day, but I would judge from the form of the answer that it came from the Railway Department.

Hon. Mr. BENNETT: I do not think it could have come from the Minister of Railways and Canals, because that gentleman has just taken the opposite ground. If the honourable gentleman will look in the House of Commons Hansard of April 17 he will see what the Minister of Railways said.

Hon. Mr. DANDURAND: Would the honourable gentleman read it.

Hon. Mr. BENNETT: Yes. It was in connection with the touching reference to the distribution of gratuities by themselves to themselves—of vast amounts of money—by the officers of the Grand Trunk Railway, when they themselves believed that the Government would not reappoint them, but would pay some heed to the opinion of the Conservatives with regard to the appointment of these gentlemen.

Hon. Mr. DANDURAND: I beg my honourable friend's pardon. The Government did not reappoint them.

Hon. Mr. BENNETT: The Government does not appoint any of the officials at all?

Hon. Mr. DANDURAND: No.

Hon. Mr. BENNETT: The Government appointed Sir Henry Thornton—

Hon. Mr. DANDURAND: It appointed Sir Henry Thornton, that is all.

Hon. Mr. BENNETT: —and then the clamps were put on, and we are not to be informed as to those whom he appoints. At least that is the opinion; and, judging by some of the appointments, there must have been some power exercised, or else, in view of the past record of some of the men connected with the Grand Trunk Railway, he never would have reappointed them.

Hon. Mr. DANDURAND: But has not my honourable friend heard Sir Henry Thornton repeat half-a-dozen times in the last few months that he had been given an absolutely free hand and had not been hampered in any way?

Hon. Mr. BENNETT: Oh, I have heard Sir Henry Thornton say a good many things. I have heard him say, "The public be d——" —in plain English, he was going to do what he liked in this country.

What did the Minister of Railways announce in the House of Commons? My honourable friend should take him to task. He said: "Mr. Robb's salary is $16,500 a year, Mr. Dalrymple's $16,500, Mr. Rosevear's $12,000, Mr. Logan's $12,000, Mr. Galloway's $9,000, Mr. Hansard's $7,200, Mr. Bell's $5,000 (that would not be Mr. Graham Bell), and Mr. Martin's $5,000." If the House of Commons has a right to this information, why should not we have it? The gratuity is equal to one year's salary in each of those cases.

Hon. Mr. ROBERTSON: That was the salary paid by the Grand Trunk.

Hon. Mr. BENNETT: That was the salary paid by the Grand Trunk, and it is only fair to assume that those gentlemen are getting at least the same salary as they did under the Grand Trunk. In fact, there is strong reason to believe that they are getting salaries very much increased, on account of their financial difficulties; for Sir Henry Thornton said, in the statement that he made to the public in reference to this matter, that the recipients of those beautiful gratuities were so hard up that they could not return them and would have to ask for time for the return of the money. A fine advertisement—that the leading officials of the Grand Trunk were so hard up

that they could not return the gratuities they had received, and would want time.

Hon. Mr. DANDURAND: Perhaps their salaries had been reduced.

Hon. Mr. BENNETT: It would be fatal to the creditors if that were so.

Those are the salaries that were paid, and it is therefore pretty certain that the same salaries are continued, if not increased.

Hon. Mr. DANDURAND: I do not know.

Hon. Mr. BENNETT: The honourable gentleman might have added that he did not care, for that seems to be the attitude of the Government in general and of Sir Henry Thornton.

Hon. Mr. DANDURAND: That is not the trend of my remarks.

Hon. Mr. BENNETT: The public will now know what those officials have been paid. Furthermore, my honourable friend may read in a newspaper published in the city of Montreal, and also in the Toronto Star of a few weeks ago, that leading officials of the Grand Trunk, who are named, have been guilty of all kinds of graft and wrongdoing.

Hon. Mr. DANDURAND: Is not my honourable friend enlarging the question somewhat at this late hour of the Session?

Hon. Mr. BENNETT: I enlarge upon the dereliction of the Government in not looking into this matter of the large salaries received by these men. Many other things are stated in the newspapers, and the officials are named.

Hon. Mr. DANDURAND: But my honourable friend approved of the Government's declaration that it would refrain from interfering in the administration of these railways.

Hon. Mr. BENNETT: If this Government is going to take that ground, no matter what the Board does, no matter what allegations are made in open daylight of wrongdoing and of all kinds of impropriety by the directors and employees—if the Government is not going to interfere, the public had better know it.

Let me give the honourable gentleman a sample charge against one of these highest priced officials, with the exception of Sir Henry Thornton:

> Is it true that the "family spirit" so gaily mentioned in the Montreal newspapers as prevailing in the C.N.R. exceeds the "public spirit" to such an extent that very large contracts for unnecessary material have been given to a supply company in which sons of a C.N.R. official are interested?

Has not the honourable gentleman seen that charge made in the Montreal and Toronto newspapers?

Hon. Mr. DANDURAND: No.

Hon. Mr. BENNETT: Then it is high time that it should be brought to the notice of himself and his colleagues. A Montreal paper mentions the name of a high official of the Canadian National, and the question is asked:

> Is it true that car 73 for the use of the president C.N.R., which cost $96,000 to build, will now cost the taxpayer of this country a further $90,000 for overhauling, changing or renewing, and that the car, even then, will be unserviceable?

There is a whole page of such charges made in the daily press. Yet the Government says: "What can we poor men do? These officials have been appointed and are in office. We can do nothing until Sir Henry Thornton's term runs out." That is the ground the Government is taking to-day.

I have stated for the benefit of the honourable gentleman, and he now knows, what those officials were paid, according to the statement of the Minister of Railways, and what they are probably being paid at present.

Hon. Mr. DANDURAND: My honourable friend is somewhat derelict in his duty in not placing an inquiry on the Order Paper whenever he wants information as to some extravagant act on the part of the administration.

Hon. Mr. ROBERTSON: What is the use?

Hon. Mr. BENNETT: I would be answered by the honourable gentleman that to give the information would be a public disclosure of business that such information, to use his own words, should not be imparted, and it would not be good policy to let the public know. These are his own words.

Hon. Mr. DANDURAND: But the honourable gentleman, by his query, would impart the information to the Government.

Hon. Mr. FOWLER: Much good that would do. It seems that the Government has appointed this man Sir Henry Thornton—

Hon. Mr. DANDURAND: That gentleman.

Hon. Mr. FOWLER: Well, "man" is as good a qualification as "gentleman." I would take it as such. He certainly is a man.

Hon. Mr. WATSON: A big fellow.

Hon. Mr. FOWLER: I hope so. He came here with a great flourish of trumpets. No

man could have been heralded with finer expressions of his ability and all that sort of thing than accompanied the advent of Sir Henry Thornton.

Hon. Mr. DANDURAND: And of his record.

Hon. Mr. FOWLER: But I am afraid his head has been slightly turned by the adulations which he has received, and that his stomach might have been disordered by the banquets which he has been forced to eat, by the speeches that have been made in his honour, and by the testimony which the various members of the Government have borne to his transcendent ability. Why, this man bestrides this Canada of ours like a colossus, with one foot in Halifax and the other in Prince Rupert, and his head in the clouds. He has made the public statement that he didn't care a fig—he did not use such pleasant language as that—about the politicians of Canada: he was going to do just as he liked. Now, if by the term "the politicians of Canada," he means the representatives in Parliament, whether in the House of Commons or in the Senate, then I would point out that, according to the statement of my honourable friend, the politicans of Canada represent the shareholders of the Canadian National Railway, and here we have the prime example of a man who feels his oats to such an extent that he can snap his fingers at the shareholders of the corporation of which he is the nominal head. Is that a very good state of affairs? Every man who takes an interest in the welfare of this country is anxious that the Canadian National Railways shall be a success—is anxious that the enormous deficit that year by year has to be paid by the tax-ridden citizens of Canada should be lessened; yet, so little does Sir Henry Thornton care about what their opinion is that he told us in plain language that he did not care a fig for the politicians—that is, for the representatives of the people.

He seems to have gone a very long way into extravagance. He reports that there are some 75 private cars in connection with the Railway System—67 for the system itself and 8 at the disposal of members of the Government. I do not intend to enlarge upon that, because I have on the Order Paper a motion which will call for some reference to it. In reply to an inquiry which I made, an answer has been given which it took three months to extract. It was only by constant pounding on my part, as the honourable leader of the Government will remember, that at length I got a partial answer with regard to these expenditures. That delay only carries out the idea that the public have no business to know what is being done with regard to the Canadian National Railways; that that is to be solely within the knowledge of Sir Henry Thornton, K.C.B. It does not seem quite right in a democratic country. I thought this was a country governed by the representatives of the people, but so far as this great national asset of the railways is concerned, we are governed by one man, a gentleman who was born an American sovereign, but manufactured later on into a British knight. Whether that movement be up or down I do not know, but it seems to have affected him so much that he thinks he owns this whole country from Halifax to Vancouver—from the Atlantic to the Pacific.

Hon. Mr. BENNETT: Only the Government.

Hon. Mr. FOWLER: My honourable friend from Simcoe (Hon. Mr. Bennett) read the statement from a newspaper that one car had cost $96,000. The statement which Sir Henry Thornton is supposed to have given in answer to my query was that private cars cost $20,000, and cost $650 to equip. I knew at once, of course, that that was not true, because $650 could not possibly equip some of the private cars which I have seen. I fancy the other statement is nearer to the point.

This man, you know, came out here, as I say, with a great flourish of trumpets, and he was banquetted all over the country. He went on a royal progress through Canada. There were nine private cars. At the same time that he was making his progress to the eastward, this Board of Directors were on a pilgrimage to the West. Oh, they are a beautiful lot, this Board of Directors. They know a lot about railways and railway management—very broad-minded men. We have a sample of two of them, not in this House, but in the other Chamber. They are as broad as the edge of a knife-blade. The two parties were back to back, one facing to the East and the other facing to the West with eight private cars, at the expense of the public of Canada. And what would this new Board of Directors, after they had traversed the prairies and the mountains, know about the railways? Just as much as when they started. But all this was at the expense of the taxpayers of Canada. I think the sooner that contract with Mr.—oh, I beg his pardon—Sir Henry Worth Thornton—the sooner that contract ends and he is packed back to Pennsylvania, where he came from, the better it will be for the National Railways of Canada.

The motion for the adjournment of the House was withdrawn.

CANADA TEMPERANCE BILL

FURTHER CONSIDERATION IN COMMITTEE POSTPONED

On the Order:

House again in Committee of the Whole on Bill 43, an Act to amend the Canada Temperance Act.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, I have been asked to move that the consideration of this Order be adjourned until to-morrow. So I ask that the Order be discharged and placed on the Orders of the Day for to-morrow.

Hon. Mr. McMEANS: I thought it was to stand until Monday. The information desired would not be available by Friday.

Hon. Mr. DANDURAND: At all events, we will put it down on the Orders of the Day for to-morrow.

Hon. Sir JAMES LOUGHEED: But it will be Monday before the Bill gets its third reading.

Hon. Mr. DANDURAND: Yes. But in moving that this Order be discharged I would like to refer to a question raised a couple of weeks ago by the honourable gentleman from Hamilton (Hon. Mr. Lynch-Staunton), as to the possibility of this legislation having some effect on the Ontario Act.

Hon. Sir JAMES LOUGHEED: On pending litigation.

Hon. Mr. DANDURAND: It is claimed that Ontario was not absolutely under Part IV, because it had a Board for purchasing and delivering liquor under certain conditions. A test case was before the court and in it this contention was made. It was, I understand, rejected by the court, but there is an appeal. I told the honourable gentleman from Hamilton that I would look into the question. It has been suggested that an amendment could be added to the Bill in order to remove any doubt. I read a telegram from the Attorney General of Ontario commending the legislation and taking no exception to it. Perhaps that should suffice; but if any honourable member from Ontario feels rather uneasy about the matter, I would be ready, after having submitted it to the Department of Justice, to consider the addition of a clause to this effect:

This Part shall not apply to any Province wherein a vote of the electors has been in favour of the prohibitions contained in Part IV hereof.

That is the prohibition clause that governs Provinces that have voted absolute prohibition.

Hon. Mr. BRADBURY: Does that refer to the amendment that has been moved?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: No, that has nothing to do with it. The honourable gentleman from Hamilton raised the question some days ago, and I promised to look into it. Since then I have had the opinion of the Attorney General of Ontario, who takes no exception. However, if any of the honourable gentlemen from Ontario feel uneasy about this legislation, I would have no objection to consider such a proposed amendment as I have mentioned.

I move that this Order be discharged and placed on the Orders of the Day for to-morrow.

Hon. Sir JAMES LOUGHEED: Would it not be better to provide instead that this legislation shall not affect pending litigation —pending say in the Province of Ontario? I have a couple of letters from counsel in the Province, pointing out that certain pending litigation there, in a well-known case which had been decided, but which, should there be an appeal, would be affected by this Bill. I think that a plain statement that it shall not affect pending litigation in the Province of Ontario would meet the situation better than the language suggested.

Hon. Mr. BELCOURT: How could it affect pending litigation?

Hon. Sir JAMES LOUGHEED: I would be glad to show my honourable friend the letters which I have received from two different counsel of some standing saying that it will.

Hon. Mr. BELCOURT: Pending litigation could only be affected if we said so in definite words.

Hon. Sir JAMES LOUGHEED: But the contention is that the entire Bill which came to us from the Commons, not as we have amended it, but as it was drafted in the Commons, would or under certain conditions might affect pending litigation in Ontario. I am not prepared to go into the legal complexities of the situation, and the comment I made upon receiving those letters was that if counsel in Ontario were so apprehensive of this Bill affecting pending litigation in Ontario, they should have forwarded to those with whom they were corresponding some draft

amendment which would meet the situation which they have not done.

Hon. Mr. BELCOURT: Can my hon. friend tell us if he has looked at the Bill from the Commons, and if it purports in any way to make legislation retroactive?

Hon. Mr. DANDURAND: Oh, no.

Hon. Sir JAMES LOUGHEED: I have not given any serious thought to litigation in Ontario.

Hon. Mr. BELCOURT: I think the fears are wholly unwarranted.

Hon. Sir JAMES LOUGHEED: They do not think so. I might just read part of this letter, without stating who the counsel is, but he is one of the most prominent in Toronto:

> The Bill which recently passed the House of Commons prohibits the importation of spirituous liquor into all parts of Canada. The Bill was originally intended to meet the situation in Quebec and British Columbia, where they have Government control. Unfortunately, the Act as it passed the Commons goes much beyond the intention of the original promotors, and if passed will not only prohibit importation into Ontario but will determine litigation now pending in the courts the object of which is to settle whether or not the present Act was ever applicable to the province of Ontario. We are anxious that at least the Act should be limited in its effect to Quebec and British Columbia. If your political commitments do not prevent, may I ask you to do what is possible towards this end?

Hon. Mr. BELCOURT: That does not affect my mind to the slightest degree.

Hon. Sir JAMES LOUGHEED: That is the way lawyers differ; otherwise we would not make a living.

Hon. Mr. BELCOURT: The House has to decide between lawyers.

The motion was agreed to.

NATURALIZATION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 85, an Act to amend the Naturalization Acts, 1914 and 1920.

Hon. Mr. Taylor in the Chair.

Section 1 was agreed to.

On section 2—definition of natural-born British subject:

Hon. Sir JAMES LOUGHEED: Does this bring our Naturalization Act into line with the Imperial Act?

Hon. Mr. DANDURAND: This is an absolute re-enactment of the Imperial legislation of last year.

Hon. Sir JAMES LOUGHEED: So there is no distinction between this and the Imperial Act? I understand that some years ago, when we changed our Act, we were committed absolutely to the policy of the Imperial Act.

Hon. Mr. DANDURAND: There is no change whatever.

Hon. Mr. BELCOURT: How was that delay of twelve months arrived at?

Hon. Mr. DANDURAND: It is twelve months after the passage of the Imperial Act of last year.

Sections 2 and 3 were agreed to.

On section 4—certificates to enemy subjects:

Hon. Mr. BELCOURT: What was the section that was repealed?

Hon. Mr. DANDURAND: This repeals the clause which prevented Canada from naturalizing Germans.

Sections 4 and 5 were agreed to.

On section 6—force of amending Acts:

Hon. Mr. BELCOURT: May I ask whether the effect of this would be to make the original Act retroactive?

Hon. Mr. DANDURAND: It cannot be retroactive, because it only applies to future Acts.

Section 6 was agreed to

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

BIOLOGICAL BOARD BILL

CONTINUATION OF DEBATE ON MOTION FOR SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 206, an Act to amend The Biological Board Act.

Hon. O. TURGEON: Honourable gentlemen, when I asked the honourable leader of the Government yesterday to kindly postpone the debate on this Bill, my object was to get information in regard to the change in the Biological Board, which has given great service to the country for many years past. The honourable leader of the Government has given us a vast amount of complex information which has merely increased my apprehension at the change suggested in the Bill. For many years we have had this Biological Board, composed of the most eminent scientific men in

Canada, having for its Chairman Prof. Knight, whose reputation is not only well known all over Canada, but is world-wide. We have had Prof. E. E. Prince as Secretary-Treasurer, and certainly he has rendered eminent services to this country for many years while he has been in the Department of Marine and Fisheries. I was pleased yesterday to hear the eulogy given him by the honourable member from Selkirk (Hon. Mr. Bradbury). We have also on this Board the most learned and notable scientific men of Canada, representing a large number of our universities, who have freely given their services for the development of this great science, and their work has been very valuable to this country.

What I had expected was that the Minister of Marine and Fisheries would propose to form a Board that would have to do with the marketing of our fish products on both the Atlantic and Pacific coasts. I would like to see such a Board, composed of the leading officials of that Department, in conjunction with one or two business men interested in the fishing industry, who could give demonstrations to the fishermen in order that they might get the full benefit of their labours and reduce the expense of bringing fish products from the field of production to the market. The diet value of our fish is not sufficiently understood in the large centres of Canada like Montreal, Toronto, and other places.

We should endeavour to help the fishermen to get cheap refrigerators along the coast in which they would be able to store the fish before they had deteriorated by heat or contact with the air, so that they could reach the markets in perfect condition, because when fish are frozen to a certain degree they remain so until they reach the table of the consumer. Unfortunately, our fishermen are not provided with facilities of that kind. Last night I heard my honourable friend from Ottawa stating that our Canadian people were not sufficiently acquainted with the proper method of cooking fish.

Hon. Mr. BELCOURT: No, I did not say that: it was some honourable gentleman opposite. What I said was that we always have great difficulty in Ottawa in getting fish that are absolutely fresh, and my remarks, were directed to the need for better marketing of fish.

Hon. Mr. TURGEON: The observations of the honourable gentleman entirely agree with what I have been expressing. That is the plan I have for the encouragement and development of the fisheries, more particularly in Canada. Perhaps one reason why the fishermen and dealers in fish have been neglectful of the Canadian market is that the American market was the natural one for them, and they were sure of the highest price over there. But since the conditions imposed on Canadian fisheries for the last year or two by the Fordney Tariff Bill of the United States, an apprehension has been created in the minds of both the dealers and the fishermen themselves.

I would not tell the universities of Canada that the services of their scientific men were no more required, and that hereafter one or two of them would be sufficient on the Board. We certainly owe a great deal to the reports of the Biological Board, and I would be tempted to ask the Parliament and Senate of Canada to invite further universities to join that Board, such as the University of Montreal, which is now separate from Laval University, the University of St. Francois Xavier in Nova Scotia and perhaps others in British Columbia and Alberta. The more scientific problems we can solve by way of research the better it will be for the development of Canada—and there is a great future for the natural resources of all kinds in this country. I fear that this Bill would perhaps throw cold water on our university people, who, instead of being satisfied with one or two representatives, might perhaps withdraw from representation on the Board if sufficient means are not provided to supply the country with all the information that such problems deserve. It is for that reason that I fear that if the Board is complex, a double Board, it will not operate. Insteal of a double Board, let us have two Boards—let us retain the Biological Board as it exists today, and form a Committee or a Board composed of the leading officials of the Department of Marine and Fisheries along with one or two men engaged in the fishing industry and this will result in the greatest development of the fisheries of Canada. I trust that my views will commend themselves to the approval of the Senate.

Hon. W. B. ROSS: I would like to ask the leader of the Government what is the object of this Bill? What is the need that it is providing for?

Hon. Mr. DANDURAND: My honourable friend was not here yesterday when I read a memorandum from the Department. The statement has been made to me that the situation is not that which confronted us three or four years ago, when we objected to a similar Bill. I am informed that the Biological Board is agreeable to this legislation. That is what

I want to ascertain before to-morrow. I would ask my honourable friend to move the adjournment of the debate.

Hon. W. B. ROSS: I move the adjournment of the debate.

Hon. Mr. BELCOURT: I wonder if my honourable friend could not at the same time secure from the Board some expression of opinion as to whether the practical end of the fishing industry could not be more fully looked after by the appointment of other than technical men on this Board. We have on this Board twelve or fifteen professional men. I do not know that any one amongst them has ever made any special study or investigation with regard to the commercial or industrial end of the fishing industry. The proper transportation and marketing of fish is a matter in which I take a very deep interest, and that is something that has never been thought of or looked after. One of our colleagues told us that in Chicago you could buy pork for half the price of fish but we are not living in the city of Chicago, and we want some fish too. You cannot get fresh fish in Ottawa. Surely, if there is anyone who ought to investigate the question of getting fish in Ottawa or other places like it, it is the Biological Board.

Hon. Mr. MURPHY: No, they have nothing to do with that at all.

Hon. W. B. ROSS: That is part of your transportation system.

Hon. Mr. BELCOURT: It is, but if the Board would take it up and make recommendations to the transportation people, we might get somewhere; but if it is a case of simply forgetting it, nobody will look after it.

Hon. W. B. ROSS: Did not the honourable member from Gloucester (Hon. Mr. Turgeon) make some suggestion of that kind—that you could have an alternative Board constituted on different principles?

Hon. Mr. MURPHY: There would be some sense in that.

Hon. Mr. BELCOURT: I do not care how it is done, but let us do something. Let us not simply talk about it from one year to another and do nothing.

Hon. W. B. ROSS: You can leave the Biological Board alone. It is working well. The fish merchants in the Maritime Provinces say that it is a very satisfactory institution. Let us leave that alone and deal with the other thing by itself in another Bill.

Hon. Mr. MURPHY: That is a different thing altogether. The Biological Board is purely scientific. It has for its object the finding out of anything that affects the fish deleteriously, in the taking and curing, and in what microbic action takes place.

Hon. Mr. BELCOURT: We all understand that.

Hon. Mr. MURPHY: Why would you harness that up with a Board that would have to do with the transportation and marketing and cold storage of fish, and how it should get from the producer—like my honourable friend from Souris (Hon. Mr. McLean), who has cold storage facilities—to your people in Ottawa? Why should these people have anything to do with the biological part of the work? If this Bill were to divide the Board, as was suggested by my honourable friend from Gloucester (Hon. Mr. Turgeon), there would be some sense to it; but to take three or four laymen who know nothing about biology and put them on the same Board as these scientific men from the universities of the country, who give their time gratuitously, is ridiculous. These scientific men name the students from the universities—histological and pathological men who are used to microscopic work—who are sent to the different stations free of charge for what they will learn from a scientific standpoint. A Committee was appointed a year or so ago, and the honourable gentleman from Middleton (Hon. W. B. Ross), His Honour the Speaker, and myself held two separate meetings, and came to the conclusion that certain proposals would cause chaos and confusion in the scientific Board. And they did, to the extent that the Board lost the services of its best scientist, Professor A. B. McCallum, now Professor of Bio-chemistry at McGill. If you put these laymen on the Board you will lose all your scientific men.

Hon. Mr. BELCOURT: I am not so anxious that these people that I speak of should be part of this Board. That was not my suggestion to the Minister. My suggestion is to devise some means or other of arranging for the proper transportation and marketing of fish.

Hon. Mr. MURPHY: We all hold up our two hands for that.

Hon. Mr. ROCHE: I differ entirely from my honourable friend opposite (Hon. Mr. Murphy) in this respect: I think biological inquiry is inapplicable, because biology applies to animal life.

Hon. Mr. MURPHY: Biology relates to everything that is not human.

Hon. Mr. ROCHE: It is ichthyology—the special investigation of the life of fishes.

Hon. Mr. DANIEL: Biology applies to life of all kinds.

Hon. Mr. ROCHE: The question is between the practical application of this Bill and the purely scientific. It may be very interesting to inquire into records and books and other matters, or into the special modes of preparing fish in other countries; but those university men know nothing practical themselves—they know nothing about the life of each species of fish.

Hon. Mr. MURPHY: Yes they do.

Hon. Mr. ROCHE: If a practical man comes in, he is accustomed day by day to treating these fishes, and knows more about the life and habits of the tribes of fishes than all the savants in all the universities of Canada. It is with regard to the value of the fish commodity to the country that the Committee ought to have its dealings. I do not defend these scientists in any way; they differ so widely that it is never very safe to pay the implicit attention to what they find.

The honourable gentleman opposite spoke about Chicago, where he said fish were dearer than pork. Well, pork is a very useful adjunct in the cooking of fried fish. The question of domestic fish cookery is urgent. How are you going to get people to understand how to cook fish, because the women who did that formule have now practically abandoned household work.

Hon. Mr. BELCOURT: Perhaps they could cook it and send it up to us.

Hon. Mr. ROCHE: The fish my honourable friend from Ottawa (Hon. Mr. Belcourt) has tasted has been brought from Gloucester, because the fishermen of Gloucester fish out on the Banks, and the codfish and other deep-sea fish are pacted in the hold of the vessel, treated in the most lavish manner with a great quantity of salt, and are exposed to delay and depreciation and other vexatious elements; and when they are finally brought to the tables in Ottawa they are an odious article rather than a delicate and attractive one. Then, again, the taste of the deep-sea fish is gone from it. The refrigerator plant takes all the taste out of fish. Fish that has been frozen,—is an almost untasteable article, and the palate rejects it rather than being attracted by it.

The only way would be for people to order their fish in advance and have it prepared; and it must be put in cars where it is alive, if you want it to have the real flavour of salt water fish. Fish out of the boat at the seashore is a totally different article to what is served up in your hotels and private houses in Ottawa; and until you can send fish in vans in which the fish are kept alive, you will never have the delectable article. It should be transported in the fastest cars that can be had. In England the fishing vans are brought up to the cities, and the fish are delivered alive.

Then there is the dry fish on the seashore called shorefish. You cannot compare this article with larger fish caught by the Gloucester fishermen and others on the Banks. Fish caught in the way I have described cannot equal or compare with the shore fish. The shorefish is brought by boats to shore and the women take charge of it and dry it properly, and it is a totally different article from the Banks fish which is supplied to the cities of Canada. It is only when you come down by the sea that you get the real good article that contributes so largely to the mentality of the citizens of that coast.

Hon. Mr. BRADBURY: I do not intend to follow the honourable gentleman in his argument as to the practicability of getting fresh fish here any further than to point out to the leader of the Government that the proposed Bill is an attempt to destroy the effect of the Biological Board. The Biological Board is a purely scientific Board which is doing valuable work throughout Canada. Now it is proposed to add to that Board practical fishermen for the purpose of arranging for the marketing of fish. These two matters ought not to be mixed. I submit, honourable gentlemen, that a Board ought not to be necessary for this purpose. We have got a Department of Fisheries, on which we are spending hundreds of thousands of dollars every year, which ought to do that work. I have pointed out time after time the desirability of taking such action as would bring into this market fresh fish from the Atlantic. Some years ago, when the Hon. Mr. Hazen was Minister of Marine and Fisheries, he made some move along this line, largely on the suggestion that I made to him personally, and carloads of fish were brought into Ottawa twice a week. The Department has all the machinery that is necessary to accomplish this work without adding one more member to any Board.

I differ with my honourable friend regarding the knowledge of the fishermen. The

practical fishermen know nothing but how to take the fish and where to go for them; consequently it would be a great mistake to add these men to this Board, and it would destroy the magnificent work which the Board has done in Canada during the last ten or fifteen years.

I would like to impress upon the House the importance of not creating any Board for the purpose of assisting the marketing of fish in this country. This matter should be put up to the Fisheries Department itself. We have a highly paid staff in that Department, and if they are not competent to do the work they ought to make way for men who will be competent.

Hon. Mr. MURPHY: Mr. Speaker, I would point out that the honourable gentleman from Middleton has moved the ajournment of the debate, and we are probably out of order.

On motion of Hon. W. B. Ross, the debate was adjourned.

MILITIA PENSION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 219, an Act to amend the Militia Pension Act.

Hon. Mr. Blain in the Chair.

Hon. Mr. DANDURAND: I will ask Colonel Orde to come to the floor.

On section 1—period of service entitling officers to pension; proviso as to officers who served in war and have been on Force for less than ten years since appointment:

Hon. Mr. DANDURAND: The effect of this section will be to restore subsection 1 of section 4 of the Act to its original form, whereby twenty years' service is required before the officer becomes entitled to a pension.

Clause 1 of the Bill adds to subsection 1 of section 4 of the original Act a proviso whereby certain officers who were brought into the Permanent Force from the Canadian Expeditionery Force when the period of service required for the purpose of pension was only ten years, will still have the benefit of this reduced period. These officers were all brought in between the 1st of January, 1919, and the 1st of December, 1921, and all saw active service during the war. The reason for the latter date being the 31st of December, 1921, is that subsequent thereto certain cadets from the Royal Military College received appointment to the force as lieutenants, some of whom, during the annual training camp possibly served with a unit of the Permanent Force whilst cadets of the Royal Military College and there is a possibility that while they were so attached they may be legally deemed to have been on active service and would on that ground come within the scope of the proviso. The fact however that their appointments to the Force were not made until they had graduated from the College, subsequent to the 31st of December, 1921, makes the proviso inapplicable to them.

Hon. Mr. ROBERTSON: What has my honourable friend to say in reply to the inquiry I made yesterday?

Hon. Mr. DANDURAND: I would ask my honourable friend to state it again. I may be in a position to answer it if he will repeat it in concise form.

Hon. Mr. ROBERTSON: I endeavoured yesterday to call the attention of my honourable friend and of the House to the fact that the passing of the amendment to the Militia Pension Act would deprive certain men in the Military Service of rights which they had acquired under the amendments of 1921. I respectfully suggested for the honourable gentleman's consideration that it might be wise to postpone the amendment of the Militia Pension Act. The Government undoubtedly contemplate enacting a general Pension Act soon, as they only yesterday extended the Calder Act for a year. They must have in view some general pension scheme for Civil Servants. Furthermore, I notice that in section 1, which has just been referred to, certain officers who perhaps did not participate in the war at all are protected, but under sections 3 and 4 of the Bill, privates now in the Militia Service who were under the legislation of 1921 given the same right as officers, that is, a right to pension after ten years' service, are now deprived of it. The situation as I see it is that certain young officers who may have been in Kingston College and were then made officers subsequent to Armistice Day and prior to 1921, will still be eligible to receive a pension after ten years' service, whereas men who actually served in the trenches in France and who happened to continue in the Permanent Force, have to serve 20 years before they can receive any benefit. If my honourable friend agrees with this interpretation, he will see that that is a very unfair arrangement.

Hon. Mr. GRIESBACH: Honourable gentlemen, I have studied this matter somewhat since yesterday, when I offered some observations regarding it.

I think that the first misapprehension which the honourable gentleman from Welland (Hon.

Mr. Robertson) has is that any analogy can be found between Civil Service pensions and Military pensions. A comparison would at once show a difference in the terms and conditions of service, necessitating a different form of pension and a different application of the pension principle.

With regard to the Bill itself, this point may have escaped the observation of the honourable gentleman from Welland. Under the Act as amended provision was made that a pension might be secured after 10 years' service. The purpose of that provision was to permit of an adjustment in the Canadian Militia Permanent Force following the war, the accumulation of a large number of officers and men as a result of the war making the service top-heavy in the face of reductions then about to be undertaken. There is, first, this distinction. An officer could not take advantage of that 10-year period unless he was compulsorily retired. That is to say, having 10 years service in, he might resign if he saw fit, but he would not necessarily get a pension. He was entitled to a pension on 10 years' service only if he was compulsorily retired. After serving ten years he might say, "I will resign." The Government was free to say, "Very well, you may resign, but you get no pension." But if the Government desired to get rid of him at the end of ten years, it was at liberty to retire him compulsorily; but in that event he was given a pension on his ten years' service. The purpose of that provision was to enable the Government to carry out its reorganization of the Permanent Force. The war had disclosed the fact that some officers were not of much use. They had failed to make good. They had given a number of years' service. It was desired to get rid of them. Subsequently there came into the Permanent Force men who had distinguished themselves in the war, and they are referred to in the second paragraph of the Bill. Most of those men who distinguished themselves are elderly, and provision is made that they may earn a pension in ten years. At the end of ten years' time the position will be this. Some of them may have by that time passed the age limit or approached so closely to it that they will be retired compulsorily. In that case they will get their pension. If any of these men, having passed his 10 years, has not yet attained the age limit, he will be carried on if he is efficient and will not be retired compulsorily until after perhaps 13 or 15 years' service. But at the end of 10 years the officer has earned a pension, and he may reap the benefit of it if he is retired compulsorily. If he is not retired compulsorily, he must continue to give his service to the Government of Canada until the Government disposes of him by compulsory retirement.

With regard to the non-commissioned officers and men, I want you to note this essential difference, that at the end of 10 years a non-commissioned officer or man may retire voluntarily and claim his pension, whereas the officer cannot do so. Under the Act as it will be when amended, the officer must serve 35 years before he can retire on full pension. If after 20 years' service he retires and applies for his pension, he will receive a 20-year pension less a discount of 20 per cent.

What has actually happened is this. A great many young non-commissioned officers and men have taken advantage of the 10-year retirement clause. You understand that at the end of ten years they can apply for their pension and get it. They are in an altogether different position from the officers in that respect. Quite a large number of men, still young and in the prime of life, and useful, are applying for pensions on retirement.

Hon. Mr. DANDURAND: Pensions enacted, in what year—in 1919?

Hon. Mr. GRIESBACH: In 1919. When I first saw the proposed legislation I wondered to what extent there could be an injustice. The first question which confronted me was: why should these men be getting out? The reason they are retiring is the reduction of the military forces of Canada. By reason of the action of this Parliament there is no longer a career in Canada for a man who wants to be a soldier. Take the case of an energetic young man who thought some years ago that he would enter military service in this country and make it a life work. He finds that as a result of the paring-down process all the higher ranks are filled. The chance for promotion is now so slight that many such men are leaving the service and taking their pensions. That is a result of the action of the Government, and I think the Government should bear the burden.

On the other hand, I have examined the question of cost, and it would appear that pensions on that score are mounting up at a considerable rate, and the Government must do something to protect itself. There have arisen a number of isolated cases which I have taken up with the Department. I have in mind the case of a man who served 25 years in the British Army and who will have completed 10 years of Canadian service, un-

der the 10-year plan, in October of this year. He is obliged to leave the country on account of the illness of his wife, and he has arranged to take his discharge under the Act as it now stands. By the passing of this Bill you do that man an injustice. I have interested myself in the case, and I find upon inquiry that there is power in the hands of the Government, under the Militia regulations, to deal with his case, especially in view of the fact that he has had 25 years' previous service, a portion of which may be counted in the settlement with him. The question arises, how many other men are there who will be in a similar position? After discussion with a number of officials I am prepared to leave the matter of adjustment of such cases to the fairness and the generosity of the Government, having regard to the powers which I think the Government has. The honourable gentleman from Welland raised the question of fairness, and I am speaking to that question in reference to the cases of which I have some knowledge, and the possibility of similar cases arising.

The present situation originated with the desire on the part of the Government to adjust itself to peacetime conditions. The Government has reduced the Force, and many of the men are getting out. The Government must now protect itself against its own legislation, which was building up a rather formidable pension list, a great many men taking advantage of the law as it stood.

Hon. Mr. SCHAFFNER: I would like to ask a question of the honourable leader of the Government, or the honourable gentleman who has just taken his seat. The feeling has prevailed for many years that military men were especially favoured in regard to pensions, as compared with other classes in the country. I would like a little explanation with regard to the granting of a pension to a man who has served ten years. That seems a very short period of service.

Hon. Mr. GRIESBACH: It is at once admitted that ten years is no period at all for a pension, but that was brought about by the special circumstances created by the war.

Hon. Mr. SCHAFFNER: That is not a very good explanation. What were the special conditions to justify it?

Hon. Mr. GRIESBACH: I can explain it better by putting a concrete case. When the war broke out we had in Canada a Permanent Force, as the honourable gentleman is no doubt aware. Its members were all well-trained men, and when the war broke out it naturally gave them their opportunity, and they all received promotion. Men who had been corporals and sergeants in the Permanent Force came out of the war as majors and captains, and in some cases colonels. They were still in the Permanent Force. You could not very well deprive them of their rank, because they had earned it in the field. Canada refused to employ them at their rank, because there were no openings. What was to be done with them? The Militia Pension Act was then amended to provide that a man who had in ten years' service might retire on pension, and many retired who could not be given employment. They took their discharge under the provisions of the Act as amended.

Hon. Mr. SCHAFFNER: Did those men who went out receive a pension?

Hon. Mr. GRIESBACH: They are pensioned according to their term of service, extending from 35 years down to 10 years. Of course, the pensions on ten years' service are small. The man is pensioned at the rank which he earned in the field.

The Government was faced with the problem as to what should be done with men who had distinguished themselves in that fashion. Something had to be done with them. They could not be kept in the Permanent Force. They could not be turned loose without some recognition. So the Government introduced an amendment to the Act providing for a ten-year pension, which enabled it to dispose of a number of these men on comparatively small pensions.

Hon. Mr. SCHAFFNER: Then I am not far wrong in saying that there is a pension for men who have had ten years' service.

Hon. Mr. GRIESBACH: Yes, certainly there is.

Hon. Mr. SCHAFFNER: That is what I complain of.

Hon. Mr. DANDURAND: But we are now retracing our steps; we are making the period 20 years instead of 10.

Hon. Mr. SCHAFFNER: That is better. I could not understand, and do not understand, why a man should receive a pension who has given only 10 years' service.

Hon. Mr. GRIESBACH: Here is a man who, we will say, was a private soldier in the Permanent Force. After the war broke out he became a major, by a gradual process. Now, he is a major in the Permanent Force. There is no employment for him. The Permanent Force numbers only about 4,000 men, and it cannot have a complement of more

than a certain number of officers. Canada found itself with about 250 more officers than could be used. The problem for Canada was, what shall we do with those men?

Hon. Mr. SCHAFFNER: Is it necessary to give them a pension? What right have they to a pension for that short service?

Hon. Mr. GRIESBACH: What are you going to do with them?

Hon. Mr. SCHAFFNER: Let them go to work, like anybody else. Of course, I do not mean men that are disabled, or anything of that kind.

Hon. Mr. GRIESBACH: The honourable gentleman is a medical man. Suppose I forbade him from practicing as a medical man, and told him to go to work with pick and shovel, how would he like that?

Hon. Mr. SCHAFFNER: But there are other occupations than using pick and shovel.

Hon. Mr. GRIESBACH: Name the other occupations, and tell those men what they shall do.

Hon. Mr. SCHAFFNER: Let them go and produce.

Hon. Mr. GRIESBACH: But the country cannot treat its soldiers like that. It may do so after a war, but not before it.

Hon. Mr. SCHAFFNER: Perhaps they had a previous military service of 10 years?

Hon Mr. GRIESBACH: Yes.

Hon. Mr. SCHAFFNER: Then, if they got a pension for 10 years' service, they would get it for longer service.

Hon. Mr. GRIESBACH: They do not get it for under 10 years; they get it for longer.

Hon. Mr. SCHAFFNER: I object to giving a pension for 10 years' service to men who are young, simply because they have been in the Militia.

Hon. Mr. GRIESBACH: That was the law, which is now about to be amended, and the Bill before the House is to make it 20 years.

Hon. Mr. SCHAFFNER: This was a very poor law, whoever made it.

Hon. Mr. DANDURAND: If we do not stem the tide, we may find ourselves with a formidable bill. In 1917-18 we paid $90,000 in pensions; in 1918-19 $150,000; in 1919-20 came that legislation, and we jumped to $225,000; in 1920-21 it was $400,000; in 1921-22 it was about $490,000; and in 1922-23 it is $550,000. That explains why we are before this Chamber with this Bill.

Hon. Mr. SCHAFFNER: I am sure I am absolutely correct in saying that whoever made that law made a very poor and unjust law.

Sections 2, 3 and 4 agreed to.

The preamble and the title were agreed to.

Right Hon. Sir GEORGE E. FOSTER: May I ask a question just here? My honourable friend has read the growth of these pensions up to the current year, and now legislation is supposed to affect that in some way. What is the estimate made of the probable pension list say for two or three years after this? Does the pension list, as an aggregate, begin to go down after this legislation, or must there still be a period of increase?

Hon. Mr. GRIESBACH: I should have said that officers' pensions are based upon a system of superannuation and of yearly payments; so much a year is taken off—I forget the amount. Prior to the war the officers carried their own pension system, with a surplus. Then, when the necessity arose for dealing with this large number of officers who were landed on the pension scheme, of course the deficits began to result. Now, with the amendment of this Act, I would say there will not be an increase. Just what the effect will be I am not prepared to state; but clearly a stop is put to the 10-year non-commissioned officers and men; and for the whole class of officers, with the exception of a dozen, you have increased to 20 years the period which they must serve before they may be retired voluntarily; and if they apply for retirement at the end of 20 years they are entitled to the 20-year pension, less a discount of 20 per cent; and you have restored the period of 35 years which all that class must serve before they may demand retirement with pension. I do not know enough about the matter to commit myself but certainly by this legislation you put a stop to the rapid increase which otherwise would have taken place.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

At six o'lock the Senate took recess.

The Senate resumed at 8 o'clock.

BANK BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 83, an Act respecting Banks and Banking.

Hon. Mr. Bennett in the Chair.

On section 1—short title:

Hon. Mr. FOWLER: I understand that we are just going to take up the non-contentious clauses.

Hon. Mr. DANDURAND: I do not know whether there are any contentious ones.

Hon. Mr. FOWLER: You classified them as contentious and non-contentious when you spoke of them before. If you have changed your mind since we would like to know it.

Hon. Mr. DANDURAND: Am I to be the judge of their contentiousness?

Hon. Mr. FOWLER: Those that were made contentious in the other House are likely to be contentious here, as we are still more radical than the other House.

Hon. Mr. DANDURAND: I only know of a few clauses upon which some opposition seems to be focussed.

Hon. Mr. FOWLER: But something has occurred since. The Union Bank disaster has occurred since, to cause some other clauses to be contentious.

Hon. Mr. DANDURAND: Since yesterday?

Hon. Mr. FOWLER: We have just heard it since yesterday. One of the large banks has made a very severe loss, and we will have to guard against that kind of thing in the future.

Hon. Mr. ROCHE: I beg to move that the evidence taken before the Committee of the House of Commons be laid on the Table of this House for reference.

Hon. Sir JAMES LOUGHEED: Perhaps my honourable friend would suggest that the Clerk should read it.

Hon. Mr. DANDURAND: Every member of the Senate has been furnished with a copy of this evidence and the discussion which took place before the Banking Committee of the House of Commons.

Hon. Mr. ROCHE: What I meant was to dispense with any delay.

Section 1 was agreed to.

On section 2—interpretation:

Hon. Mr. DANDURAND: Every member of the Senate has been supplied with the explanations of the various changes. Shall I stop and note the changes as we go along? The memorandum says:

Hon. Mr. GRIESBACH.

Section 2 (h), page 2 of the Bill.

In the definition of "grain" the word "includes" is substituted for the word "means" and the words "corn and buckwheat" are added. Substituting the word "includes" for the word "means" harmonizes with other definitions of the like character in the section.

Section 2 (m), page 2.

The words, "pulpwood, piling" are added to the particular products of the forest already mentioned in the definition. Pulpwood has come to be so large an article of commerce in recent years that its specific mention was deemed advisable. There are one or two other verbal changes of no importance.

Section 2 (p) (iv), page 3.

There is an enlargement of the definition of "warehouse receipt" to include a Lake Shippers Clearance Association receipt. When grain is delivered by rail at Port Arthur and Fort William to the Lake Shippers Clearance Association that body, in exchange for the bill of lading, issues a voucher entitling the holder to the relative number of bushels of grain of a certain specific grade. The holder of the voucher may get delivery of the corresponding quantity of grain of the grade mentioned at some other elevator than that at which this grain was taken into storage. In that way the loading of steamers with grain is greatly facilitated as a ship being loaded by different interests can be completely loaded at one elevator and dock. In order to protect the bank which has loaned money against the original car of grain, this class of document, representing not any particular grain, has been devised to facilitate these operations.

Section 2 was agreed to.

Sections 3 and 4 were agreed to.

On section 5—bank charters continued to July 1st, 1933, etc.:

Hon. Mr. DANDURAND: This is a new clause.

Hon. Mr. FOWLER: What is the change?

Hon. Mr. DANDURAND: It continues the charters to 1933.

Hon. Sir JAMES LOUGHEED: It is the lease of life.

Section 5 was agreed to.

Sections 6 to 9, both inclusive, were agreed to.

On section 10—capital stock and shares:

Hon. Mr. FOWLER: I would like this clause to stand.

Hon. Mr. DANDURAND: There is no change.

Hon. Mr. FOWLER: I know there is no change, but I may wish to make a motion with regard to that. That is one of the clauses that was discussed considerably in the other House.

Hon. Mr. DANDURAND: I would suggest, if the mind of my honourable friend is clear as to the amendment he proposes to bring before the Chamber, that he make it now so that we will have an opportunity of considering it.

Hon. Mr. FOWLER: I was considering the advisability of reducing that amount of $500,000 to $250,000.

Hon. Mr. DANDURAND: I hope my honourable friend will remain in his doubtful mood, because I doubt very much that the country would benefit very much by the reduction. I have had quite an experience within the last 30 or 40 years with banks with small capital, and I have seen them fall by the wayside. If they started interesting themselves in a certain venture, and the manager was convinced that he was on the right track in advancing funds, it would not take long before the liquid capital would be absorbed, and the bank would be in dire peril. Within the last 15 years I have known of three or four cases of small banks that could not stand the strain.

Hon. Mr. FOWLER: We have seen some cases of large banks that cracked under the strain too, and the air is full of rumours now of a bank that has met with heavy losses through the action of its management. It is just a question whether it would not be as well to have more small banks in the country. After all, the capital of a bank bears a very small relation to its operation. Take any of our large banks: their capital in very few cases exceeds $20,000,000, and yet they handle a business of $500,000,000 or $600,000,000, or perhaps $1,000,000,000—I am not familiar with the figures, but I know there is a very great difference. A bank with a capital of $250,000 might easily handle a business of several millions and not have its business any more out of proportion to its capital than is the business of the Bank of Montreal to its capital. This is a very big question and one which is agitating the public mind of this country, as to whether or not these huge banks are an advantage, particularly in certain sections of the country. There was a time when there were fourteen or fifteen flourishing banks in the Maritime Provinces. To-day there is not one.

Hon. Mr. DANDURAND: Why.

Hon. Mr. FOWLER: Because they have gone to Montreal or Toronto. They have increased and enlarged their business and gone there, and draw upon the savings of the people of the Maritime Provinces, sometimes to lose them in Cuba, sometimes to lose them in Mexico, sometimes to lose them in foreign exchange, and sometimes to permit their managers to lose them at gambling on the stock exchange.

Hon. Mr. DANDURAND: My honourable friend has in mind one or two cases, and his statement is correct pro tanto. But what about the ten others?

Hon. Mr. FOWLER: What ten others?

Hon. Mr. DANDURAND: My honourable friend says there were 10 or 15 banks in the Maritime Provinces. They did not all move to Montreal.

Hon. Mr. FOWLER: They were absorbed by the larger banks. For instance, the Bank of New Brunswick, which was an old institution, established in the year 1817, I think, was absorbed by the Bank of Nova Scotia.

Hon. Mr. TODD: Why was it absorbed?

Hon. Mr. FOWLER: I do not know why. The bank was doing business all right.

Hon. Mr. DANDURAND: Too weak to stand the strain.

Hon. Mr. FOWLER: Too weak to stand the strain. But you asked me where they were. Now I will tell you. The People's Bank of Halifax was absorbed by the Bank of Montreal. The Merchants Bank of Halifax became the Royal, and it absorbed several other banks into its system. The Royal Bank made its headquarters at Montreal. The Bank of Nova Scotia made its virtual headquarters at Toronto, although its nominal headquarters are still at Halifax. The Bank of St. Stephen, with which my honourable friend from St. Stephen (Hon. Mr. Todd) is familiar, was absorbed by the Bank of Nova Scotia.

Hon. Mr. TODD: Oh, no. The bank failed.

Hon. Mr. FOWLER: Oh, it failed? I thought the Bank of Nova Scotia took it over. Did they not take over the corpse?

Hon. Mr. TODD: No.

Hon. Mr. FOWLER: At any rate, it went out of business. That is one bank that failed. I do not know whether or not the failure was due to the fact that it was in the district from which my honourable friend comes, or whether he had anything to do with the failure or not. However, that is the only one I know of that failed.

Hon. Mr. TODD: How about the Yarmouth Bank?

Hon. Mr. FOWLER: The Yarmouth? Oh, that was some years ago. That was before I was born. The honourable gentleman may be familiar with it.

These smaller banks have their directors at the home office, and they know personally the people who are doing business with the bank. They stand a much better chance of knowing whether they are safe people with

whom to do business. They lend money to people who are in the neighbourhood, and they know the purpose for which those people require the use of the money. A bank may have its headquarters in Toronto and a man living say in my own town may make application for a loan. There is no doubt in that case that it is safe to lend money to him. If the loan is of any size at all, the application must be referred to headquarters in order that the directors or the general manager may pass upon it. He does not know the circumstances, but must take information secondhand from the local manager. That leads to delay and often results in refusal, whereas if all the circumstances were known refusal would not be made. One of the most important securities for a loan is the moral character of the borrower. It is impossible for the directors of a bank living several hundred miles away to judge accurately the value of the risk in the loan applied for. The case was different with the smaller banks, their directors being acquainted with the people of the neighbourhood in which the bank was operated.

I am not speaking with any personal grievance, for I have none at all against the banks. They have always treated me well. I have tried to pay them one hundred cents on the dollar, and have succeeded so far. I do not know how long I shall be able to keep it up. It is not because of any personal grievance that I am speaking; it is in the interest of the Maritime Provinces, for we are having pretty hard times down there. I am not crying blue ruin. I do not believe in that sort of thing. Even if the situation were worse than it is, I would not cry blue ruin, for I have faith in the recuperative powers of our people. But I say that we are handicapped by reason of all the banks having withdrawn from the Maritime Provinces and gone to larger centres, and for other reasons, which have been detailed in this House in connection with freight rates, etc., and the necessity of the Maritime Provinces competing with manufacturing interests in Ontario and Quebec, which are much longer established and have a greater market near home. For these reasons we feel more keenly the handicap we are under in having all the bank headquarters transferred from there.

The difficulty in starting a bank is to get the $500,000 capital required. It would be much easier to obtain the quarter of a million which I was thinking of proposing. I must say that I think we should have more time to think over these matters. I have taken a rather active part in legislation and have examined the various matters that have come before this House; but I have not examined this banking question until now, when it is right upon us. Five minutes is not sufficient time in which to formulate in one's mind a scheme for the establishment and operation of smaller banks. I understand that a motion was made in the other House with regard to this matter by the member for Cumberland, and it was discussed there. I think it would do no harm to discuss the question here, and for that reason I would like to have this clause stand until a later date, when we shall have had an opportunity to consider it. My mind is not strongly made up on the question, nor have I given it that consideration which is necessary to discuss it intelligently.

Hon. Mr. TODD: Honourable gentlemen, I have had considerable business experience with both large banks and small ones, residing as I do right on the American border. On the American side of the line the banks are small. I have had a chance to see the advantages and disadvantages of the two systems. From the business point of view, the opinion in the Province of New Brunswick is all in favour of the large banks. We have at St. Stephen three chartered banks. They do a large business with American customers, simply because they can provide the necessary facilities. A bank with $250,000 is not in a position to finance any large business. The chartered banks, of course, can do it.

With regard to the history of the small banks in the Maritime Provinces, two of them that I know of failed disastrously. In both cases, before they failed they were a danger point in the communnity for two or three years. Of the smaller banks in the Province of New Brunswick—I will not speak of Nova Scotia—I do not know of one that did not fail or was not really compelled to dispose of its business to a larger bank because it could not earn money enough to continue to pay dividends to the stockholders. I think the competition which the small bank would have to meet from the larger banks would make it almost impossible for the small bank to do a successful business and pay a return to its shareholders.

Hon. Mr. FOWLER: So far as the Bank of New Brunswick is concerned, I want to say this, that its stock sold higher in the market than that of any other bank in Canada. When the stock of other banks was selling from par up to 150 and 180, the Bank of New Brunswick's stock was selling at 300. That does not look as though the banks were in such a disastrous state as my pessimistic friend would seem to indicate.

Hon. Mr. TODD: I am not pessimistic, but it is worse to be pessimistic after the event. What was the Bank of New Brunswick's stock worth at the time of the sale?

Hon. Mr. ROCHE: My honourable friend from Sussex (Hon. Mr. Fowler) is contrasting the value of small banks, perhaps in older districts, with the branches of larger banks, In all rural communities the farmers and other traders think that banking accommodation would be a great advantage to them; and perhaps it is in ordinary times and when there is no pressure. It is very probable that the directors of a small bank would obtain from the bank loans that would be considerable in proportion to its capital. That is usually the case with the small banks. When times are dull and there is a great deal of business depression, the small bank cannot realize upon the loans which it has made, and it has not that power of expansion which would permit of funds from other places being invested to remedy the deficiency in that locality.

The drawback of a branch of a large bank is that people gather round the manager and make him out to be a little god. After a while he forgets that he is in a corporation with shareholders, and regards himself as the most important factor in the community. Very often some roguish fellows get into the bank extensively, and the manager has to be removed. The drawback of the small bank is that it cannot get assistance from the large banks, nor can it command exchanges or matters of that kind which are the main ingredients of a bank's prosperity. The small bank cannot expand, and it is unable to forward moneys to other countries, to get credit or to facilitate exchanges with merchants in other places. The large banks, with their resources and their influence, are able to tide over losses, and an unfortunate situation in one place does not interfere with the general prosperity of the other branches of the bank.

Hon. Mr. DANDURAND: I would like to cite the experience in the Province of Quebec. During the last thirty-five years five or six small banks have disappeared. Those whose directors had the greatest wisdom succeeded in being absorbed instead of going to the wall. Others who clung to life simply became extinct and paid nothing to their shareholders, if they succeeded in paying 100 cents on the dollar to the depositors. So business opinion in the Province of Quebec is unanimously against the small banks and in favour of the large banks.

Hon. Mr. FOWLER: Of course, we would have to have something like the Federal Reserve system of the United States to protect the small banks. I remember a time when a depression in the United States meant that hundreds of banks would close their doors, but that is not true to-day. If a depression occurs in the United States at the present time, it would not necessarily mean that a solitary bank would have to close its doors and refuse to pay. I am speaking of the regular banks; I do not mean the so-called trust companies, such as the one that failed in Boston a year or two ago. The ordinary bank doing business has in the Federal Reserve Bank an anchor out to windward, so that it can save itself when times of depression come on. It can rediscount its paper in the Federal Reserve Bank to a certain extent. I think that 75 per cent of its paper can be rediscounted with the Federal Reserve Bank. I fancy it would be necessary for us, if we had a regular system of small banks, to have some such arrangement as that for protection. The difficulty I see is that there are now, I think, some seventeen banks doing business throughout Canada, and their policy is guided largely by the Bankers' Association, whose Board is composed of about five persons. In the hands of those five persons is placed all the financial power of Canada. It is confined to a very small space. The whole financial power of Canada, practically, is in the hands of the Directors of the Bankers' Association.

Hon. Mr. DANDURAND: I do not admit that.

Hon. Mr. FOWLER: You do not admit that?

Hon. Mr. POPE: Certainly it is.

Hon. Mr. DANDURAND: No. The banks retain absolute autonomy.

Hon. Mr. FOWLER: They do and they do not. It is all very well to say they retain absolute autonomy, just as Quebec, New Brunswick, and the other Provinces retain their autonomy in the Confederation; but after all, the Federal machine has a very great effect upon the different provincial machines, and so it is with the banks. The policy of these banks is guided largely by the Directors of this Bankers' Association. My honourable friend may be as sceptical as he likes about that, but it is a fact just the same. So in the hands of these five persons is the financial destiny of this country. That is something to be considered. There are many other things in connection with this Bill that are in my opinion defective and should be

remedied; but I am not to-night in a position to discuss them offhand.

Right Hon. Sir GEORGE E. FOSTER: You may come back to them later, if you wish.

Hon. Mr. FOWLER: I would like to discuss this question again.

Hon. Sir JAMES LOUGHEED: Stands.

Right Hon. Sir GEORGE E. FOSTER: Take it up again.

Hon. Mr. FOWLER: But if my honourable friend is determined to push it through, I bow to his wish.

The Hon. the CHAIRMAN: Shall the section stand?

Hon. Mr. DANDURAND: If my honourable friend insists.

Hon. Mr. FOWLER: Oh, I do not insist.

Section 10 was agreed to.

On section 11 provisional directors:

Hon. Mr. DANDURAND: Section 11 is a new clause.

Right Hon. Sir GEORGE E. FOSTER: That is a very good clause, I think.

Hon. Mr. DANDURAND (reading):

2. A provisional director shall not be eligible to act as such unless he be a bona fide subscriber of stock of the bank for and on his own behalf, to become the absolute and sole owner in his individual right of such stock, and not as trustee or in the right of another, on which subscription not less than—

"(a) three thousand dollars have been paid up, when the paid-up capital stock of the bank is one million dollars or less;

"(b) four thousand dollars have been paid up, when the paid-up capital stock of the bank is over one million dollars and does not exceed three million dollars;

"(c) five thousand dollars have been paid up, when the paid-up capital stock of the bank exceeds three million dollars."

This amendement is intended to guard against the abuses arising when persons lend their names as provisional directors of a bank when obtaining its charter and obtaining subscriptions to its stock and, who, before the organization is complete, drop out of sight and have no connection with the institution. Such a state of things has happened in connection with at least the organization of one bank within the past fifteen years. The new subsection requires that there shall be real money put up by a provisional director.

Hon. Mr. MITCHELL: By him or by someone else?

Hon. Mr. DANDURAND: The law says by him, but of course one does not look to see where he gets his money.

Sections 11 to 17 inclusive were agreed to.

On section 18, subsection 3—guarantee and pension funds:

Hon. Mr. DANDURAND (reading):

The added provision here is that a guarantee or pension fund for the officers of a bank must be invested in securities in which a trustee may invest. It is intended to safeguard the pension interests of bank employees.

Hon. Mr. FOWLER: To whom is the constitution of a pension fund submitted for approval? Does it have to be approved by the Minister of Finance? Does each bank make its own conditions in regard to its pensions?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: Do they submit those conditions or regulations to anybody?

Hon. Mr. DANDURAND: No. A bank is not obliged to have a pension fund.

Hon. Mr. FOWLER. Do they not retain a proportion of the salary of the clerks, like a railway company?

Hon. Mr. DANDURAND: There are regulations which call for a subscription by the employees; there are other banks in which that it not done.

Hon. Mr. FOWLER: Where it calls for a subscription by the employee, should it not be subject to regulations of some kind?

Hon. Mr. DANDURAND: It is: the regulations are adopted by the Board of Directors, and in some cases by the shareholders.

Hon. Mr. FOWLER: I can understand that where a bank supplies all the funds it would not be necessary to have supervision, but where any portion of the pension fund is supplied, voluntarily or involuntarily, by contributions of the employees, some authority should pass upon the fairness of the regulations governing that pension fund.

Hon. Mr. TESSIER: Those funds are administered by the employees themselves. Sometimes they form a separate corporation composed of employees to administer the funds, a certain amount being paid by the bank and the balance kept from the salaries of the employees. The funds are administered by their own Board.

Hon. Mr. FOWLER: Even so, it seems to me there should be something like the Treasury Board or the Finance Minister to have supervision—to approve of the articles regulating that pension fund.

Hon. Mr. MITCHELL: I suppose the shareholders of the bank.

Hon. Mr. FOWLER: No, not the shareholders, because they are a party to it.

Hon. Mr. DANDURAND: This obligation of investing in certain funds will bring the capital so gathered for the pension fund under the inspection of the banks and the auditors.

Hon. Mr. FOWLER: I do not think that will meet the case at all, because the pension fund, where part of the money is taken from employees and part from the employer, involves the rights of two parties, and some outside authority should pass upon the fairness of the regulations.

Hon. Mr. DANDURAND: Would my honourable friend insist upon any outside authority intervening when the bank does not call upon the employees, but creates the fund out of its own resources?

Hon. Mr. FOWLER: No, that is another matter. It is then in the the nature of a gift from the bank; but where an employee is levied on for part of that fund I think the reglations should be summitted to the Department of Finance to pass upon them as to whether they are equitable or not.

Hon. Mr. TESSIER: Being connected with a bank, I know a little about this question, and I know that a bank itself cannot touch the pension fund, which is administered by a committee of the employees themselves, and payments are made by that committee. Besides, that fund is subject to the inspection of the Minister of Finance and the auditiors, and they are obliged to report on it.

Hon. Mr. FOWLER: I want to be fair to the bank as well as to the employees, and where there are two parties there ought to be a third who would have to pass upon the regulations. You say the bank cannot touch the fund because this money is invested in certain specific securities, but if the administration is entirely in the hands of the employees, it is not fair to the bank if they can control it without regulation. I would like to know how that is.

Hon. Mr. GILLIS: The funds are set aside, and a certain amount is deducted from the salary of the staff to constitute this fund. The employees understand exactly what they are to receive out of the fund at the end of their term, or when they leave the service of the bank. I think it is purely a matter of arrangement between the bank and its employees, and I do not know that any third party should operate in the matter at all, as it is settled by both parties.

Hon. Mr. FOWLER: I do not agree with that at all. See the power that a bank exercises over the employee. Here is a man who has been paying into the fund for 15 or 20 years, and he expects to get a certain amount of money at the end of his term. See what power that gives the bank over that employee if it has the sole regulation of it. The employee does not want to resign, because he would thus lose his possibility of a pension. I think there should be supervision by an outside authority like the Minister of Finance, so that an employee leaving the service of the bank after a certain number of years could take out a portion of that money that had been deducted from him. Suppose his salary was $1,500 a year, and the bank deducted $100 a year for 15 years for the pension fund, why should the employee lose that? If he died I suppose they would arrange for his family to get his pension, but if he left the bank's service he should not lose that money, and this section gives the bank a certain amount of power over the employee.

Hon. Mr. DANDURAND: But I can tell my honourable friends that the banks have been authorized by their shareholders to contribute to a pension fund under conditions that they approve, and they subscribe the whole amount, or 75 per cent, or a certain proportion of the pension fund, and regulations are made.

Hon. Mr. FOWLER: By whom?

Hon. Mr. DANDURAND: By the Board of Directors, and those regulations are known by the whole staff, and the entire system works harmoniously. The systems are not the same in all institutions, but I have never heard of any conflict in the administration of those pension funds. There is a long association between the directors of a bank and their staff. Young men enter a bank at 17 or 20 years of age, and they decide to remain, and you find them there after 30 or 40 years, having gone up the ladder regularly, and they have received their annual increase, and become one family, so to speak. Promotion is one of the sacred things, except that the board has a right to alter the contract when an employee is not qualified to fill the higher position, but there is no question of any injustice being done. The management of the bank know that they must maintain harmony and satisfaction among the staff, and they deal justly among them. My honourable friend raises a purely hypothetical case when he thinks some protection is needed for the employees of the bank in the operation of the pension fund.

Hon. Mr. FOWLER: What a glorious institution the bank would be if everything worked as my honourable friend has suggested; but it does not work anything like that. There are many injustices and many hardships connected with the staff of the bank, who are ill-paid very often; regulations are made against marriage in a new country like this, where we ought to encourage marriage on account of the results which it is supposed to bring; and yet those huge banks that control the whole financial position of Canada, and whose frown is a portentous thing indeed, set their faces against marriage unless a man is earning so much money. A man may be in the employ of the bank a good many years before he is in a position to earn that much money, but in the meantime he is denied the privilege of marriage, and unless he is a youth who has been brought up very strictly he may get into bad habits.

Hon. Mr. DANDURAND: But I draw the attention of my honourable friend to the fact that I know institutions that give a special bonus to the employee when he marries, and a special bonus for each child.

Hon. Mr. FOWLER: I think that is done in the Methodist Church, but I do not know anywhere else. I do not think it is done in the banks. They will dismiss a man if he gets married before receiving a certain stipend, unless he can show that he had private means sufficient to make it up.

Hon. Mr. DANDURAND: Would not my honourable friend commend this regulation, by which a young clerk should have a certain amount before he assumes larger responsibilities?

Hon. Mr. FOWLER: When he is at an age to marry and wants to marry, he should be permitted to do so, and not be kept on such small pay that he could not afford to marry. Why should a lot of old curmudgeons sitting around a table in a bank board-room —men who have passed the heat of life— say at what time an employee who is in their power should marry? I think it is an outrage, and should not be permitted.

Hon. Mr. GORDON: I would like to ask if investment in a bank stock is considered security under the Act of 1914, in which a trustee may invest under the Trust Companies Act, in all the provinces?

Hon. Mr. BELCOURT: The law varies, does it not, from province to province?

Hon. Mr. GORDON: That is what I was wondering. The reason I ask is that I do not think it is a wise provision to have any of this money invested in bank stock, particularly in the stock of the bank which is interested.

Hon. Mr. DANDURAND: My honourable friend from Ottawa is looking up the Trust Companies Act.

Sections 18 to 27 inclusive were agreed to.

On section 28, subsection 4—record of attendance of Directors:

Hon. Mr. DANDURAND: This is a new subsection. (Reading):

> The new amendment provides for a record of the attendance of directors, a summary of which is to be sent out to shareholders with the notice of the annual meeting. Provision is also made in the new subsection that directors who for any reason have not been able to attend meetings may have a record of their services summarized in the notice to shareholders.

Hon. Mr. FOWLER: Who recommended this change?

Hon. Mr. DANDURAND: I do not know. I suppose that it is made in order to bring to the attention of shareholders that there are absentee directors, and it may be the result of the experience of the last 10 years and of the excuse that was given for some bad investments—that the directors were not always in attendance and were not directing.

Hon. Mr. FOWLER: There must be a joker in this case that covers it up, because someone makes a summary stating "the nature and extent of the services rendered by any director who, by reason of residing at a point remote from the chief office of the bank, has been unable to attend meetings of directors." So that if he did not attend the meeting, someone would make a memorandum that he had performed a very great service, just the same as Sir Montagu Allan, floating around Europe, drawing a salary of some $50,000—

Hon. Mr. DANDURAND: He stated himself, under oath, I believe, that as he had been away he had fixed his own remuneration at $3,000 or $6,000—I know it did not go beyond $6,000.

Hon. Mr. FOWLER: Well, I commend him for his modesty, because he might have taken the whole $25,000 or $50,000 to which he was nominally entitled. But that subsection 4 is arranged so that he could be four or five years in Europe, provided he has a friendly hand to make a summary of things he did or said. For instance, he thought several nights, after he went to bed, about the affairs of the bank, spent considerable time, and so on, and so on—I could easily see how it could be arranged.

Hon. Mr. DANDURAND: My honourable friend is in error; he draws on his imagination; but I will tell him some facts as I know them. Sometimes it happens that a most valuable member of a Board is called away on important business in Europe, and may be absent three or four months. He may fall sick, and when the return of the attendances is made to the meeting of the shareholders, it is seen that one has only attended 50 per cent of the sittings, but that there was a reason for the absence.

Hon. Mr. FOWLER: Sometimes it might be better if the man who was there was away.

Section 28 was agreed to.

Section 29 was agreed to.

On section 30—appointment of officers, etc.:

Hon. Mr. DAVID: Is every clerk or servant obliged to give a bond? Boys receiving a few dollars a week?

Hon. Mr. DANDURAND: Every employee of a bank is obliged to give a bond, and the reason is obvious: he is dealing in liquid assets.

Hon. Mr. FOWLER: I do not think there are any other institutions in Canada that pay their employees as badly as the banks—I do not mean the employees who are at the top, but those who are at the bottom. They pay them very small pay. Any mercantile or manufacturing concern pays its employees very much better. A man might be in a bank three or four years and not get half as much pay—

Hon. Mr. BRADBURY: Would not get enough to keep him.

Hon. Mr. FOWLER: Of course not. It is only because of the idea that it is a little more genteel occupation than laying bricks or carpenter work. We will get away from those ideas after a while, I hope, because any honest work is as genteel as any other.

Hon. Mr. DANDURAND: A bricklayer in New York is securing $12 a day.

Hon. Mr. CHAPAIS: $18.

Hon. Mr. FOWLER: We cannot expect a bank clerk to be paid as well as a bricklayer, but he should get paid enough so that his parents would not find it necessary to support him. I think very few banks give young men going into them more than $100 a year.

Hon. Mr. GILLIS: $200.

Hon. Mr. FOWLER: It used to be $100. They have raised it. A boy who went into a store just to sweep out would get more pay than that. I do not see how we are going to remedy this condition by legislation, but I think we should express ourselves along the line that banks should be more generous to their employees of lower rank. When a man gets to the top he gets fairly well paid; but before he gets his foot well on the first rung of the ladder he is very badly paid.

Hon. Mr. DANDURAND: I am happy to inform my honourable friend that the information he has as to the salary of a young man going into a bank is the story of quite a number of years past. I know that since 10 years ago, double the amount my honourable friend has fixed, and more, is given to a young clerk beginning.

Hon. Mr. FOWLER: $400?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. HARMER: There is only one bank, the Bank of Montreal, that gives $500.

Hon. Mr. DANDURAND: I know of another bank, and that makes two. I would be surprised if the Royal Bank was not paying as much as the Bank of Monreal.

Hon. Mr. FOWLER: The Royal Bank does not strain its generosity very much to its employees.

Hon. Mr. DANDURAND: If my honourable friend had the opportunity of seeing the bonuses paid to employees yearly from 1917, he would be surprised.

Hon. Mr. FOWLER: Everybody got a bonus then. They had to, or they would have starved.

Hon. Mr. DANDURAND: And when the question of bonuses came up for revision, the bonuses were generally added to the salaries.

Hon. Mr. ROCHE: My honourable friend will please observe that half the clerks in the banks now are girls. Formerly men were employed exclusively.

Hon. Mr. DANDURAND: I know that was the case with very many institutions during the war; but they have felt that it was work that needed the strong nerves of a man, and they have gradually replaced the girls by men.

Hon. Mr. POPE: In the investigation of the Committee of the House of Commons, did it ever strike the Government that it would be worth while consulting these employees as to their position? They are in a very delicate position. Did the Government ever fancy it was worth their while to ask these employees if they were being treated properly? Because I do not know

or one of these boys—I am not speaking of the Management—who consider that their treatment is fair in view of the earning powers of the banks, and the prices their stocks sell for in the markets. I do not know whether we have the power to make it fair; I do not know whether it is our business to see that the banks treat people fairly; but if we have that power it has been very seriously neglected by the House of Commons and the Senate.

Hon. Mr. GILLIS: I think the manner in which bank clerks are being treated all over Canada, particularly in the West, is most disgraceful. I have an intimate knowledge of the conditions that exist. Banking is somewhat attractive, and young men are anxious to get a position with a bank; but, unfortunately, the salary which they receive, particularly in the first two years, is scarcely enough to keep them going—in fact, it is not enough. I have known of many instances in which parents had to come to the rescue and support a young man during the first year or two. I do not know whether we can do anything in this matter, but if we can I think it would be the most commendable act that we could possibly do. These young men are just starting in life, and I have always felt that it was unfortunate that this particular form of employment had such an attraction for them.

Hon. Mr. DANDURAND: I draw attention to the fact that the entry of a young man into a bank is not what it was fifty years ago. The multiplicity of branches has increased the chances for advancement, and if a young man is at all intelligent and active, and shows any spirit of initiative, he will rapidly advance towards positions of responsibility. The banks have opened so many branches all over the country that they offer quite an interesting field for a young man. One must not forget that they enter the bank when they are eighteen years of age, sometimes younger, and soon have an opportunity of reaching a salary—at 23 or 24 years of age—which allows them to marry. Of course, there are those who would as soon accept a humble Government position in a post office, and remain there, out of the rain, with a salary of $600 to $1,000 a year.

Hon. Mr. POPE: I would like to call the attention of the honourable gentleman to the fact that if there is a school for the education of bankers, it must be within the bank itself. What he has told us is quite true—that young men of tender age—16 or 18 or 20—enter a bank. They come out of high school or common school into the bank, and their only opportunity of learning anything about the banking system or its shortcomings is in the bank itself. They have neither the finances necessary, nor the opportunities of travelling or of knowing anything about the general banking systems of the world; and from these men are selected the managers of the branch banks in the small communities all over Canada. The limitation of their education is the man who is above them; his limitation is well defined by the small salary he receives, say $2,500 or $3,000 at the outside, as manager of the branch bank in a country community. His judgment is so extremely bad that the bank does not trust him to loan anybody $500 without first consulting the head office. He can lend $490, but not $500. If you and I employed a man we could not trust beyond $500, we would be suspicious either of his integrity or his ability. And whatever ability these men have, they have got at the foot of the throne of the bank.

When you come to the country communities in which these branch banks exist, permit me to say that they have in Canada a system of taking in the deposits of the people in various communities, and never loaning in those communities 20 per cent of the deposits. They have beggared the communities in which they have been placed. They have hurt and injured and spoiled the ambition of smaller units of men in that community. They have helped to keep down the population of the Dominion of Canada, and have helped to increase the population of the United States. One of the agencies that have retarded the progress and development of the Dominion of Canada is the branch bank system as it exists to-day. I do not intend to be a Bolshevist so far as the banking system applies to larger interests. I do not know anything about the larger interests; I have never been in touch with them. I have always been in touch with the farmer and the smaller interests.

During the two or three months of investigation in another place we have heard something that the Government has heard before. Ten years ago, when I was speaking on this subject, I warned the banks that if they followed out the policy which they had adopted, the time would arrive when it would have very serious results. The results, as yet, have not been very serious; but the banks have had their warning from the small communities and the small interests in the Dominion of Canada—and the warning need not have all come from the West. It could just as well have been endorsed by the farmers and small merchants of the East. I want to say to the banks of the Dominion of

Canada that if they persist in this amalgamation of banks—and they would amalgamate further to-morrow if they had the power—if they persist in limiting the control of the finances of Canada to a few directors in Ottawa, Toronto, Montreal, and other centres, this is the last charter that will be granted by the Parliament of Canada under the present conditions. I warned them 10 years ago and told them they were losing their friends; and to-day the banking system of Canada has not a single friend among the common people. That is wrong, because the banks represent not only the capital that is subscribed by the shareholders, but the capital of the Dominion Government as well. Because the first duty of a Government when it is formed is to take care of its people by law and order, police and military; its next duty is to look after the transportation of their products and to arrange for the financing of the same on national lines—not on special lines for shareholders, and not based on the price that the stock will sell for in the market. And then the Dominion Government decide, rightly or wrongly, that they will by special charter, special direction, special surroundings of law, permit any organization known as a banking system to take the place of the Government, then I say that system to a certain extent curtails the powers of the Government and the rights of the people.

The banks were given every opportunity, and what has been the result? From day to day during the last 10 or 15 or 20 years they have narrowed down the opportunity of the common man to get into the head office to meet the directors. I live close to the border of the United States—Vermont, Maine, and New Hampshire—and we go to the representatives of that community and meet them and consult with them as to whether our credit is good and as to whether they should lend us money, far more easily than we can meet and consult with the manager of the branch bank whose head office does not trust him to the extent of $500. I am not reflecting on the integrity of the branch bank manager; but I say that over and over again in the County of Compton, where I was born and where I have lived, the people go to Vermont, New Hampshire and Maine and borrow money and bring it back to help our local industries in the Dominion of Canada—and in the village in which I live we have the Bank of Montreal and the Bank of Commerce. I say it is a disgrace that the village of Cookshire, when they wanted $7,000 twelve months ago, had to go to a small bank in Vermont in order to get it. They paid 6 per cent for it, whereas if they had got it in Canada they would have paid 7 per cent.

Now you ask me, a common man, to be satisfied. You ask the Senate of Canada to shirk its responsibility in facing this issue, which concerns every man, woman and child in the Dominion: that is, the question of small units. I say to honourable gentlemen of this House, men who are bank directors, and men who are solictors for banks, that the Senate has a great responsibility, and if you have friends in the banks, or if you think the banking system of Canada is worth preserving, you will not be in a hurry to pass this Bill and have Parliament prorogue, but you will take time—you will take two months, if necessary—in order to consider this matter and take steps to stifle the rising sentiment against Canada due to the maladministration of the banks of the Dominion.

Section 30 was agreed to.

Sections 31, 32 and 33 were agreed to.

On section 34—allotment; to present shareholders:

Hon Mr. DANDURAND: There is a small amendment; it is paragraph d of subsection 1. (Reading):

The amendment provides that when new issues of stock of a bank are made payment shall be in money. This will prevent a declaration of a stock dividend. The question has been raised as to whether this were possible under the former Act. It is to put it beyond peradvanture that the amendment is inserted.

Hon Mr. FOWLER: Is there any condition there as to the figure at which the stock will be issued to the shareholders? Is there any minimum figure?

Hon Mr DANDURAND: They must be shares of $100.

Hon. Mr. FOWLER: They have to be issued at par?

Hon. Mr. DANDURAND: Or at a premium.

Hon. Mr. FOWLER: Why does the clause not say that?

Hon. Mr. DANDURAND: It is to be found somewhere.

Hon. Mr. FOWLER: I do not see that section 34 provides that anything should be at par.

Hon. Mr. BELCOURT: Section 10 covers that.

Hon. Mr. DANDURAND (reading):

10. The capital stock of any bank hereafter incorporated shall be not less than five hundred thousand

dollars, and shall be divided into shares of one hundred dollars each.

Hon. Mr. FOWLER: How does that cover it? It does not cover it. What is the use of talking that way? I say there is nothing in section 34 to prevent the issue of capital at less than par.

Right Hon. Sir GEORGE E. FOSTER: And there is nothing in section 10.

Hon. Mr. FOWLER: No, there is nothing at all in section 10 either. I am going to ask the Minister not to pass that section.

Hon. Mr. DANDURAND: We might allow the section to pass, and if I do not find the clause that my honourable friend is looking for, we could come back to this clause again.

Hon. Mr. FOWLER: I intend moving an amendment to that.

Hon. Mr. DANDURAND: But my honourable friend should not move an amendment until he is sure that what he wants is not in the Bill.

Hon. Mr. FOWLER: I want it thoroughly understood that I intend moving an amendment to that, to make it impossible for a bank to issue shares to its shareholders at less than par. That would be a beautiful way of watering stocks down. Suppose stocks were selling at $300 a share and you had a certain amount of stock in the treasury unissued, and as a bonus to the present shareholders you issued that stock at less than par. It might never be required to pay it up if the bank remained solvent—only in case of the insolvency of the bank. The stock might be issued at 10 cents a share, and only in case of insolvency would the shareholders be called upon to implement that 10 cents. That is not right.

Hon. Mr. GILLIS: I know of instances where stockholders were called upon to pay.

Hon. Mr. FOWLER: Yes: banks like the Sovereign Bank and the Farmers Bank. That is a different matter.

Hon. Mr. POPE: Why hurry this matter?

Hon. Mr. FOWLER: You may pass the section, if I am allowed to move an amendment later.

Hon. Mr. POPE: Wait a minute. There is absolutely no need for hurry. We have all summer. Since making a few imperfect remarks a little while ago I have picked up this newspaper, in which I read about the statement that the Union Bank of Canada has issued to its shareholders to-day. I would like to ask the honourable leader of the Government in this House if it is possible for such a state of affairs to exist without the Government or the Finance Department or some branch of the service being in touch with the situation and knowing the condition of the bank for the last week or month. We must remember that the policy of all banks is directed from the head office. It is not the branch banks that fail; when a bank fails it is the fault of the head office. It is the result of their bad judgment in investing funds here and there. Take, for instance, the Royal Bank, which got into trouble down in Cuba in sugar transactions amounting to $18,000,000. Of course they did not tell about it at the time. If they had, it would have been a reflection on them. But they have been able to make a sugar combine. They think they can take the money out of the consumers. The Merchants Bank was caught up by the Bank of Montreal. It was not insolvent, but the shareholders must suffer and somebody must gain. When another bank is put out of business, competition is narrowed down. Now we have the Union Bank making a statement, which, I presume, has been read by every honourable gentlemen in this House. Why should not the situation have been known at the proper time? The statement reads:

(1) Losses have developed in connection with certain loans made during the period of inflation, and in addition to taking care of these, it is prudent to make provision in respect of loans, the full liquidation of which has been delayed by the well-known abnormal conditions which followed that period.

(2) The ordinary losses inseparable from commercial and agricultural banking, no further how conservatively and carefully conducted, would have been readily taken care of by the usual provision, had it not been for the unexpected and abnormal items above referred to. Prudence and sound practice call for adequate provision for such risks in the current business of the bank.

(3) To provide amply for the foregoing losses and risks it has been deemed advisable to transfer the rest account to the contingent reserve the sum of $1,250,000. This leaves the present position of the bank as follows:

Capital, $8,000,000; rest account, $1,750,000.

But, in the face of that statement, and the statements that have been given to the Dominion Government or the Finance Department by the same bank in the last six months or so, we laymen are told that we should pass over these matters quickly—that we should hurry to get home, because the weather is warm and the grass is growing.

Hon. Mr. DANDURAND: Who suggests that?

Hon. Mr. POPE: Nearly all the members of this House, including yourself. You would

not say that we should sit Saturday, for instance, in order to deal with this measure. You would say we should go home.

Hon. Mr. DANDURAND: But I am not pressing the honourable gentleman. We are proceeding leisurely.

Hon. Mr. POPE: I understand. The honourable gentleman and I have been for a long time in public life and opposed to each other, and I appreciate his ability as much as anybody else does, and his geniality and all that, but he knows as well as I do that he represents a Government that has been resisting every effort of the common people of Canada in the last three months to make an impression upon the banking system of Canada.

I am not discussing what is or is not the opinion of the honourable gentleman, but he is here representing that Administration which has thrown down every suggestion that has been made—and there have been some pretty good ones. They have been turned down flat in the other Chamber, and the honourable gentleman is delegated to rush this measure through the Senate.

Honourable gentlemen of the Senate, I am as anxious to go home as anybody, but we are not going to go away from here until we give the Bank Act of Canada some consideration. We are not going to go away from here until the Senate of Canada turn down, or take up, as they please, the proposition that there shall be added to our banking system some means whereby the small units in Canada may be dealt with in the interest of the prosperity of the country. We cannot depend upon a Government that did not know the day before yesterday that the Union Bank was in trouble. The situation is a farce, honourable gentlemen.

Hon. Mr. DANDURAND: I am sure every member of this Chamber will welcome any suggestion that my honourable friend can make towards bettering this legislation.

Hon. Mr. POPE: How can a suggestion be made to better this legislation when you have made it definite? You are passing it when it should be deferred. In view of the representations made in another place you should have postponed for another year the granting of charters. I am not trying to wreck the banks of Canada; let that be understood. I am trying to see if we cannot create some organization that will provide for the small units in Canada; and the doing of that may seriously affect these charters that we are granting. We have had plenty of precedents for deferring a measure for a year, and I do not see any harm at all in doing so, after the representations that were made in the other Chamber by gentlemen from the West. And you could have had as many representations from the East as well if there had been an organization to represent it. I say that under the circumstances, if the Senate of Canada insisted that the charters be withheld for another year and that a proper commission be appointed to investigate the small units of Canada, to see what additional banking accommodation could be given them, it would be conferring a blessing upon the country and doing the greatest possible good.

Hon. Mr. FOWLER: Is it thoroughly understood that this section may be reconsidered?

Hon. Mr. DANDURAND: I would suggest to my honourable friend that we pass this clause, and when we have gone through the Bill we may come back to this if we have not found a satisfactory answer to the point raised by the honourable gentleman.

Hon. Mr. BELCOURT: Let us deal with this section 34 now. I have looked through the Bill and do not find in it any provision such as the one contained in the Companies Act, prohibiting the issue of shares at less than par. In order to meet the objection raised by my honourable friend from Sussex (Hon. Mr. Fowler), and to avoid further discussion on this point, the Minister would be well advised, I think, to agree to the addition of the words "not less than par" after the word "price" in the fourth line.

Hon. Mr. FOWLER: That is all right. That covers the point.

Hon. Mr. BELCOURT: That is the only point with regard to section 34. Why not set the matter right and avoid any further discussion of this?

Hon. Mr. DANDURAND: Will the honourable gentleman read the clause as amended?

Hon. Mr. BELCOURT (reading):

Any of the original unsubscribed capital stock, or of the increased stock of the bank, shall, at such time as the directors determine, be allotted to the then shareholders of the bank pro rata, at such price, not less than par, and on such terms as are fixed by the directors.

Hon. Mr. FOWLER: That is all right.

Hon. Mr. DANDURAND: I have no objection to that amendment. If we find that the matter is already provided for, we may come back to the clause and revise it.

Hon. Mr. ROCHE: It is at any rate a policy acted upon by the banks to offer addi-

tional stock by advertisement and get the best bids they can for it. Whether that is covered by a provision in the law or not I do not know, but I am sure it is part of the policy of the banks.

Hon. Mr. FOWLER: It will do no harm to put in this amendment.

Hon. Mr. BELCOURT: Even if there is a provision elsewhere in the Act.

The proposed amendment was agreed to, and section 34 as amended was agreed to.

Sections 35 to 39 inclusive were agreed to.

On section 40—recovery of calls and instalments:

Hon. Mr. FOWLER: Oh, do not go so fast, Mr. Chairman. I protest against this kind of work. You might as well stand up there and gabble off the numbers. I say it is disgraceful to the Parliament of Canada to have the sections gabbled off in this way when this Act comes to us at this late hour, with no opportunity to study it.

Hon. Mr. DANDURAND: I draw my honourable friend's attention to the fact that thris Bill has been before Parliament for the last three months, and has been reviewed by a Committee of the House of Commons, whose meetings we could attend, and whose proceedings have been amply distributed to us. So that we have been able to follow from day to day what has been going on in that House and that Committee. Now we are proceeding to clauses which are standard clauses, which may be reviewed and may be amended if we judge proper. But I take it for granted that all the members of this Chamber know the organization of a bank, and that these clauses are familiar to them. Of course, our Chairman will read any section that is called for.

Hon. Mr. FOWLER: I am surprised that the leader of the Government in this House should say that because this Act has been before the House of Commons for three months and been considered by them, therefore we should know all about it. Since when does this House take its opinions from the House of Commons? I refuse to take my opinions from the House of Commons, as at present constituted at any rate, and I tell the leader of the Government so here. I am here as an independent member of this branch of the legislature, and I take my opinions from nobody.

Hon. Mr. DANDURAND: But I am simply answering my honourable friend, who says that we have just had this Bill. We have been able to follow the discussion on each clause either by reading the reports of the Committee of the other House or our daily newspapers. Of course we can act independently and do what we please, outside of the clauses that have been amended. We are not here purely and simply to take the Bill as it comes from the House of Commons. We can amend all the clauses we please.

Hon. Mr. FOWLER: But the Chairman seems to be in a hurry; if so, we can relieve him and let him go home, but I do not propose to submit to it. I say it is absolutely not fair. This Banking Act has been before us only for the last day, and it consists of nearly a hundred pages, and we are supposed to have studied that. It takes some time in connection with the work that we have been doing. We have been a very busy Parliament for the last three or four days about other matters that are important, some of them just as important as the Bank Act. We cannot do everything; we have got to sleep and eat as well as legislate.

Hon. Mr. DANDURAND: But my honourable friend has attended at least two revisions of this Bank Act since he has been a member of this Parliament.

Hon. Mr. FOWLER: Yes, two at least, perhaps three, in the last twenty years, but that has nothing to do with this revision. Now, I trust that the Chairman will moderate his speed a little. Let him come down to second speed or low speed, but not go at high speed.

Sections 40 to 45 inclusive were agreed to.

On section 46—sale of shares under execution; transfer, how executed; validity:

Hon. Mr. FOWLER: Why should the bank have any claim when a share of stock has been seized under a writ of execution? It should go to the sheriff, to be paid by him to the person entitled to it; but here the bank steps in.

Hon. Mr. DANDURAND: No, the bank remains in.

Hon. Mr. FOWLER: No, steps in. The bank has no claim on the share, but because it has been seized by a creditor under an execution, and before he can get that share transferred to him he has to pay any claim or debt or liability due to the bank.

Hon. Mr. GILLIS: A priority claim.

Hon. Mr. FOWLER: It gives a priority claim where they had no claim before. Where can we find any authority giving a lien on

shares for a liability due by the owner of the shares to the bank?

Hon. Mr. DANDURAND: I see it here in clause 46.

Hon. Mr. FOWLER: But outside of that. That only gives a lien after somebody has received a judgment.

Hon. Mr. DANDURAND: No, it gives it all the time.

Hon. Mr. FOWLER: No, it does not. I guess I understand the English language and legal verbiage about as well as anybody else.

Hon. Mr. BELCOURT: May I try to explain it to my honourable friend? The debt and liabilities referred to there are debts and liabilities to the bank of the holder of that particular share. That means, I assume, that if a share which I own in the bank is not fully paid, if there is some money due to the bank—

Hon. Mr. FOWLER: It does not mean that at all.

Hon. Mr. BELCOURT: I think it does. Let me make my statement.

Hon. Mr. FOWLER: Do not get so hot about it.

Hon. Mr. BELCOURT: I do not think it is possible to discuss in this fashion.

Hon. Mr. FOWLER: I regret that my honourable friend loses his temper so easily.

Hon. Mr. BELCOURT: I get up to explain, and anyone who will not allow me to make an explanation, whether he comes from Sussex or any place else—

Hon. Mr. FOWLER: I will let you explain; but because you live at the capital that does not give you more authority than if you lived at any other place.

Hon. Mr. DANDURAND: Both the honourable gentlemen live at the capital.

Hon. Mr. FOWLER: I do not live at the capital, except during the Session, just the same as you do. Now I am going to read this section. If my honourable friend will not explain it to me, I will explain it to him.

When any share of the capital stock has been sold under a writ of execution, the officer by whom the writ was executed shall, within 30 days after the sale, leave with the bank an attested copy of the writ, with the certificate of such officer endorsed thereon, certifying to whom the sale has been made.

Now, all that process has taken place; the share has been seized, and sold by the sheriff or other seizing officer under that execution. The sale has been made to some insignificant third party, to whom no notice has been given. Then we have subsection 2 which says:

2. The president, a vice-president or the general manager of the bank shall execute the transfer of the shares so sold to the purchaser, but not until after all debts and liabilities to the bank—

—not the debt or liability on that particular share, but all debts and liabilities to the bank; that is the plain English of it, and that is what it means, and it cannot mean anything else—

—of the holder of the share, and all liens in favour of the bank existing thereon, have been discharged as by this Act provided.

Now, that is plain, and I do not think that is fair. If it said, "all debts or obligations on account of the share," then the attempted explanation of my honourable friend would be all right; but it does not say that. It says:

All debts and liabilities to the bank of the holder of the share.

That cannot mean the purchaser, because he is not yet the holder, so it must mean the original holder.

Hon. Mr. BELCOURT: My honourable friend forgets that the relation between the bank and its customers is always the relation of debtor and creditor; that if a bank has a claim against a depositor who happens at the same time to be a shareholder, the bank has a lien on everything that is in the bank, whether it is payable on a share or payable to the bank in the ordinary course of business, and there is notice there to the world at large that before buying bank shares by auction people must go to the bank and find out exactly what the conditions are there. So that nobody is hurt. If anybody is prudent enough to go and make an inquiry, which he should make, he can easily ascertain if the liabilities of the shareholder, who may be a debtor to the bank at the same time, are fully paid. One is set off against the other in the ordinary course of business. The bank is not exercising some new claim; it is only exercising the right to require the payment of a continuing liability on the part of the shareholder or depositor.

Hon. Mr. FOWLER: Suppose you had 5 shares of the Bank of Nova Scotia and you offered to sell them to me; I would not buy the shares at all, because I would first have to ascertain whether you owed the bank anything at all, and if you did, the bank would have a lien on those shares.

Hon. Mr. DANDURAND: Will my honourable friend read clause 77:

The bank shall have a privileged lien, for any debt or liability for any debt to the bank, on the shares of its own capital stock, and on any unpaid dividends of the debtor or person liable, and may decline to allow any transfer of the shares of such debtor or person until the debt is paid.

Hon. Mr. FOWLER: But why should they have it? I object to any bank having such a lien as that. If there is anything owing on the shares for any purpose whatever, let the bank do like other companies—issue an interim receipt for the amount paid, but not issue a share certificate. As soon as a share certificate is issued it is a thing that can be sold and passed from hand to hand. Why should the bank share certificate differ from that of a gold mine or coal mine? It is not in the interest of business that it should be so.

Hon. Mr. BELCOURT: That clause would not apply to a person holding a certificate of shares, because he would get no certificate unless he paid fully for his shares; so my honourable friend is dealing with something that is not in the record at all. If you buy from me a certificate for five shares in the Bank of Nova Scotia, and I hand you a certificate, there can be nothing due to the bank on that certificate, which would not have been issued if anything was due; so this is dealing with something different from that.

Hon. Mr. FOWLER: Then it is giving a lien to the bank that it should not have.

Hon. Mr. CHAPAIS: The certificate is not transferable.

Hon. Mr. BELCOURT: It is transferable with the consent of the bank.

Hon. Mr. FOWLER: Now that these two banking authorities have settled their disagreement, I will proceed. When any share of the capital stock "has been sold under a writ of execution" it is to be anticipated that it has come into the custody of the sheriff and that he has sold it under an execution—

Hon. Mr. DANDURAND: He knows the law.

Hon. Mr. FOWLER—just the same as he would sell a cow, or a sheep, or a horse. It would be seized in just the same way and sold at public auction. A man buys say five shares, and he pays $750 for them. He walks over to the bank, and when he presents his certificate he finds that the person in whose custody they were owes the bank $750 on borrowed money—it is not an amount still due on the purchase of the shares—or has unfortunately gone security for someone who has failed in payment. So the bank says: "We will keep this certificate because Mr. Johnson owes us $750, and that is just the amount of this certificate;" and the man walks out without a cent. That is the most extraordinary lien that I ever heard of. Talk about your furniture liens under which a poor person buys furniture from a furniture salesman, and after having partially paid for it has it taken away from him—here this man walks in with the share he has paid for, and he is met with the seizure. I propose to move an amendment to this section.

Hon. Mr. DANDURAND: We are not yet at section 77.

Hon. Mr. FOWLER: This is 46. Take them as they come. It is a strange thing if 46 has to be explained by 77.

Hon. Mr. DANDURAND: This section says:

The President, a vice President or the General Manager of the Bank shall execute the transfer of the share so sold to the purchaser; but not until after all debts and liabilities to the bank of the holder of hte share, and all liens in favour of the bank existing thereon, have been discharged as by this Act provided.

So you must look at the provisions of the Act.

Hon. Mr. FOWLER: You must look the whole Act through. I think we should have a different provision with regard to that at any rate.

Section 46 stands.

Sections 47 to 53, both inclusive, were agreed to.

On section 54—statement to be laid before annual meeting:

Hon. Mr. DANDURAND: Paragraph h of subsection 2 is new.

Hon. Mr. FOWLER: What does that mean?

Hon. Mr. DANDURAND: Those are advances made by the Federal Government to the bank, under the Finance Act, against a certain number of securities.

Hon. Mr. FOWLER: Money loaned to the bank.

Hon. Mr. DANDURAND: Money loaned to the bank upon certain high-class securities which the bank has offered.

The new words in paragraph i are "exceeding market value." This is to make it harmonize with the preceding and the succeeding clause.

Hon. Mr. BELCOURT: Is there not a word left out in subsection 4?

Hon. Mr. McLENNAN: The word "or" at the end of the line 19 should be "for."

Hon. Mr. DANDURAND: I would draw attention to paragraph q of subsection 3, "non-current loans." This is the memorandum:

This expression has been substituted for "overdue debts." There is a definition of "non-current loans" in section 113. The former expression, "overdue debts." was misleading in that a debt might be technically overdue and yet be a perfectly good debt. Under this item, as "non-current loans", will be included any loans which do not fall within the definition of "non-current" in section 113.

Hon. Mr. FOWLER: It seems to me that subsection 4 permits a bank to carry on any other business. I thought it was the policy not to permit banks to carry on other businesses besides that of banking. For instance, banks are not permitted to go into the lumber business or the grocery business. This would seem to intimate that they might carry on business under another name. What is the difference between putting say "The Royal Bank of Canada" over a grocery store, and carrying it on under the name of John Smith, although still controlled, managed and handled by the Royal Bank?

Hon. Mr. DANDURAND (reading):

This subsection provides for the publication of a collateral statement of any corporation controlled by a bank. This collateral statement is to be sent out with the annual statement. Controlled corporations in Canada, within the meaning of this section, would be companies which hold the bank premises owned by a bank, the shares of which are owned by the bank, or a subsidiary banking company of which the bank owns all the shares. There are three or four of such last named companies doing business outside of Canada and controlled by Canadian banks. This provision for publication of the annual statements of these controlled companies along with the annual statement of the bank is in accord with the practice of English banks.

Hon. Mr. BELCOURT: May I go back to paragraph 1? I wish to read k and l together. In paragraph k you have provided for loans "in Canada." Paragraph l says "loans elsewhere in Canada." I think what is meant is loans elsewhere than in Canada.

Hon. Mr. ROCHE: The question is whether it is prudent to allow a bank to have an accessory company, as a trust company, which lends the money of the bank on securities in ways in which the bank itself is not allowed to lend, thus evading the responsibility of the bank and the security which the bank gives generally to the public and the shareholders. That is a question of policy, and I do not know whether it is approved generally or not. There may be a point of danger hereafter in loan companies making extensive loans on securities which the bank could not consider safe and in ways in which the law does not permit the bank to lend money. That is a question that might be considered in connection with this clause—whether it would be generally approved that the bank depart from its obligation in allowing its funds to be used by accessory or subsidiary companies in ways not contemplated by the Bank Act.

Hon. Mr. DANDURAND: My honourable friend takes it for granted that there are subsidiary companies owned by the bank. I do not know of any of that description. I know of trust companies which are absolutely autonomous. They are not only autonomous, but they fall under an Act of this Parliament, and we have provided machinery for their control and inspection by the Finance Department.

Hon. Mr. POPE: The Department did not know until the day before yesterday about the Union Bank.

Hon. Mr. FOWLER: It is generally supposed that the Royal Trust is an offspring of the Bank of Montreal.

Hon. Mr. DANDURAND: But the Royal Trust has its own capital and its own shareholders. I doubt very much that the Bank of Montreal would appear as a shareholder. I have seen the list of shareholders of the Royal Trust, and I have seen the list of shareholders of the Montreal Trust. I do not remember having seen the list of shareholders of the National Trust. There may be in one of these companies a large number of shareholders who happen to be also shareholders of a bank, but the trust company and the bank are two distinct companies operating separately. There may be a disposition of one institution towards the other, but they stand on their own bottoms.

Hon. Mr. FOWLER: If it is found that the bank has made large loans to a company which is supposed to be akin to it, or to have the same people interested, that would afford a very reasonable suspicion of a strong community of interest between the two, would it not? Does the honourable gentleman follow me?

Hon. Mr. DANDURAND: Yes, but I have no hesitation in saying that when a trust company has its account in a certain bank, there are many other banks that would be most desirous of having that account. Take,

for instance, the companies that I have mentioned. I think they all pay 10 or 12 per cent, and they have doubled their capital by the accumulation of their reserves. Their stock is not on the market; it can hardly be obtained, so valuable are the operations of these companies, which are conducted on a very conservative basis.

Hon. Mr. FOWLER. I trust the Income Tax Commissioner is looking after those companies that pay such tremendous interest.

Hon. Mr. DANDURAND: Yes, and my honourable friend will see in their annual returns the amount that is collected from them.

Section 54 was agreed to.

On section 55—further statements as requested by by-law:

Hon. Mr. FOWLER: I see this makes no provision for any statement under oath, and it provides no penalty for any false statement.

Hon. Mr. DANDURAND: My honourable friend will find a number of clauses that impose very severe penalties.

Hon. Mr. FOWLER: They refer only to statements that are made to the Treasury Department. I am speaking now of the statements to the shareholders, and I think that the shareholders are entitled to have the truth, and to have that guaranteed to them by the solemnity of a sworn statement. I am not speaking personally, because I unfortunately have no bank stock.

Hon. Mr. DANDURAND: I think my honourable friend will find that this measure is far more severe in its penalties than the Act of 1913.

Hon. Mr. FOWLER: You see, the experience that we have had with the Merchants Bank has rendered it exceedingly important that the clause should be much more stringent.

Hon. Mr. DANDURAND: Will my honourable friend allow me to read to him section 153:

153. Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who knowingly pepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank containing any false or deceptive statement, or any return which does not set forth the true financial position of the bank including all the information required by Section 113 of this Act, shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding five years.

Hon. Mr. DANDURAND.

That covers any statement.

Hon. Mr. FOWLER: That refers only to section 113, though.

Hon. Mr. DANDURAND: Oh, no. It is very complete.

Hon. Mr. FOWLER: It would have to be stretched somewhat to be made to apply to a statement made to the shareholders.

Hon. Mr. ROCHE: I do not know of any bank director that would make himself liable under this section, because it would be almost impossible for any ordinary director to verify all the accounts from the various branches which are brought together in the general annual statement. A great many directors would not be capable of aggregating all the accounts and making a statement as precise as that which would be required. The general manager could do it, and it might be done by a president who attended all the meetings of the bank and examined all the accounts; but it would be a very onerous charge on any director to require him to look through all the affairs of the bank and all the accounts that would be collected for the purpose of the general statement. A bank director obliged to make a precise statement of this kind should tremble sometimes.

Hon. Mr. FOWLER: With the use of the word "knowingly," if the bank's affairs were bad and the president hoped to escape punishment, all he would have to do would be to abstain from acquiring any real knowledge of them. Then he could sign any statement he liked.

Hon. Mr. DANDURAND: He could hardly be asked to do more than make a statement to the best of his knowledge.

Hon. Mr. FOWLER: Ought he not to be obliged to have the knowledge? If he ought not to be under that obligation, then there arises the question whether your branch banks are an advantage or not; for if you had no branch banks, if every bank were an original, the officer of the bank could not help having a knowledge of its position. But the honourable gentleman says that the president or director cannot be expected to have such a knowledge because there are branch banks. That is certainly a very strong argument against the branch bank and in favour of the small bank. That is an inescapable argument.

Hon. Mr. DANDURAND: Carried.

Hon. Mr. FOWLER: Oh! That is the way you are going to escape, is it?

Hon. Mr. DANDURAND: We are on section 55. I do not know what suggestion my honourable friend is making with regard to this clause.

Hon. Mr. FOWLER: We were discussing that statement by the president or the general manager of the bank.

Hon. Mr. DANDURAND: In section 153. But will my honourable friend wait until we have reached section 153? We are now at section 55.

Hon. Mr. FOWLER: I asked a question with reference to the special statement—whether it was to be under oath or just an ordinary statement, and if any liability was attached to it; and my honourable friend referred me to a section away ahead. So it was not my fault that we wandered over to section 153. The honourable leader said that it applied to section 55.

Hon. Mr. DANDURAND: It was in answer to the question of my honourable friend whether any penalty was attached to a false statement to the shareholders.

Hon. Mr. FOWLER: There is no penalty attached.

Hon. Mr. DANDURAND: There is.

Hon. Mr. FOWLER: No.

Hon. Mr. DANDURAND: In section 153.

Hon. Mr. FOWLER: No; because that section contains the word "knowingly." The officer could not possibly know. The branch banks might be all off and he could not possibly know it; he has to take the statement that is handed to him. So I say that is no penalty at all.

Hon. Mr. DANDURAND: Then my honourable friend would not want the bank officer to make a statement under oath when he must rely upon the statements from the branches.

Hon. Mr. FOWLER: I say that is the weakness of the system of huge banks with branches. You do not fix upon anybody the responsibility for a false statement. I will not say you cannot fix such responsibility, for I can easily conceive how you could do so; but you do not impose any penalty for a false statement, Sir Montagu, the nominal head of the Merchants Bank, could spend four years in Europe. The people, recognizing him as president of that bank and looking upon him as one of the great financial lights of Canada, deposited their money in the bank and patronized it. He was away disporting himself—I do not know where—perhaps in Monte Carlo—during all those years. At any rate he was not paying any attention to the bank and did not know anything about it. He came back and, before the court, made an exhibition of himself which was pitiable for a man occupying the position that he occupied as head of a great banking institution, and getting a big salary for doing the work—or not doing it. As to the General Manager, they were unable to fix anything on him, although he had supported a couple of rotten speculators in rotten speculation on the stock exchange.

I want to say right here and now that there should be in this Bank Act a provision absolutely preventing any bank funds—which are, after all, only trust funds—from being lent upon any gambling transaction whatever. What is the matter with the moral reformers of Canada that they have lost sight of the greatest opportunity that could possibly come to them, and that lies at their hand, to prevent enormous economic waste and save many an individual from shipwreck and bankruptcy by wiping out the gambling of the stock exchange? If half-a-dozen Chinamen get together in the back of a laundry and play a little game of Fan Tan for coppers, the vigilant police and the social reformers grab them, throw them into the lockup and have them fined $50 apiece. But the general manager of a great financial institution which is the repository of millions of dollars of the funds of widows and orphans, is permitted to gamble with that money in the stock exchange, or to lend money on stocks that others may gamble, knowing when he lends the money that it is to be used for gambling purposes. The bank president, who has been, I might say, a helpless victim, and the general manager, who has been an active villain, go scot-free. There is a field of opportunity for the social reformers, who are trying to stop the poor man from getting his beer and the poor old woman from getting a glass of gin.

Now, is it the intention of the leader of the Government in this House to amend this Act in any way so as to prevent a recurrence? Here we have the Union Bank losing $4,500,000, and it is rumoured, I would not say with what truth, that their loss came about in speculating in foreign exchange. German marks have dropped a little, and I suppose that is the cause of it.

Hon. Mr. DANDURAND: Why does not my honourable friend speak of the pound sterling or the American dollar or the franc? Why come down to the German mark?

Hon. Mr. FOWLER: Because the American dollar is in pretty good shape financially, but the German mark is very sickly, and growing sicker every day, and I fancy if they had been investing in American exchange they would not have lost that money, because there has been no depreciation there to cause any loss.

Hon. Mr. DANDURAND: But surely no Canadian banker would speculate in German marks.

Hon. Mr. FOWLER: I do not know; I say it is only a rumour; I trust it is not so. But they have lost it, even if not in that way. Have they lost it on the stock exchange? Does my honourable friend suggest that? At any rate, their reserve depreciated by $4,500,000, according to their own statement to their shareholders. Now, that is quite a loss; but I suggest that the honourable leader will put in some amendment to this Act that will prevent the funds of the bank, which are trust funds, being loaned to brokers to gamble with on the stock exchange. It is not a good thing to encourage gambling. Why, we are asked in this Chamber to prevent a man from having a little bet on a horse race, when he sits in the stand and sees the horses perform.

Hon. Mr. WATSON: And consults the jockey.

Hon. Mr. FOWLER: He may know the jockey, but he knows that as long as the president of the track is the gentleman who so worthily fills a position in this House there will be no crooked work, and everything will be fair and square. Yet they would try to stop them from investing, or spending a little money—wasting a little money, they would call it and yet allow and encourage men to lose thousands and thousands. Now, if the social reformers are not alive to their opportunity, I trust the leader of the Government will be alive to his, and that a section will be introduced into this Act to prevent stock gambling.

Hon. Mr. ROCHE: I would draw the attention of my honourable friend from Sussex to the fact that in the case of the Merchants Bank the money was loaned to the stock-brokers by the head office, not by any of the branches.

Hon. Mr. FOWLER: Yes, of course it was. That is where most of the losses occur—in the head office: that is their argument against it.

Section 55 was agreed to.

On section 56—shareholders' audit:

Hon. Mr. DONNELLY: I think this section should receive some consideration. It refers to the qualifications of auditors. An auditor should be a chartered accountant of six years' standing, and subsection 2 imposes on the Accountants' Association the duty of presenting to the Minister of Finance a list or lists of all auditors who are qualified. Subsection 3 is the part that I rather object to:

> The Minister may, not later than the thirtieth day of September next following remove from such list or lists the name of any person of whose appointment to be an auditor of a bank he may disapprove.

Then subsection 4 provides that the names not removed shall be published in the Canada Gazette. There are not so many chartered accountants in this country but what the removing of a name from the list and the publishing of those who are eligible would, in my mind, cast a reflection upon those who are removed. In the first place, the list which is supplied to the Minister is only a list of those who are fully qualified chartered accountants, who have had six years' experience. Then why should the Minister have the right arbitrarily to remove the names of those who are fully qualified? It looks to me like a black list, to a certain extent. Unless there is very good reason for this I think subsection 3 should be amended.

Hon. Mr. BELCOURT: There may be something in that, but where a chartered accountant has proven himself incapable or worse, surely his name should be removed. How can it be done otherwise?

Hon. Mr. FOWLER: Who is going to judge?

Hon. Mr. DONNELLY: The fact that his name is removed is evidence that he is wholly incapable; but a man should not be listed who is wholly incapable. He should be given some opportunity, and not removed without some good reason. If the Minister gave a list of those he considered desirable to be submitted, it would not be so bad.

Hon. Mr. DANDURAND: I think if we relieved the Minister of Finance from his obligation in this matter he would be very happy, but it is a responsibility that is thrown on his shoulders. Since a list of accountants is to be posted from more than one association, the duty will devolve upon the Minister to make an inquiry as to the value of the names on those lists, so that the bank may pick out auditors from them. I do not suppose that the Minister has assumed this obligation with a light heart. I do not know how it has come to form part of the clause.

I see it there, but I can see that it is a protection for the public.

Hon. Mr. FOWLER: That is some more patronage.

Hon. Mr. DONNELLY: It is a protection to the public, but surely there is some way of getting at it. If the Minister would prepare the list of those who are eligible, and not merely black-list a certain number, that would still be a protection. The fact that an accountant's name is not included in that list could not be taken as a reasonable proof that he was a crook, or something of that kind. The Minister might make a certain list of those who are competent, but, as I read this section, the ones who are not admitted are practically undesirables, and you cast that reflection on them.

Hon. Mr. BELCOURT: But my honourable friend must bear in mind that the lists will be furnished to the Minister from different sources. He will publish those names, and within a year some one of those men may prove himself wholly incapable or worse. Surely there must be somebody to judge of this, and do away with those men.

Right Hon. Sir GEORGE E. FOSTER: But that is not contemplated here. The list is supplied to the Finance Minister by the 31st of July, and by the 30th of September he has to strike out those of whom he disapproves. There has been no test in the meantime as to the capability or honesty of anyone in actual practice. I think there is a good deal in what my honourable friend says—that it could be got at in a different way; for instance, in this way. A list of competent and tried men, who belong to the Association, is presented to the Minister; from that list he should choose a roster, and that would not throw any particular discredit upon anyone. This clause actually makes the Finance Minister disapprove of a man, and say to the whole country, "That man is not honest, that man is not capable." It is a harsh way of getting at it.

Hon. Mr. DANDURAND: But, as I read the clause a little more closely, I believe it is there for the purpose of clothing the Minister with the authority to strike out names of men who have been found too weak. It of men who have been found to weak. It is noth meant solely for the first operation, or the first list that will be brought in. Every year the Minister will have to revise the list, but I take for granted that he will do so if it is found that the work of that auditor or of those auditors has been below what he considers to be the standard.

Hon. Mr. DONNELLY: I appreciate that it is quite necessary for the Minister to have some discretion in the matter, but it is the method that I disapprove of. Under this section it is the duty of the Minister to publish the list with the names omitted of those whom he considers removed from the list, so practically they are black-listed. If the Minister would make a selection of names of those who were satisfactory to him, and submit it to the bank, that would get over the difficulty.

Right Hon. Sir GEORGE E. FOSTER: I want to impress on my honourable friend a point to which he has not given sufficient weight. He will notice that the list is to be provided of those who for at least six years have practised their profession in Canada, and who are members of the Institute, and those lists shall be given to the Minister not later than the 31st of July; then by the 30th of September next following the Minister is to strike out the incapables. He has had no time to test them in the actual practice of their work, so that this clause does not seem to be designed to give the Minister power, after those men have been at work, to remove them, if they prove incompetent or dishonest; but he actually does it before he has any chance of judging either of their honesty or their capability by their employment.

Hon. Mr. BELCOURT: I think one must read subsection 4 with the others in order thoroughly to understand the situation. By subsection 2 a list or lists of chartered accountants must be furnished to the Minister, and those lists are in by the end of June. By subsection 3 he may, not later than the 30th day of September, make a choice, and leave from such list the name of any person of whose name he may disapprove; then by subsection 4 he shall publish the list, and the persons included in such published list shall be deemed qualified for appointment as auditors of a bank. So that before any publication at all the selection is made by the Minister of the gentlemen whose names are to appear in the list. It is therefore not a case of removing the name of someone who is already on the list, but rather of the Minister making a choice before any printing is done; so that there is no condemning of a man at all, because his name has not been published.

Hon. Mr. DONNELLY: But the honourable member will appreciate the fact that there is a very limited number of chartered accountants in this country.

Hon. Mr. DANDURAND: No, there are several institutes, and I have seen delegations of accountants who do not belong to the Federal Chartered Accountants, and who insisted on being put on an equal footing with them.

Hon. Mr. DONNELLY: But the fact that this list is published by the Minister is the objectionable part of it to me.

Hon. Mr. BELCOURT: My honourable friend is wrong there. Nobody's name is going to be removed from the list that has been already published. The lists are sent to the Minister, he makes a choice, and then he publishes only the names of those he approves of.

Hon. Mr. DONNELLY: Why not draft the section in such a way that the Minister will make a selection and publish his selection?

Hon. Mr. BELCOURT: So it is.

Hon. Mr. DANDURAND: I have a vague recollection that when this clause was being drafted in committee the question was pressed on the Minister whether he would include in that list the auditors of such an institution as had failed, so that he had to agree to declare that certain names would probably not appear, and in consequence of that he took this power.

Hon. Mr. FOWLER: I suggest that subsection 3 should read:

3. The Minister may, not later than the thirtieth day of September next following, select the name of any person of whose appointment be approves, etc.

Then you are selecting; you are not rejecting anyone.

Hon. Mr. DANDURAND: That is a better form.

Hon. Mr. ROCHE: A more important matter than the rejection of a number of chartered accountants is that of defining the duties of an auditor, and what he is supposed to declare and prove by his inspection. The opinion of the shareholders and of the public now is that the certificate of auditors means that they have examined all the accounts, moneys and business of the bank, when they have merely examined the accounts put before them, and have added them up correctly. In the Merchants' Bank case the question was whether the auditors included everything in their report when they certified that they had verified what had been put before them. They really make no inquiry into the assets, and know nothing about the reliability of the assets, and the whole thing was merely a superficial account put down without any real inspection.

Hon. Mr. DANDURAND: Honourable gentlemen, we have done a good day's work, and I will take into consideration the suggestion made by my honourable friend, and the later suggestion of the honourable gentleman from Sussex to change the verb into a more agreeable one; so I will ask that the Committee rise and report progress and ask leave to sit again to-morrow.

Progress was reported.

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

THE SENATE

Friday, June 22, 1923.

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

Prayers and routine proceedings.

YUKON BILL

FIRST READING

Bill 44, an Act to amend the Yukon Act—Hon. Mr. Green.

LAKE OF THE WOODS BILL

FIRST READING

Bill 175, an Act to repeal the Lake of the Woods Regulation Act, 1921.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: With the leave of the House, I would move that the Rules be suspended and that this Bill be read a second time on Monday next.

Hon. Sir JAMES LOUGHEED: If there is no particular hurry to pass this Bill before the end of the Session, there is no reason why it should not go through the usual routine. As my honourable friend knows, this is a Bill that has received very special attention and met very strong opposition on two former occasions in this Chamber, and, while we are anxious to accelerate legislation in every possible way, yet the measure should not be railroaded through, to say the least.

Hon. Mr. DANDURAND: I suggest that my honourable friend allow it to be put down for second reading on Monday next, but it will not likely be considered on Monday.

Hon. Sir JAMES LOUGHEED: I have no objection to its standing on the Order Paper for second reading, but my honourable friend will understand that we shall expect it to be deferred—

Hon. Mr. DANDURAND: Until Tuesday?

Hon. Sir JAMES LOUGHEED: Yes, in the event of our not being able to proceed with it.

Hon. Mr. DANDURAND: And in the meantime, if my honourable friend has some minor amendment to suggest, he may give notice of it.

Hon. Mr. MURPHY: It will not be minor; it will be major.

Hon. Sir JAMES LOUGHEED: There is an event to happen on Monday which may really determine the fate of the Bill.

Hon. Mr. DANDURAND: I had not thought of that.

The motion was agreed to.

THREE RIVERS HARBOUR COMMISSIONERS BILL

FIRST READING

Bill 217, an Act respecting the Three Rivers Harbour Commissioners.—Hon. Mr. Dandurand.

CANADA SHIPPING BILL

FIRST READING

Bill 218, an Act to amend the Canada Shipping Act.—Hon. Mr. Dandurand.

FISHERIES BILL

FIRST READING

Bill 223, an Act to amend the Fisheries Act, 1914.—Hon. Mr. Dandurand.

INLAND REVENUE BILL

FIRST READING

Bill 225, an Act to amend the Inland Revenue Act.—Hon. Mr. Dandurand.

SENATE AND HOUSE OF COMMONS BILL

FIRST READING

Bill 232, an Act to amend the Senate and House of Commons Act.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND moved that the Bill be read a second time on Monday next.

Hon. Sir JAMES LOUGHEED: Has the Bill been printed and distributed?

Hon. Mr. DANDURAND: It will be by Monday.

Hon. Sir JAMES LOUGHEED: I would rather that my honourable friend allowed that Bill to take the ordinary course. There will be plenty of time for it.

Hon. Mr. DANDURAND: I am not so sure. If my honourable friend finds any special reason why we should not take it up on Monday, we can defer it until Tuesday.

The motion was agreed to.

SITTINGS OF THE SENATE

DISCUSSION

On the Orders of the Day:

Hon. Mr. DANDURAND: Honourable gentlemen, as we have a fairly full House, I would direct attention to the fact that I have given no notice for the next sitting of the House. Under the Rules, no notice having been given, the Senate will meet on Monday afternoon at 3 o'clock.

Hon. Mr. BENNETT: There will be a very slim House on Monday, as I expect the Ontario men will all be away; and unless it is absolutely necessary to sit on Monday, why not meet on Tuesday?

Hon. Mr. DANDURAND: I think we shall be sufficiently numerous to carry forward our work. There is a rumour about as to the probable date of the end of the Session. Of course, it will end when this Chamber has finished its business; but I think that we owe it to both Chambers of Parliament not to needlessly delay the work of this Chamber. We will carry on to the best of our ability, and if we find that the House is not sufficiently complete to make important decisions, we may adjourn to the evening.

Hon. Sir JAMES LOUGHEED: As the general elections for the Province of Ontario are to be held on Monday, and, as all the Ontario members will probably wish to absent themselves on that day for the purpose either of voting or of participating in the elections, and owing to what I might call the big club penalty coming into operation, no matter what a member's attendance may have been during the former part of the Session, may I suggest to my honourable friend that, instead of meeting on Monday, when there would be a very slim House, we should meet on Tuesday morning.

Hon. Mr. MURPHY: What is the matter with sitting to-morrow?

Hon. Sir JAMES LOUGHEED: We could meet on Tuesday morning, and we would certainly be able to catch up with any work we might not discharge on Monday. Furthermore, I think there should be quite sufficient time to dispose of the business before us. I know of nothing of a very contentious nature that is to come before us, and if prorogation does not take place until the end of the week, I feel sure that we will keep faith with the Commons.

Hon. Mr. DANDURAND: I will make this alternative suggestion as to the consideration of members losing a day. I believe this will be covered by the Act which is before us and which covers the present Session.

Hon. Sir JAMES LOUGHEED: But the Bill, if passed, will not come into operation until the Royal Assent be given to it, and consequently cannot be made applicable to this Session. It is not retroactive.

Hon. Mr. DANDURAND: Oh, yes. And if there is any matter that my honourable friend feels should be taken up on Tuesday, I will abide by his request.

Hon. Sir JAMES LOUGHEED: That of course presupposes that the Bill will go through in its present form. I know there is a sentiment among a substantial section of the Senate that the attendance during a specific time at the latter end of the Session should be made compulsory, and if that amendment should be added to the Bill, even though it be retroactive, it will not give redress.

Hon. Mr. DANDURAND: I think we can frame that amendment in such a way as to cover the future only.

Hon. Mr. FOWLER: I do not want this opportunity to go by without notifying the Senate that there will be very considerable opposition to any change in the Indemnity Bill. The Indemnity Act as it stands to-day is nearer perfection than it has ever been.

DIVORCE BILLS

SECOND AND THIRD READINGS

Bill D6, an Act for the relief of Herbert Hugh Keller.—Hon. Mr. Bennett.

Bill E6, an Act for the relief of Nellie May DeBlaquire.—Hon. Mr. Fowler.

BANK BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 83, an Act respecting Banks and Banking.—Hon. Mr. Dandurand.

Hon. Mr. Taylor in the Chair.

On section 56—shareholders' audit:

Hon. Mr. DANDURAND: Last night we were discussing the form of this clause. According to the Bill as we have it before us, the Minister is authorized to remove from such list the name of any person of whom he may disapprove. It was suggested that this would imply a damaging judgment passed upon the names removed from the list furnished the Minister, and I have this substitute amendment for subsection 3:

> The Minister may not later than the 30th day of September next following, select from such list or lists the persons, any one of whom shall be eligible to be appointed an auditor of a bank under this section. If the Minister does not make a selection as herein provided all the persons on the list or lists shall be eligible for appointment as auditors of a bank.

Then I have a substitute section for subsection 4:

> The Minister shall as soon thereafter in each year as may be convenient, cause to be inserted in two consecutive issues of the Canada Gazette a public notice containing the names and other particulars of persons so selected, or if no such selection has been made, then the names and other particulars of such persons included in such list or lists as furnished, and the persons included in such published notice shall be deemed to be qualified for appointment as auditors of a bank.

If this is deemed to be an improvement on the clause as framed, I will move it.

Right Hon. Sir GEORGE E. FOSTER: It is a distinct improvement.

Hon. Mr. DANDURAND: Then I move to substitute these two amendments.

Hon. Mr. FOWLER: I have a word to say on this, and I happen to know something of what I am going to talk about. I make the statement here that no audit is worth the paper it is written on as a protection.

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

Hon. Mr. FOWLER: It was my privilege at one time to defend a bank manager who was accused of having stolen $80,000 from the Bank of New Brunswick. He was the manager of a branch in the city of St. John. When the General Manager of the bank was on the stand I subjected him to a day and a half's cross-examination, in the course of which he made the statement that no bank audit was worth anything. The facts of that case were that the books of the branch had been audited on the 2nd of April, and a clean bill of health had been given the bank; but on the 5th of April, only three days afterwards, it was discovered by accident that there was a defalcation on the part of the

manager to the extent of $80,000. A bookkeeper who cannot outwit a chartered accountant is not worth the money that is paid to him for keeping books: There is something slack about him.

I had an experience as a member of a corporation. During the time the corporation ran, we had three audits. They were all favourable, and showed a very flourishing condition of the company. It was a lumber company. The last audit showed that we had made $14,000 clear on a capitalization of $75,000. Within three months of the time that audit was issued by a member of the Association of Chartered Accountants we went into liquidation, and we not only did not pay the general creditors anything, nor return anything to the stockholders; but three of us who were directors, and directors of the ordinary kind who do not know anything about the business they are directing, were obliged to pay a very considerable amount of money, nearly $50,000 on the guarantee to the bank for its account. We had three audits, as I say, all favourable, which shows how little you can depend upon an audit. We had also the sworn statement, which I cited to you, of the General Manager of the Bank of New Brunswick at that time.

Unless an auditor knows the value of the securities that the bank holds, how can he possibly tell whether the audit is correct or not, or whether the bank statement is correct? Here is a lot of securities put in at so much, say $4,000,000 or $5,000,000, but unless the auditor is able to value them what does his audit amount to? You might as well take the account of the bookkeeper. So I do not see how you can surround the audit with safeguards that make it of any real value whatever. The auditors would have to audit all the different branches. Here is a note of $3,000 in a branch bank; before the auditor can pass that as $3,000 he should know what the makers of the note are worth, and whether they are able to pay it when due, else it may be only useless paper; yet it is passed as $3,000 of good assets. I am not finding fault with the auditor, but I say it is absolutely impossible to make an audit which will be anything like perfect, or that can guarantee beyond peradventure the truth of the statement it gives forth.

Suppose it is a lumber business. The chartered accountant knows nothing about it, and if he is not able, when he sees a pile of lumber in the yard, to tell what it is worth in superficial feet, or what a lot of lumber in a stream will produce in superficial feet, how can the audit be any good? He must accept the statement of the bookkeeper or the estimate of the bank manager in each case as to the value of the things he is auditing. That seems so apparent when looked into that I do not see why we need worry ourselves over the kind of audit. I would leave it to the bank to make their own audit, without restriction, because it is their own audit and their own statement anyhow.

The proposed amendments of Hon. Mr. Dandurand were agreed to.

Hon. Mr. FOWLER: Of course it is understood, as my honourable friend stated at the beginning, that though these different sections pass, yet at any time while the Bill is in Committee amendments may be made to the sections.

Hon. Mr. DANDURAND: We may consider any.

Section 56 as amended was agreed to.

On section 56A—auditors' report to Minister:

Hon. Mr. FOWLER: I want to add another word in regard to that audit. If honourable gentlemen have any doubt regarding my statement as to the lack of value of an audit, they have only to refer to the words at the foot of an audit by which the auditors save themselves:

> This examination was made from the books and papers submitted to us.

And they do not guarantee any of them, thus protecting themselves from any comeback, because they recognize that their audit is absolutely worthless and only a fake.

Hon. Mr. DANDURAND: Of course, my honourable friend realized that the auditors' duties in the way of obtaining information have been considerably increased.

Subsection 10 of section 56 makes a very important addition. (Reading):

> Not only are they to report to the directors individually any transactions or conditions which are not satisfactory to them, but they are also to report to the General Manager and to the directors any loans exceeding 1 per cent of the paid-up capital of the bank which in their judgment are not adequately secured. The provisions of this section are intended to bring home to the individual directors any conditions in the bank which may require remedial action by them.

Then, under subsection 15, an auditor is not to undertake any other employment at the instance of a bank, but must give all his time, so as to be free from any influence to which he might be subjected by being employed by the bank for other purposes.

Hon. Mr. FOWLER: They are not usually employed by the bank, unless they are using their own clerks.

Section 56A, 57 and 58 were agreed to.

On section 59—dividend limited unless there is a certain reserve:

Hon. Mr. DANDURAND: Subsection 2 is new.

Hon. Mr. FOWLER: Suppose that one of the directors does not know anything about this prohibition and accepts this division of profits, will he hold the money that he gets? It might be that a director who has not been doing a great deal of directing would get a cheque for his dividend; yet it could not be said that he knowingly and wilfully accepted it. Would he have to pay it back?

Hon. Mr. DANDURAND: No, because the expressions are:

The directors who knowingly and wilfully concur in any division of profits.

Hon. Mr. FOWLER: Then should you not put a further penalty on those who knowingly and wilfully concur, and make them responsible for the man who innocently and ignorantly accepted the dividend?

Hon. Mr. DANDURAND: The answer is in the affirmative. It is only those who knowingly and wilfully do it who are jointly and severally liable for the amount so divided.

Hon. Mr. FOWLER: For the whole amount?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. POPE: Perhaps there is no better clause under which we could consider dividends than this one. Eight per cent seems to be the amount that is chosen, and any outsider reading this section of the Act would imagine that Parliament disapproved of banks paying over 8 per cent under certain conditions, as mentioned here, but generally speaking it approves of their making 8 per cent. Now, I know of no reason why they should pay 8 per cent or 10 per cent or 5 per cent unless the business of Canada can stand that pressure. If the earning power of the banks is so great that it has to depress the business of this country, I think some consideration should be given in this Act to the people of Canada. While I am perfectly willing that the banks should have an Act under which they operate, there ought to be a place in the Act to consider the welfare and prosperity of this country as well as that of the banks.

In a newspaper I noticed that in Montreal yesterday some sales of bank stock ran to $270 on the market. I do not know of any reason why any Act of this Parliament should give those institutions the right to increase the drafts made upon the receipts of this country to such an extent as to make their stock worth $270. It is not the most excellent management, because I notice that one of those banks would not have had $270 for its stock if it had not been for a vote of some $40,000,000 by Parliament some two years ago.

In discussing this question we should remember, as I said last evening, that in doing the banking of Canada the banks represent the Government of Canada; they are a substitute for the Government; and I tell you that a Government would not last a moment which sucked up our money and earned 8, 10, 12, 15, 20, and even 25 per cent, as some of the banks do. The Government have an opportunity now of placing a check on the extraordinary earning power of those institutions, which get their profits from the business of the country and from the common people, and they should begin to reduce the interest which they charge people who borrow from them. I should not have to pay 7 per cent or 8 per cent on money; I should get it at 6 per cent or 5 per cent; and if the earning power of the banks were properly limited as to the amount they were allowed to take out of us and declare in dividends, we would be getting our money in this country at a reasonable rate. Instead of that, there is no limit fixed.

I appreciate the remarks made in reference to auditors, but I do not agree with the honourable member (Hon. Mr. Fowler) that the audit does not make much difference. There was a sentiment created by the failure of the Merchants' Bank, and this clause in reference to dividends has grown out of that. However, that has nothing to do with the subject I have under discussion.

At one time we had in the province of Quebec a bank known as the Quebec bank, which lasted 90 odd years. It never had to go to New York to lend call money; it found a place for its money and earned a reasonable dividend. Its stock never went above $130 or thereabouts, which was quite high enough; and when it got more money from the people in its reserve fund, it opened branches in different parts of Canada and gave the whole people of Canada the benefit of its earning power out of ordinary interest. The stock of that bank never soared around $250, and I do not believe that the stock of any bank in Canada that did its work in the interest of the people of this country ever did so. It did not take our money and put it on call in New York to the extent of $150,-

000,000 or $200,000,000 and then send our people down there to work and earn dividends on it; yet we call that a righteous law for the people of Canada. I say it is not; it is wrong. You may pass it, but, mark my words, you are making the last Act that ever will be made with these terms in it. Do not make any mistake: you are doing an injury to this country and retarding its progress. Why, we have hundreds and thousands of people trying to struggle not alone under the interest they have to pay, but the penalties they must pay to get money in this country, and they turn to labour rather than investment; and when those people turn to labour they turn to salaries, and they emigrate to the United States of America, because of the system under which we are operating. People every day are being driven from the Dominion of Canada to the United States of America by our system of banking. They are closing the farms in my part of this country and in yours, nailing up the doors and going away, because they cannot stand the pressure of the interest they have to pay and the ill-treatment which is given them. They cannot obtain money under right conditions, yet, while we pay 8, 10 and 12 per cent, this House unanimously passes an Act to tolerate the right of the banks of this country to rob us of the last possible dollar that they can take out of us and stay out of penitentiary.

On section 60—cash reserves in Dominion notes; supply of Dominion notes; redemption:

Hon. Mr. FOWLER: I would like to ask the honourable Minister why the reserve is fixed at 40 per cent.

Hon. Mr. WILLOUGHBY: The draftsmanship in this section is poor. It says:

> The Bank shall hold in Dominion notes not less than forty per cent of the cash reserves which it has in Canada.

Doubtless what it means is, "Shall hold in Canada not less than forty per cent of the cash reserves which it has." It is very ambiguous.

Hon. Sir JAMES LOUGHEED: I do not know.

Hon. Mr. DANDURAND: There is no alteration.

Hon. Mr. WILLOUGHBY: Quite true, but it is poor draftsmanship none the less.

Hon. Mr. DANDURAND: All that my attention was called to was the slight amendment which is made to that clause. (Reading):

> In the former measure the places at which the Minister had made arrangements for insuring the delivery of Dominion Notes to a bank were specifically named. It was deemed desirable to substitute for the specific naming of places at which such deliveries can be made the more general language provided in the amendment.

Hon. Sir JAMES LOUGHEED: I think this is right as it is. The only security the Government has for the notes is the cash reserves in Canada. If any of the cash reserves are in a foreign country they would not be available as a security for the Dominion notes it seems to me.

Hon. Mr. WILLOUGHBY: All that I am suggesting is that it should read, "shall hold in Canada."

Hon. Sir JAMES LOUGHEED: Is not that what it says?

Hon. Mr. WILLOUGHBY: No, I do not think so. It is bad English in any event.

Hon. Mr. BELCOURT: Why cannot the bank hold reserves outside of Canada? They would be more difficult to be got at.

Hon. Sir JAMES LOUGHEED: The difficulty is that the reserve might have been alienated or might have disappeared. I suppose it is ascertainable and available if in Canada, but it is not so if it is not in Canada.

Hon. Mr. BELCOURT: If a bank can, by having its reserves out of Canada, put them beyond the reach of the Government or parties interested, surely that is a very serious situation. It could thus practically do away with the guarantee that the reserve creates.

Hon. Sir JAMES LOUGHEED: Precisely.

Hon. Mr. BELCOURT: All it would have to do would be to send its reserve to New York, for instance.

Hon. Sir JAMES LOUGHEED: Is not that the reason why it is protected in this way?

Hon. Mr. BELCOURT: I think some means ought to be adopted to prevent a bank having its reserve in a foreign country.

Right Hon. Sir GEORGE E. FOSTER: To the amount that it had outside, it could get less Dominion notes. This provision simply regulates the quantity of Dominion notes.

Hon. Sir JAMES LOUGHEED: It is an inducement to hold them in Canada.

Hon. Mr. FOWLER: I have not had an answer to my question. Why does the clause speak arbtrarily of 40 per cent?

Hon. Mr. DANDURAND: I am not in a position to furnish my honourable friend with an answer at present, but I will endeavour to do so later.

Hon. Mr. POPE: Does this refer to the ordinary reserve that is mentioned in the statement of every bank? Take for intance the Bank of Commerce: its capital stock is $15,000,000 and its reserve fund $15,000,000. Is that the kind of reserve fund that is referred to?

Hon. Mr. DANDURAND: No. I assume that my honourable friend has in mind the accumulated surplus.

Hon. Mr. FOWLER: What do you mean by "cash reserves?"

Hon. Mr. DANDURAND: I think I shall find it in the interpretation clause. The cash reserves mean the coin and the Dominion notes in the possession of the bank.

Hon. Mr. POPE: Does that 40 per cent refer to a portion of the reserve fund that is included in every bank statement and is represented by securities with the Government?

Hon. Mr. DANDURAND (reading):

The Bank shall hold in Dominion notes not less than forty per cent of the cash reserves which it has in Canada.

Hon. Mr. POPE: Then do you say that the Canadian Bank of Commerce, which has a reserve of $15,000,000, must hold 40 per cent of that in Dominion notes?

Hon. Mr. DANDURAND: No.

Hon. Mr. POPE: The clause has nothing to do with that? That is what I am trying to find out. Then the reserves are so much more than the $15,000,000.

Hon. Mr. THIBAUDEAU: The reserve fund is simply the undivided profits.

Hon. Mr. POPE: Forty per cent, or $6,000,000, is undivided profits?

Hon. Mr. THIBAUDEAU: I understand that the reserves referred to in this clause are simply to meet the issue of notes of the bank. If there is a run on the bank they cannot pay up in their own notes; they have to have Dominion notes to meet that.

Hon. Mr. POPE: Do you mean to tell me that when you start a bank with a capital of $1,000,000, you take that capital and place it with the Dominion Government as security? Is that what this refers to?

Hon. Mr. THIBAUDEAU: No; but in the event of a run on the bank it must have Dominion bills to pay out.

Hon. Mr. FOWLER: What do they pay for those?

Hon. Mr. POPE: Do they pay anything for them? I am still confused. I have never discovered any way in which a bank got any money, whether a reserve or not, except out of the people of this country. Why should the banks be allowed to take the money that is doing the business of this country? It is not the shareholders of the banks who are doing the business; it is the depositors.

Hon. Mr. MITCHELL: There must be a reserve on hand.

Hon. Mr. POPE: They make the reserve out of us too; they make it out of the people's money that is put in there. Yet here we are abashed even at anything being said against the greatest combination that ever existed on the face of God's earth since Adam owned the world. We have in this country seventeen banks, but that number could be reduced by amalgamation. There are two or three, not far from Montreal, that would disappear overnight. They could be gobbled up, and they would be but for the fear of public opinion. So they are tailing them up, as in the old days we used to tail up the cows, feeding them on brush when hay was scarce. It is no secret—it is a well-known fact that when a bank is gobbled up some people will suffer and some will gain; and it is the public that will suffer.

You go into any of the banks and make a deposit of $100, and the bank manager turns around and lends it out. It is not his capital or his reserve; it is your money. He lends it at 7, 8, 9, or 10 per cent interest—whatever he can get.

Hon. Mr. BRADBURY: And gives you 3 per cent.

Hon. Mr. POPE: And gives you 3 per cent. Talk about a combination of public thieves: I do not know of anything that surpasses this wonderful institution known as the Bankers' Association in this Dominion of Canada in which I live. There are 17 banks with 10 or 12 directors apiece. There is a combination of a couple of hundred men who conduct the whole financial business of this country, far and wide. They set up 8 or 10 of their selected specimens, and by these representatives you and I are told what we shall do when we shall do it, and how we shall do it. You have to be a most agree-

able person when you go into the bank, for you have to deal with a bank manager who is so valuable that they pay him $1,500 or $1,600 a year to know everything. He is in an agricultural community, but he would not know a cow from a jackass. He knows nothing about the credit of the people to whom he lends money. He is as foreign to his surroundings or to the industry by which the people in the community gain their livelihood as any human being could possibly be.

Hon. Mr. MURPHY: He is taken from a place in Ontario and sent to the Maritime Provinces.

Hon. Mr. POPE: As was mentioned last night, the only schooling he has is what he received under one of those poor people whose opportunity to learn was extremely limited. He left school at an early age and went into the bank, and he cannot go beyond the training he received. He plays a little game of ball or croquet, or whatever it may be, in the village with the girls. He dances in the evening. He is a very nice little fellow. He is being trained so that he may tell you and me what we shall do in our business, and how we shall do it. Yet we are asked to have the highest possible regard for this banking institution and to give it the power of creating a reserve that is greater than the capital it started with. We are expected to provide the reserve that the Dominion Government may demand of the bank. We are expected to pay the dividends, to such an extent that their stock goes up to 200 and 270 per cent. And then the wonder is why we are not an absolutely happy and prosperous people, and why the population of the Dominion of Canada remains almost stagnant. They cannot understand—of course they cannot—those poor little fellows who never saw outside of the municipality in which they were born and the place to which they happen to have been transferred. They become so unpopular that once in a while they have to be moved, and somebody has to be put in their place; and when the other fellow comes, you discover, as a rule, in about the first week, that he is a little smaller than the one that went away, because he has been trained under a narrower mind, if possible, than the first fellow. Men of that kind are the basis of our finance in Canada. This is not a long-drawn bow at all.

What position or credit has a farmer? I have land and can mortgage it. Thank God, I do not have to deal with the bank for that, because it would crucify me. I have no credit, though I have $5,000 worth of cattle roaming on the place. I remember that two years ago, when we had that short crop, the banks issued a proclamation to all the farmers of Canada, like a proclamation from the Pope of Rome. They announced that they sympathized with the farmers because of their short crops, and all that, and they extended the invitation, "Please come in." Yes, "Come in." The farmer did not get in. The farmer has no status whatever with the banks. If he wants to get a dollar out of a bank he has to go and get all his neighbours to sign a note with him; then he has to get down on his knees before this miniature banker and ask him to be kind enough to open up the heart of the institution which he represents and bleed it to the extent of $200 or $300. You say to the banker, "I will pay you in four months," and he tells you: "No; I cannot give your four months: our institution does not give credit over three months." "Well, how about a renewal?" you ask. And the answer is: "Of course, we have no money to lend; our busines is not to lend money in this community where we live; our business is to take your money from this community and ship it away—

Hon. Mr. MURPHY: To Wall Street.

Hon. Mr. POPE: "—ship it to big centres, or put it on call down in the United States." I remember that in 1907 we hollered down in the United States, and the people there were all deaf and never heard a word. There was no response from the great United States. We were supposed to be suffering from hard times just about then, because this call money could not be got. I am told—I do not know whether it is true or not—that this call money is one of the essential features of the banking system. It is a sort of reserve. They can get it at any time. Then I propose that we have a Federal Bank established, and that we take their money and give them only 4 or 5 per cent for it—that is enough—and when they want it they may have it. Let us keep it in Canada, and keep in Canada the people who earn the money and who ought to have the use of it. I think that is a sane proposal. I cannot understand why this matter of renewing the charters of the banks, which comes up in Parliament every ten years, does not arouse more interest in the minds of honourable members who know ten times more about the matter than I do and who are capable of giving us wise advice upon the question and affording relief to the people of this country. Why are such honourable members dumb? Why should the Government or any political party become paralyzed because 17 banks come to Parliament and demand something—something that they should not have. Whether

they should have it or whether they should not makes no difference. Why should Parliament be paralyzed because of an application from 17 banks for the renewal of their charters? I hope that before the Bill leaves this House I may be agreeably surprised to see honourable members take part in the discussion of this question in the interest of the people of Canada. If we have to set this banking system back again, if we renew the charters for only twelve months, until we have time to consider smaller units, it will not hurt anybody. I quite appreciate that the time I am taking to discuss this question is wasted, but I think it is my duty to discuss it, and that I owe it to myself and the people who sent me here to do so. You talk about these reserves. They are nothing but money sucked from the people of Canada.

Hon. Mr. FOWLER: Has the honourable gentleman got the information asked for as to why this was fixed at 40 per cent?

Hon. Mr. DANDURAND: It is just arbitrarily fixed. It could as well be 35 per cent or 45 per cent.

Hon. Mr. ROCHE: I would like to say a word on the broad statement that has been made by the honourable gentleman from Compton (Hon. Mr. Pope), because I think that perhaps unwittingly he has misled the Senate on some points. In the first place, he speaks about the large dividends that stockholders have received. The percentage of dividends is calculated upon the stock's par of $100. Many stockholders have purchased their shares in the Royal Bank at 221, in the Bank of Montreal at 247, and in other banks at proportionately high figures, in consequence of which they do not get 12 per cent on their investment, but very little over 6 per cent. People will not invest their money in bank stocks at 6 per cent with double liability when they can get 6 per cent on mortgages.

Hon. Mr. MURPHY: I do not wish to interrupt, but what about the reserves piled up every year? Are not the shareholders more than protected on the double liability?

Hon. Mr. ROCHE: I am going to explain that to my honourable friend, who is quite scientific on finance and other subjects. In the first place, this money is taken in generally from the public. The public are given 3 per cent—perhaps they ought to get more—upon the funds which they contribute, a part of which is reserve. I do not know what is included in the cash reserve; but a bank is required to hold 40 per cent of its reserve in legal tender. If they take 40 per cent out of the cash reserve and pay 3 per cent on that—they get no interest from the Government on the legal tender—the amount they receive is not as great as it is represented to be.

Section 60 was agreed to.

On section 61—issue and circulation of notes:

Hon. Mr. ROCHE: What notes can they issue according to the capital?

The Hon. the CHAIRMAN (reading):

The bank may issue and re-issue its notes payable to bearer on demand and intended for circulation: Provided that—

(a) the bank shall not, during any period of suspension of payment of its liabilities, issue or re-issue any of its notes; and

(b) if, after any such suspension, the bank resumes business without the consent in writing of the curator, hereinafter provided for, it shall not issue or re-issue any of its notes until authorized by the Treasury Board so to do.

Hon. Mr. GILLIS: Is there any possible way of obtaining information as to what amount of money the banks make out of notes that are destroyed and never redeemed?

Hon. Mr. DANDURAND: The banks are not authorized to take any advantage of the destruction of notes. They gain nothing by it.

Hon. Mr. MURPHY: Oh, yes, of those that are lost and burned they do.

Hon. Mr. FOWLER: Suppose there was a great conflagration and $1,000,000 of a bank's issue was burned. Do you mean to say that the people who lost this money would receive any remuneration from the bank? Not at all; and if the bank closes its doors and goes out of business, there is that much less to pay. When the Bank of Prince Edward Island went down there were a lot of its notes that never came back for redemption, because they had been destroyed. Take the Bank of Montreal, or any of the banks that have been running for many years; an enormous amount of their notes have been destroyed and lost.

Hon. Mr. DANDURAND: I am informed that the banks cannot get any credit for the notes that are lost.

Hon. Mr. FOWLER: That is capitalized.

Hon. Mr. DANDURAND: A bank being obliged to deposit dollar for dollar in gold, will only get back its gold when it returns the money. The gold is there; the money may be lost; but it is a liability of the bank.

Hon. Mr. MURPHY: Does the honourable gentleman mean to tell us that the banks deposit gold, dollar for dollar, for their issues?

Hon. Mr. DANDURAND: I am only speaking of Dominion notes.

Hon. Mr. MURPHY: We are talking of chartered bank notes.

Hon. Mr. ROCHE: I would like to have a word. Perhaps gentlemen do not understand the practice of the banks. Every bank note that is issued is registered in proper form, and if that bank note is returned for deposit and placed in a bank, when it becomes dirty the registry is cancelled and the bank note is burned. If notes which are registered have been burned or destroyed, the person who has suffered the loss can go to the bank, and if he be a reputable person his money will generally be returned.

Hon. Mr. MURPHY: He must have the numbers.

Hon. Mr. BRADBURY: And must give a bond.

Hon. Mr. ROCHE: That may be.

Hon. Mr. MURPHY: That is impossible.

Section 61 was agreed to.

Hon. Mr. FOWLER: Now I would ask the Minister, in view of the fact that nearly half the sections of the Bill have been passed or considered, that we conclude the consideration of this Bill for the day or take it up next week when we come back like giants refreshed.

Hon. Mr. DANDURAND: I will consent to this—and I think my honourable friend will meet me half way: we will continue up to 6 o'clock and will not meet this evening. I draw the attention of my honourable friend to the fact that this is the last Bill upon the Order Paper, and that there is still considerable work to be done upon it. We have only been working since 3 o'clock, and surely my honourable friend will not ask that we adjourn at half-past four.

Hon. Mr. FOWLER: I met in two committees this forenoon—and there are other duties that we have to perform—so I think we have worked pretty well. I am sorry that it is necessary for me to go, and I am sure the Minister will be sorry too.

Hno. Mr. DANDURAND: I have already promised my honourable friend that he may revert to any clause.

Hon. Mr. FOWLER: Well, that is all right.

Sections 62 and 63 were agreed to.

On section 64—bank circulation redemption fund continued:

Hon. Mr. POPE: May I ask what that circulation fund is?

Hon. Mr. DANDURAND: This is a fund to protect the circulation of a bank that would be unable to redeem its own issue of notes.

Hon. Mr. POPE: In case of failure?

Hon. Mr. DANDURAND: Yes.

Section 64 was agreed to.

Sections 65 to 75, both inclusive, were agreed to.

On section 76—business and powers of bank:

Hon. Mr. WILLOUGHBY: Honourable gentlemen, for two or three months I have intended to engage the attention of the Senate on the question of rural credits, which to some extent is connected with this section. The matter received considerable attention in another Chamber, and in two Committees. I intended to deal with this at an earlier stage of the Session, but as it is drawing to a close I will only deal briefly with the matter.

I quite recognize that the Bank Act of Canada, founded largely as it is on the banking principles of Scotland, although immediately introduced to us from the United States, is primarily designed for commercial undertakings, and has not the elasticity in its workings to satisfactorily perform at all times, though with the best intentions, the functions of agriclutural credit. The reason is that agricultural credit is now too short, and in many cases it is useless for the farmer. A bank will lend money for three months, and if everything is going on well they will renew a note for another three months, and perhaps for a further three months at the expiration of that term; yet, although the farmer may be absolutely solvent, the banker has it in his power absolutely to say, "I will not renew your note," and everyone familiar with banking knows perfectly well that if a man's own banker refuses to give him credit no other bank is likely to give him a loan. I think there is a function that can be performed by the banks, with an extension of the powers they now possess, towards agricultural credit; or a new system will have to be devised supplementary to the present banking system.

The United States has progressed very much further than we have in aiding the farmer. Notwithstanding the fact that that country is far richer per capita than we are, and has a very much larger liquid and floating capital available for the purposes of commerce and

agriculture, yet in the last session of Congress, Bills were passed intended primarily for the aid of agriculture.

Before dealing with that, let us look at what they did in regard to farm loans. We have a great number of companies in Canada making farm loans, and in addition we have insurance companies and other corporations investing their surplus money in farm and other loans, and many old country companies also are represented here, and I think on the whole they have been trying to do a very good work. I have no stones to throw at them. I have seen their operation in the West. The only objection I have at all is that the rates of interest by the loan and insurance companies of Canada are too high for agricultural purposes.

Hon. Mr. MURPHY: What are the rates?

Hon. Mr. WILLOUGHBY: The current rate in Saskatchewan for many years has been 8 per cent, and never less except in very isolated cases with choice loans of considerable amount.

Hon. Mr. BELCOURT: Is that charged by the banks?

Hon. Mr. WILLOUGHBY: No, by the loan companies.

Hon. Mr. MURPHY: Is that much higher than the rate on commercial loans?

Hon. Mr. WILLOUGHBY: Commercial loans to traders in good standing are, to my knowledge, given at 7 per cent. I am not saying that that rate is excessive. I think the majority of the loan companies in western Canada have not made excessive profits, and they have been handicapped by provincial legislation in nearly all the western provinces, which has rather interfered with their operations.

Hon. Mr. BELCOURT: What is the current rate charged by the banks to the farmers in my honourable friend's province?

Hon. Mr. WILLOUGHBY: The current rate that the bank charges to the farmer for his commercial accommodation varies from 8 to 10 per cent.

Hon. Mr. BELCOURT: Not less than 8 per cent?

Hon. Mr. WILLOUGHBY: I would not say less than 8 per cent. I have some illustrations of less than 8 per cent, but I think 8 per cent would be perhaps a pretty fair average, and if the loan is not paid at maturity the rate goes up a little bit or the borrower gets a little less. I have no objection to the man with the better credit getting a better rate, but I am saying that the rate of 8 per cent, which was the standard rate in the West, has been exceeded in the last one, two or three years in numerous cases when a land loan matured after its five-year period and had to be renewed. I know cases where the original loan was 8 per cent, but when it fell due and there was a paucity of money the farmer could not replace it elsewhere, and if he did he would have the expense of a new loan, and he had to pay $8\frac{1}{2}$, $8\frac{3}{4}$ and 9 per cent, and I have known cases of 10 per cent.

Hon. Mr. ROCHE: Would that be on endorsed notes?

Hon. Mr. WILLOUGHBY: No. purely on farm loans, taken at 40 per cent of appraised value. Loan companies sometimes lend up to 50 per cent on approved land, but I should say the average is from 35 to 40 per cent.

Now, notwithstanding the older settlement of the agricultural states, the United States have found it necessary to pass the Farm Loan Act, whereby the Federal Government furnishes money to carry on farm loans. That Act was passed in 1916.

Hon. Mr. BELCOURT: Does my honourable friend say that their source of supply of money is the Federal Reserve Bank?

Hon. Mr. WILLOUGHBY: Not the Federal Reserve Bank. There are 12 of those in the United States; they were formed for the purpose of assisting by re-discounting for state and national banks in the United States.

Hon. Mr. BELCOURT: Where do the farm banks get their money?

Hon. Mr. WILLOUGHBY: The Farm Loan banks are formed pursuant to the Farm Loan Act by the Federal Government, for the purpose of negotiating debentures and notes issued under the Farm Loan Act.

Hon. Mr. BELCOURT: They issue their own debentures, and then loan the proceeds to the Farm Loan bank?

Hon. Mr. WILLOUGHBY: Yes, they sell them in the markets of the world.

Hon. Mr. BELCOURT: And the proceeds of those sales are loaned to the farmers?

Hon. Mr. WILLOUGHBY: Yes.

Hon. Mr. BELCOURT: That is the German system.

Hon. Mr. WILLOUGHBY: Not quite the same.

Hon. Mr. MURPHY: The Federal guarantee is behind them?

Hon. Mr. WILLOUGHBY: Largely.

Hon. Mr. BELCOURT: They go on renewing those from year to year?

Hon. Mr. WILLOUGHBY: Yes; the farm loans are nearly all on the amortization principle.

Hon. Sir JAMES LOUGHEED: Where is the distinction between the United States law and many of the Provincial laws we have dealing with agricultural credit?

Hon. Mr. WILLOUGHBY: That is, where Provincial Governments organize Loan Boards of their own. There is one in Manitoba, we have one in Saskatchewan, and Ontario has one. In Saskatchewan the Government has established its Provincial Loan Board. It sold its debentures at 5 per cent. Moneys arising in that way they apply to agriculture, but, unfortunately, in Manitoba and Saskatchewan, and I think in Alberta too, they are met with a shortage of funds. There are hundreds of thousands of dollars of loans on application in Saskatchewan, but there is no money.

Hon. Sir JAMES LOUGHEED: Have not the losses in Manitoba been so excessive as to almost destroy the system which Manitoba started?

Hon. Mr. WILLOUGHBY: The report made by the Commission which examined into the Manitoba Loan Board was very critical and pessimistic, but that is due to the management of the Board and the constitution of the Board: it has nothing fundamental to do with loaning under proper security.

Hon. Mr. BELCOURT: Is that the reason why they have failed, and why in Germany and Austria the Raffeisen banks have been so successful?

Hon. Sir JAMES LOUGHEED: Is it not largely due to financial administration?

Hon. Mr. WILLOUGHBY: The Raffeisen system has been wonderfully successful.

Hon. Mr. BELCOURT: And they have loaned at on exceedingly low rate.

Hon. Mr. WILLOUGHBY: In 1912-13 the Province of Saskatchewan sent a Commission to Europe, in company with the Southern Chambers of Commerce of the United States, to look into the question of rural credits, and an Act was introduced to carry out the recommendations of the Commission. I happened to be in the Saskatchewan Legislature at the time, and that Act had one fatal weakness; each borrower among groups of 10 had to become personally answerable for the loan to the other 9. In a rapidly changing population nine farmers in any community would guarantee the other one, and vice versa, so the Act never came into operation at all, and it was replaced by the Act to which the honourable member for Calgary (Hon. Sir James Lougheed) refers.

Hon. Mr. BELCOURT: What success have those Farm Loan banks in the United States met with, and what have they been able to do in the way of lending at a low rate of interest?

Hon. Mr. WILLOUGHBY: The Farm Loan banks have been very successful. They are operated in connection with the Federal Reserve Bank, and subject to the most rigid supervision by independent Boards. The appointments on those Boards are alternately a member of the Republican party and a member of the Democratic party, in order to take away any question of partizan control.

Hon. Mr. BELCOURT: They are all run as private enterprises—not by the Government.

Hon. Mr. WILLOUGHBY: They are an agency of the Government.

Hon. Mr. BELCOURT: They are controlled by the Government?

Hon. Mr. WILLOUGHBY: Yes, because the Government agencies are instrumental in obtaining the money.

Hon. Mr. MURPHY: The Government guarantees the money.

Hon. Mr. BELCOURT: What rate of interest do they get?

Hon. Mr. WILLOUGHBY: The rate varies. I am going to startle the House when I suggest that the bonds be, as in the United States, free of income tax. In the United States, with its enormous financial resources, the debentures issued in connection with loans are absolutely free of income tax, and the moneys to be issued for this further scheme in connection with rural credits up to three years will also be free from income tax. The result is that those bonds find the most ready acceptance in the great money markets of the East, and the Farm Loan banks are able to lend their money at 5½ or 6 per cent.

Hon. Mr. MURPHY: Does the honourable gentleman mean to say that the wealthy men of the East who pick up those bonds and debentures are exempt from income tax on those bonds?

Hon. Mr. WILLOUGHBY: I do. and the benefit is reflected back to the people who borrow the money. In the last year or two it was found that the farmer required not only a cheaper system of borrowing money on real estate but a cheaper and more adequate way of getting money for current commercial operations. The result was that Congress last session passed a Bill consolidating three Bills, and creating bodies known as Federal Intermediate Credit Banks, 12 in number, of which the capital of each would extend to $5,000,000, which was supplied by the National Government of the United States, and with that bank there was provision for incorporation of a subsidiary body known as the National Agricultural Corporation, with a capitalization of $250,000. That organization was found to be necessary in the interest of commerce, because commercial banks could not and would not lend on long dates of credit. The scheme provided two forms and two periods of credit for agriculturists: one, a period of nine months for the orderly marketing of crops and for goods for which they gave warehouse certificates or collateral; and a period of thirty-six months, generally for the cattle-producing industry. These companies are therefore allowed to lend at a period of nine months or a period of thirty-six months in the case of cattle production.

Hon. Mr. MURPHY: Stock-breeding.

Hon. Mr. WILLOUGHBY: Anybody who is familiar with cattle knows that a period of three, six or nine months is absolutely useless to the breeder. He cannot hope to market his stock in that time, in the West in any event, because in the West cattle are not killed until they are two or three years old. No bank, unless the borrower has a credit that is unimpeachable, or unless he has good collateral, can get credit for three years for the purpose of producing live stock.

I say the United States has provided the machinery and the working capital to start this system of rural agricultural credits. There is, first, a subscription of $5,000,000 capital by each of twelve banks; that amounts to $60,000,000. Then the subsidiary organizations provide for the collection end, selling shares in their National Agricultural Credit Association, and by the sale of shares they get up to a capitalization of $250,000. That National Agricultural Credit Association, which is to a large extent co-operative, deals with the borrower. A borrower goes to the local Credit Association, and says: "I want a loan for 36 months in order to mature certain of my stock which I am going to grow and prepare for the market." The Board approve of his loan. They take his note, and they may take a chattel mortgage as collateral thereto. That comes first and is discounted by their bank, and then passed on for rediscount to the Federal Intermediate Credit Bank; and thereafter it can be passed on to the Federal Reserve Bank, if it is only for nine months. So machinery is provided which we have not in Canada, or we certainly do not use in Canada, for an extended period of credit such as the farmers want; and they get credit at rates of interest that we cannot get in this country.

I am not for one moment attacking the banks regarding rates of interest. I believe the banks of Canada, which I know something about, are a credit and are most stable, and they give us, as far as their limitations permit, a reasonably substantial service. But they are primarily instituted for commercial and not for agricultural operations. I think it is the duty of the Government, in the interim between now and next Session, either by a portion of its Cabinet or with the aid of what expert advice it can get outside, to study the question whether we cannot have in Canada, not necessarily the counterpart of the American legislation, but something on similar lines. The Federal Government of Australia and the States of that Commonwealth are years and miles ahead of us in agricultural legislation regarding the financing of the farmer. That question has been studied in South Africa, and I think they have taken steps which indicate that they are in advance of us. I believe that one of the needs of the farmer of the West is the right to obtain credit for a longer period and at a better rate, both on his land and on his chattel property. I think that the farmer cannot, except in very favoured agricultural localities and in very fortunate seasons, pay 8 per cent. I do not believe the loan companies, in charging 8 per cent, are oppressive or that the majority are making excessive profits. I have suggested one way: I do not know whether it pleases this House or not, but I am prepared to support it. My suggestion is that the Dominion Associations, or whatever they may be called, which are formed for the purpose of selling their debentures and procuring loans, be empowered to issue their debentures tax-free. Thousands and thousands

of municipalities of the United States have issued and are issuing tax-free certificates and debentures. I know that statement shocks many people, but it is a fact. That practice, I know, has been criticized, but they go on issuing none the less. Why do they do so? Because they are able to procure their money at a very much cheaper rate of interest; and what is wanted, not only in the West but by agriculture all over Canada, is a cheaper rate of interest.

Hon. Mr. MURPHY: Can the honourable gentleman tell us the American rates of interest on those tax-free bonds and debentures?

Hon. Mr. WILLOUGHBY: The debentures are selling commercially in the market at about 5 per cent. There is a market for them as for other debentures. A rate might be fixed which might bring more than par, or less than par. It simply depends on the market.

I do not think the farmer in Ontario or the older parts of Canada have suffered as much by high rates as we do in the West. Conditions in the older parts of Canada are more stable. The farmer himself in those parts is very close to his neighbour who is ready to lend at the rate of 6 or 7 per cent. I know that rates of interest in Ontario have advanced, but we in the West have not surplus cash enough to take care in our own province of the current loan necessities of the farmer, either for financing and developing his industry or by lending on the security of his property.

We are also handicapped, I think, by the present Dominion Act. As honourable gentlemen are aware, it provides that loans shall mature in five years. That provision was put in at the instance of the farmers, because in the old days some loans were made for twenty, thirty, or forty years at very high rates of interest and with no privilege of prepayment. It was really at the instance of the farmers themselves that a provision was made whereby the loan company should be obliged at the end of five years to take prepayment of the loan. I think that the amortization principle is the best principle for the farmer. We all know the principle; so I will not expatiate on it. Nearly all the Credit Associations in the United States that I have been dealing with in regard to loans to farmers not only give loans for periods up to forty years, but also allow the right of prepayment, at any time or after short notice. In our local Act in Saskatchewan the right of redemption or prepayment at any time, or at any time after short notice, is provided; but we have not in any of those provinces of the West enough current capital available for the purpose of financing either loans for production purposes alone or farm loans. We want the machinery of the Dominion Government, with its greater credit and its better borrowing at cheaper rates, to replace that of the Provincial Government; and I am perfectly satisfied that a system can be worked for the amelioration of agriculture in Western Canada without any risk at all on the part of the Dominion Government, because for every loan that would be made ample security would have to be taken.

I apologize for speaking at such length. I intended to take only two or three minutes.

Hon. Mr. MURPHY: Go on. It is very interesting.

Hon. Mr. WILLOUGHBY: No, I will not continue further, I have given a promise to the Chairman that I would not be long. I intend at the next Session, if the Government has not in the meantime done anything in the matter, to deal with the subject at some length.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I wish to suggest a short amendment to subsection 3 of this section, known as the Insurance Clause. When this was introduced into the House of Commons by Mr. Marler, one of the members for Montreal, it was confined to a prohibition upon the agent against doing any light, fire, or accident business, but by some means or other a clause has been inserted to cover all classes of insurance. There is a bank in Weyburn, Saskatchewan—

Hon. Mr. WILLOUGHBY: The Weyburn Security Bank.

Hon. Sir JAMES LOUGHEED: —which approaches the agricultural bank probably more closely than any other bank in Canada, and, as I understand, performs a great service for the farmers of that Province. Almost 50 per cent of its business consists of the commissions which it receives from its own managers or agents doing a hail insurance business. I understand their returns amount to forty odd thousand dollars, and of this amount twenty odd thousand would be made up in hail insurance commissions. I desire to have the clause amended to permit the agent or manager of the bank to do the business of hail insurance. As I understand, it was not in contemplation when the first amendment was moved by Mr. Marler in the House of Commons. I am therefore going to ask that subsection 3 be amended by adding after the word "any," in the eleventh line—

Hon. Mr. DANDURAND: Perhaps my honourable friend would move to replace the clause.

Hon. Sir JAMES LOUGHEED: I will do that. The clause would read as follows:

No agent or manager of any bank shall act as agent for any life, fire, or accident insurance company, or for any person in the placing of such insurance, nor shall any bank exercise pressure upon any borrower to place such insurance for the security of the bank in any particular insurance agency but nothing herein contained shall prevent such bank from requiring such insurance to be placed with an insurance company which it may approve.

Honourable gentlemen will observe that we simply omit the word "hail," so as to permit of a bank doing a hail business.

Hon. Mr. MURPHY: Would not that prohibit all kinds of insurance?

Hon. Sir JAMES LOUGHEED: No; because the prohibition is placed upon their doing "any life, fire or accident insurance." The latter part, providing that nothing shall prevent the bank from requiring the insurance to be placed with a company which it may approve, is only reasonable.

Hon. Mr. GORDON: Is that bank in the insurance business itself?

Hon. Sir JAMES LOUGHEED: No. Its agents or managers are authorized to act as agents for any hail insurance company, and they receive commissions for the business which they place. The commission is placed to the credit of the bank, and practically half of its profit is made up of commissions on hail insurance, because a very large business is done in hail insurance in that province.

Hon. Mr. MURPHY: Of course it has advanced money.

Hon. Mr. SCHAFFNER: There is a special provision regarding hail insurance?

Hon. Mr. LAIRD: I do not quite understand the reason the honourable gentleman gives for elininating hail insurance.

Hon. Sir JAMES LOUGHEED: What we do is simply to prohibit all banks from doing any business in life, fire, and accident insurance, and that would permit them to do a gives for eliminating hail insurance.

Hon. Mr. LAIRD: What is the argument in favour of allowing them to do a business in hail insurance?

Hon. Sir JAMES LOUGHEED: This amendment would of course apply to all banks. In this particular instance that I mention the bank has advanced more or less money to farmers and is interested in the crop. The risk against hail is very great; consequently hail insurance is negotiated and the policy is lodged with the bank as collateral security, practically, for the payment of the loan. The farmer has to depend upon his crop to pay the loan.

Hon. Mr. MURPHY: I would like to ask the honourable gentleman if this will not permit the bank to have a special claim on the hail business.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. MURPHY: Are there not insurance companies that take the hail risk?

Hon. Sir JAMES LOUGHEED: But the banks are not conducting a hail insurance business.

Hon. Mr. WILLOUGHBY: I know that violent objection is made against giving the bank that right which would be allowed by the proposed amendment.

Hon. Mr. MURPHY: I think it is a very dangerous thing.

Hon. Mr. WILLOUGHBY: In any event, if that right is given at all, it should apply only to insurance placed for borrowers from the Bank, because the agents have gone out and canvassed for the insurance like any insurance agent.

Hon. Sir JAMES LOUGHEED: I see no objection to limiting it to borrowers. I must say that I see no objection to the bank agent or manager in a rural district negotiating a hail insurance policy on behalf of a borrower from the bank, and making the proceeds payable to the bank as collateral for the loan which the borrower has negotiated. In fact, it must be done.

Hon. Mr. DANDURAND: Where is that Weyburn Bank doing its business?

Hon. Sir JAMES LOUGHEED: In Weyburn, Saskatchewan.

Hon. Mr. DANDURAND: Has it many branches?

Hon. Sir JAMES LOUGHEED: No, it is a small institution.

Hon. Mr. DANDURAND: I am just informed that it has seventeen branches.

Hon. Sir JAMES LOUGHEED: That is a small number in comparison with those of other banks.

Hon. Mr. MURPHY: I would point out that the proposal is dangerous, particularly in view of what this Bank Act is intended to cure. We let them crawl in under the sill,

so to speak. We had a marked instance of that in the Maritime Provinces, in connection with the lumber business. The manager of one of our chief banks—who, by the way, was a candidate in the last Federal election—ran an insurance business. He kept about a dozen clerks, and when anybody who had lumber and went to get a loan on it from the bank, this gentleman insisted upon the borrower insuring in his company. As a result, he had all borrowers by the throat all the time. This present clause would not have been put into the Bank Act only that the revulsion of feeling against that condition of affairs was so strong that it had to be put there. Now the honourable gentleman comes in with an amendment that gives a privilege to a certain bank which is said to have 17 branches. The proposed amendment does not mention "hail"; it specifies certain kinds of insurance at the beginning of the clause; and, to my mind, it is susceptible of different interpretations as I heard it read. You allow this bank, and incidentally all other banks, to do practically the very thing it was intended to prevent. I think the amendment is vicious, and is subversive of the whole clause.

Hon. Sir JAMES LOUGHEED: The case which my honourable friend has pointed out is, it seems to me, subject to very sound criticism, namely, that of a bank manager carrying on an insurance business. This amendment does not contemplate anything of that kind. It simply permits a bank agent or bank manager to negotiate a policy with a hail insurance company.

Hon. Mr. MURPHY: You said the bank got half the premiums.

Hon. Sir JAMES LOUGHEED: No, I did not. Quite the contrary.

Hon. Mr. MURPHY: You said the bank got half.

Hon. Sir JAMES LOUGHEED: I said the profits of the bank are made up largely of those commissions which are by their own managers put to the credit of a particular fund in the bank. The manager or agent gets nothing out of it.

Hon. Mr. MURPHY: He gets only his salary?

Hon. Sir JAMES LOUGHEED: He gets only his salary, but that is part of his duty. I am told that out of $40,000 odd profits almost half is made up of those commissions on hail insurance. In the very nature of things this amendment would practically apply only to this particular bank, which is regarded as an agricultural bank. It is a bank that does an exceptional business amongst the agricultural community of that province.

Hon. Mr. MURPHY: Do you think it is right to make this exception?

Hon. Sir JAMES LOUGHEED: We make no exceptions. We prohibit all bank managers from engaging in fire, life or accident insurance. This would simply leave it open to them to do a business in hail insurance. I am unaware whether hail insurance is done upon any marked scale in the East; I think it is a class of business peculiar to the West. I shall move this amendment, and honourable gentlemen may consider it in the meantime. I am reluctant to obtrude in any way upon the judgment of the House.

Hon. Mr. BELCOURT: My honourable friend's amendment deals with life, fire, and accident insurance.

Hon. Sir JAMES LOUGHEED: It has been prepared very carefully.

Hon. Mr. BELCOURT: You speak of fire, life and accident insurance. Are there not some other branches of insurance outside of hail?

Right Hon. Sir GEORGE E. FOSTER: There is marine insurance.

Hon. Mr. BELCOURT: And burglary.

Hon. Sir JAMES LOUGHEED: I will put "marine" in.

Hon. Mr. BELCOURT: I was not thinking so much about marine insurance; but there is burglary insurance.

Hon. Sir JAMES LOUGHEED: Well, we will put that in.

Hon. Mr. MURPHY: And lumber insurance. A boom is liable to be carried away.

Hon. Mr. BELCOURT: I do not think my honourable friend's words are quite comprehensive enough.

Hon. Sir JAMES LOUGHEED: I would be very glad to change the amendment so as to confiine it purely to hail insurance.

Hon. Mr. SCHAFFNER: What object has the honourable gentleman in mind in permitting the bank manager to place hail insurance?

Hon. Sir JAMES LOUGHEED: This is a substantial part of the business of the bank, and from which it derives almost fifty per cent of its profits. The commissions arising out of the negotiation of hail insurance on the part of their agents afterwards return to the bank.

Hon. Mr. SCHAFFNER: Insurance to farmers who have borrowed money?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. SCHAFFNER: Only in those cases?

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. MURPHY: In other words, you are giving them special legislation, and a monopoly in that business. You say they must approve of it; and all they have to do is to say yes or no. There is no special reason why the Weyburn bank or any other should have special legislation.

Hon. Sir JAMES LOUGHEED: We will leave out the question of approval. That is well-established practice. The reason why the Weyburn bank would be justified in asking for this amendment is quite clear. Up to this time it has been allowable; the bank has built up a business through deriving a considerable profit from those commissions. Having built up a banking business upon this particular basis, combined with legitimate banking business, is there any reason why half this business should be wiped out by a revision at this time?

Right Hon. Sir GEORGE E. FOSTER: If it stands as it is, it will wipe out that business?

Hon. Sir JAMES LOUGHEED: Yes. The provision incorporated in the Bill now before us would wipe out approximately 50 per cent of the profits of the bank. It is not desirable that that should be done. It is not desirable that that, I will not say the solvency, but the solidity of the bank should be interfered with in this way unless it can be shown that this practice is vicious in principle.

Hon. Mr. MURPHY: It is vicious in principle.

Hon. Mr. DANDURAND: Is it a rural bank?

Hon. Sir JAMES LOUGHEED: Yes, it is a rural bank, and strictly confined to a rural business.

Hon. Mr. MURPHY: I hesitate to disagree with my honourable friend. If this were confined to the Weyburn bank, which is a farmers' bank, and if it were necessary to keep that bank in existence, it would not be so bad; but this amendment allows every bank to do it. You are vitiating a clause that does away with an anomaly that has worked a hardship in the past on borrowers from the different banks. This is a broad blanket amendment, giving every bank—the Royal Bank, the Bank of Montreal, the Bank of Nova Scotia, or the Bank of Commerce—the same privileges as the Weyburn Bank, and there is no special reason for that. Why should we put in a clause to make dividends for the Weyburn Bank, which you have insinuated can live without them.

Hon. Mr. SCHAFFNER: It is applicable to all banks?

Hon. Sir JAMES LOUGHEED: It would apply to all banks, but in the nature of events it would be confined to the Weyburn Bank.

Hon. Mr. SCHAFFNER: If it is applicable to all banks, why do we include hail and shut out fire and life insurance?

Hon. Mr. DANDURAND: The main part of insurance is life, fire and accident insurance. In times past branch bank managers have been in the habit of writing insurance.

Hon. Mr. MURPHY: Which was a very wrong thing.

Hon. Mr. DANDURAND: The banks of late years have made stringent prohibitions against bank managers writing insurance.

Hon. Mr. MURPHY: How late?

Hon. Mr. DANDURAND: I do not know exactly. I can give the information to my honourable friend at the next sitting. They have prohibited their branch managers from doing that work.

Hon. Mr. SCHAFFNER: Why?

Hon. Mr. DANDURAND: Because they would be apt to be a little more easy in granting discounts, and because it was felt that their minds should be exclusively devoted to the business and interests of the bank.

Hon. Sir JAMES LOUGHEED: The agents got the benefit of the commissions.

Hon. Mr. DANDURAND: Yes. I am ready to consider the amendment of my honourable friend if it is to help a rural bank in the West which does a business radiating throughout a fairly large district. I am told it has seventeen branches.

Hon. Mr. MURPHY: This takes in every bank.

Hon. Mr. DANDURAND: Yes, but if we declare that the banks shall not allow their managers to write life, fire and accident insurance, we are making a step forward in sanctioning the practice of the banks in general. I am ready to consider such a framing of the clause as will not hurt an institution that is serving the farmers of the West

Hon. Mr. SCHAFFNER: As far as it will help the Weyburn bank, I agree to it; but I think there is more than the honourable gentleman has stated in the banks asking their managers not to solicit insurance. There has been a great agitation in the West. The agents of insurance companies have objected to the managers of banks taking insurance, because it interferes with their business.

Hon. Mr. DONNELLY: If the banks by their own action have corrected an evil by issuing such orders as would prevent their managers doing business in insurance, why should we pass special legislation along the same line? If you go that far you might as well say that they shall not do any conveyancing or any other line of business. I think it is a matter between the banks and their managers. The Minister says that the banks by their own action have already corrected the evil. I do not think there is any necessity for this subsection.

Hon. Mr. LAIRD: I would not like to see this amendment pass without raising the most vigorous protest I can against any such idea. I venture to say that if we place such a provision as this upon the Statute Book, we will raise a hornet's nest about the ears of the Senate that we will not fail to hear from for a long time to come.

In the three Western Provinces there are probably 10,000 people who are dependent upon hail insurance for a large part of their livelihood. The hail insurance companies have a large organization in every Province, and are represented by agents in every community where there is a bank, and, I venture to say, in every community of importance, even where there is not a bank. There might be some reason for the amendment if it could be urged that it would be inconvenient for the banks to obtain hail insurance for loans made to farmers; but I do not hesitate to say that in every community where there is a branch bank there would be from three to ten hail insurance agents who are only too anxious to negotiate the insurance made payable to the banks.

I consider this amendment absolutely unnecessary; there has been no demand for it; it is wholly gratuitous. The Weyburn Security Bank, as we know is the smallest bank in Canada. I know the community in which it operates, and know where every one of its branches is situated; and I venture to say that in every place where it operates there are at least half-a-dozen insurance agents. So there is nothing in the argument that it is necessary for the banks to have this privilege. They can get all of that kind of service they desire at a moment's notice, and from men who make a living out of the business and who are experienced in it.

It is true that in the past bank managers have been in the habit of doing hail insurance on the side. When that practice came to the notice of the head offices, they put a quietus upon it as far as they could, because they considered that branch bank managers were prone to make advances on loans to farmers who would place hail insurance with them in order that they personally might get the commission. That is the reason why the head offices of the Canadian banks have prohibited their managers from becoming interested in any kind of insurance.

Hon. Mr. MURPHY: In so far as they can.

Hon. Mr. LAIRD: Yes. They have to a large extent eliminated the practice, but it still persists to a certain extent, which probably cannot be avoided, because the banks cannot control what their managers do privately on the side.

Knowing how many people are engaged in this industry, and how well organized and how well established it is, I would urge this House to hesitate before passing such an amendment as this. It might be but the thin edge of the wedge for allowing banks to do a general insurance business. The banks are not engaged in the insurance business. Why give them privileges in connection with hail insurance?

The argument is made that this is necessary in order that the banks may protect themselves in regard to collateral loans. They do not need to do the business themselves to get that protection, because, as I say, there are five or six agents in every community in which the banks operate who are prepared to give this service, and who are experts in the business.

Hon. Mr. GORDON: I think I could advance the very gravest reasons why this amendment should not carry, but I am not going to do so because of one statement that was made—that half the profits of the Weyburn Bank are derived from that source. In view of that fact, and in view of the amount of money which I understand that bank loans in the locality, I do not think it would be wise to cut it off from that revenue at the present time. I think that within a certain limited time it should be prohibited from allowing its managers to act in the insurance business. I am quite satisfied that the principle of allowing bank managers to act as life insurance agents is vicious.

Hon. Mr. DANDURAND: I suggest to my honourable friend that we suspend the clause.

Hon. Mr. WILLOUGHBY: Before that is done may I associate myself with my honourable friend from Regina (Hon. Mr. Laird), who has reflected my views exactly. The Bank of Weyburn is a very useful bank; I have nothing but good to say of it; but when it is said that it receives half its profits from this hail insurance business, it would be interesting to know whether or not it is a lender in connection with all the insurance placed. The agents, before they were prohibited by the banks themselves—

Hon. Sir JAMES LOUGHEED: They have not been prohibited yet.

Hon. Mr. WILLOUGHBY: It was the banks themselves, as a matter of discipline and good government, that saw fit to discontinue the practice; I do not say they were prohibited by the Act. I do not find any fault with it, because it was permissible by the law, but perhaps the agents of the Security Bank made a dead set to get all the insurance they could whether they were lenders to the insurers or not.

Hon. Mr. MURPHY: They had the right to do that.

Hon. Mr. WILLOUGHBY: They had the right, and I very much doubt the statement that they made the larger half of their profits from commissions where they were the lenders.

Hon. Sir JAMES LOUGHEED: I did not say that, because I have no information on that. I said I presumed that they would negotiate a hail insurance policy on any loan.

Hon. Mr. WILLOUGHBY: I am putting the other hypothesis. I do not think there were loans in a great many cases, because I know it is the practice of the other bank agents to go after hail insurance in the most lively fashion where they are not interested in the loan at all.

Hon. Mr. McLENNAN: I do not know anything about the Weyburn Bank except from hearing the representative give his evidence here, and from further inquiries which I made about the bank and its worth. Although it is the smallest of Canadian banks it seemed to me to be exercising a useful function in relation to dealing with rural people, and I thought the evidence of Mr. Powell showed that he had a great appreciation of the difficulties in the West, and a pretty sound method of dealing with them. If they have gone on till now with so considerable a proportion of their income, as the honourable leader says, it would work great hardship to cut them off.

Hon. Sir JAMES LOUGHEED: I know nothing about the Weyburn Bank except by reputation. I do not know any of the officers associated with it.

Hon. Mr. WILLOUGHBY: Its reputation is good.

Hon. Sir JAMES LOUGHEED: I know its reputation is good and this memorandum has been placed in my hands by a gentleman in no way interested in the Weyburn Bank. It appeals to me as an act of justice.

Hon. Mr. MURPHY: An act of charity.

Hon. Sir JAMES LOUGHEED: No, an act of justice and an act of sound reasoning. Those people have had the right to do this business up to the present time, and no Act of Parliament should come in to wipe out 50 per cent of business legitimately done by an institution which is recognized to be one contributing very largely to the progress and development of the section of country in which it operates. I will place this memorandum with the Chairman, and will ask for a reconsideration before the Bill passes.

Hon. Mr. BEIQUE: The objection came from the insurance agents.

Hon. Sir JAMES LOUGHEED: Yes.

Hon. Mr. BEIQUE: They claimed that the banks were using their influence to deprive them of a legitimate share of their business. It is only in that way that this amendment came to be inserted in the Bill as sent to us. I know that the banks answer that they were prohibiting their own managers or employees from acting as insurance agents. I am connected with a bank, and I konw that for 15 or 20 years it has been a written rule of the bank to prohibit all its managers from doing any business of that kind. The reason which has been given by the honourable gentleman from Calgary appeals to me as a matter of justice. He says that the rural bank has made it part of its business to deal with matters of that kind, and I think it has done a real service for the West. The insurance against hail should be extended as much as possible. It is a great protection for farmers, and the work that has been done by that bank was work for the general advantage of the West. As a matter of fairness, if that bank has built a profitable business in that line, is it proper

to deprive them of it because of complaints made in other quarters by insurance agents in general, and which were directed not against that kind of insurance, but against fire insurance?

Hon. Sir JAMES LOUGHEED: Fire, accident and life.

Hon. Mr. MURPHY: That argument appears very plausible; but I want to tell the honourable gentleman who has just spoken that, although the bank to which he may belong passes edicts in Montreal, they are often observed in the breach.

Hon. Mr. BEIQUE: Oh, no.

Hon. Mr. MURPHY: I do not know about your bank, but I do know of other banks It is a vicious principle for managers of banks to hold up men for insurance when they could make better terms otherwise. If there had been no vicious principle involved, we would not have found this clause in the Bill, but it was put in not only to cover a small bank, but to take in all banks, and allow them to do insurance business. One of the largest banks in the Maritime provinces had a manager who ran a big insurance company, and men who could place their insurance at a better rate had to take the insurance from him before they could get their loans.

We had evidence the other day before a Committee of this House, on the condition of transportation on the lakes, that men who formed subsidiary companies held up people who would come to ship their wheat, and required that they should give them the insurance, so that they would rake off 35 per cent, although those parties could get insurance from other companies, just as stable, at 25 per cent. I admit that the House of Commons would not have passed this clause unless it was convinced of its justice, and I submit that this Bill should not be vitiated by an amendment which would entirely destroy the effects of that clause. The members from the West have expressed themeselves very strongly on the local conditions, and their voice should be heard.

Hon. Mr. DANDURAND: Does my honourable friend suggest that we pass the first part of this clause, and leave subsection 3 in abeyance?

Hon. Sir JAMES LOUGHEED: Yes, and I will come back to it again.

Subsection 2 of section 76 was agreed to.

Subsection 3 of section 76 stands.

Sections 77 and 78 were agreed to.

On section 79—acquisition of real estate; return to Minister; particulars:

Hon. Mr. DANDURAND (reading):

The existing section provides for an annual return to the Minister showing in detail the fair market value of the bank's real and immoveable property. To this has been added, by the amendment, the requirement that if the property is in the name of a subsidiary corporation controlled by the bank the property of such corporation shall be returned as if the title to the property were in the bank itself.

Hon. Mr. POPE: On what basis is the value of that real estate obtained? Is it by the bank, or the Government? There is some reason for that real estate valuation being placed before the Minister, and I want to know on what basis it is fixed.

Hon. Mr. DANDURAND: It would be the fair market value of the property.

Hon. Mr. POPE: Placed by the bank themselves?

Hon. Mr. DANDURAND: As certified to by the officials of the bank.

Sections 79 to 83, inclusive, were agreed to.

On section 84—loans on standing timber:

Hon. Mr. DANDURAND (reading):

This section deals with loans on standing timber, and the amendment providing for the registration of the instrument, evidencing security upon standing timber, merely codifies what has been the practice heretofore.

Hon. Mr. BEIQUE: This clause may require some attention. I know that in the province of Quebec the sale of timber by license is provided for by provincial legislation, and a registration takes place, but it is mererly against the timber and does not affect the land itself. I doubt very much the propriety of saying that it is against the land. There should be an exception of provinces which have a system of registration. I have an impression that the system which prevails in Quebec prevails elsewhere. I would ask that section 84 stand.

Hon. Sir JAMES LOUGHEED: It is very doubtful whether we have authority to enforce a registration against land in any province by this Bill. I think that comes peculiarly within property and civil rights, and inasmuch as that registration system is a provincial system, I doubt very much our right to legislate along this particular line. Futhermore, it is difficult to say what is the distinction, because timber standing on the land is part of the realty, speaking generally. Then, again, in some provinces there is a distinction drawn between standing tim-

ber and the land itself, as, for instance, under leases issued by the Dominion Government for timber lands, where the lessees have no interest in the land whatsoever.

Hon. Mr. BELCOURT: I do not know that the clause is open to all the objection which my honourable friend from De Salaberry (Hon. Mr. Béique) makes. I think it provides the two kinds of security, not merely on licenses, which I take to mean Government licenses, but on standing timber on private property.

Hon. Sir JAMES LOUGHEED: Yes, it would, but the title to the timber may be in one holder, and the title to the land may be in another; that is the difficulty I see.

Hon. Mr. BELCOURT: And the title to both may still be in one individual. You have to distinguish there between lands which have already been granted, and lands on which only a timber license is given.

Hon. Mr. BEIQUE: But I take it that in every province no mortgage can be taken on lands unless it is registered, so that I think what is intended to be covered is the license.

Hon. Mr. BELCOURT: It may operate more generally in regard to licenses, but its operation can, and certainly will be wider than in regard to licenses which have already been passed by the Crown. If I have a piece of land on which is standing timber, I can go to a banker and ask for a loan, and there can be no objection to a mortgage being taken on that property. I think section 84 has its reason outside of merely government licenses to cut timber.

Hon. Mr. GORDON: All the provinces issue licenses, and those licenses are for the time being for the land as well as the timber.

Hon. Mr. DANDURAND: Sections 84 and 84A may stand. We may have to amend 84A to make it accord with the Bankruptcy Act. I move that the Committee rise and report progress and ask leave to sit again on Monday.

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

THE SENATE

Monday, June 25, 1923.

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

Prayers and routine proceedings.

Hon. Sir JAMES LOUGHEED.

COMPANIES BILL

FIRST READING

Bill 190, an Act to amend the Companies Act.—Hon. Mr. Dandurand.

INLAND WATER FREIGHT RATES BILL

FIRST READING

Bill 235, an Act with respect to Freight Rates for the Carriage of Grain by Lake and River Navigation.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: With the leave of the House I move that this Bill be placed on the Order Paper for the second reading to-morrow.

Hon. W. B. ROSS: This is a very important Bill, and one that we should know something about. I was going to suggest that we should give it a second reading to-day, and refer it to the Standing Committee on Railways, Telegraphs and Harbours, which would be able to deal with it to-morrow or the next day.

Hon. Mr. DANDURAND: What special reason is there for sending it to the Standing Committee, and not dealing with it in Committee of the Whole?

Hon. W. B. ROSS: It is very inconvenient to hear witnesses in Committee of the Whole. I do not think there were any witnesses called in the other House—there was the report of the Commission, of course—and we want to know something about the Bill and give those affected by it a chance to be heard in some way. You can hasten it by taking the second reading to-day and referring it to the Committee on Railways, Telegraphs and Harbours and asking them to deal with it expeditiously.

Hon. Mr. SHARPE: Is not all the evidence to be found in the Report? Anybody who wants to get the evidence can find it there.

Hon. W. B. ROSS: Not evidence with regard to this Bill; there was no Bill at the time of the inquiry.

Hon. Mr. SHARPE: The Bill is simply to regulate abuses that existed and that were brought to a head by the Commission.

Hon. W. B. ROSS: I understand that perfectly well; but does it do that, or does it go further? You will find men who say that it does not do what it purports to do. What I propose does not obstruct the Bill, and I should think the members of the House

would like to hear anyone who has anything to say.

Hon. Mr. MURPHY: Where are you going to get the witnessess?

Hon. W. B. ROSS: Oh, there are witnesses here.

Hon. Mr. BRADBURY: I think the suggestion of the honourable gentleman is a very good one. We ought to learn all we can about this Bill.

Hon. Mr. DANDURAND: I would have moved in a moment that we have morning sittings beginning to-morrow to expedite the business of the House. If we have a morning sitting at 11 and an afternoon sitting, when would the Committee deal with the Bill? Of course, under my motion, the Committee would be able to sit while the House was in session. I will agree to the proposal of the honourable gentleman; but there are in the Bill only a few general enactments dealing with public policy, upon which we are fairly au fait through the long public inquiry which took place and which has shown the existence of some glaring evils that should be cured. However, I have no objection to obtaining light from outside if it may help us to deal with the Bill.

Hon. Mr. BRADBURY: I would not urge this matter, only I understand that the Bill does not conform altogether to the Report.

Hon. Mr. DANDURAND: With the consent of the House I will move the second reading of the Bill.

Hon. Mr. SHARPE: I wish to protest against this Bill going to a Standing Committee at this stage of the Session. It is a very important Bill for Western Canada. After we obtained certain concessions from the railways last year, the shipping companies have undoubtedly taken everything from the farmers by the lake freight they charged. My opinion is that if you send this Bill to a Committee when we are so near the close of the Senate, they will delay it from time to time and it will not be reported at all. I think it is the biggest mistake in the world to have this matter referred to a Standing Committee.

Hon. Mr. DANDURAND: I would make this suggestion. Let us take the second reading. Then I will move that the Bill be committed to Committee of the Whole House to-morrow. If an amendment is moved, we can take the consensus of opinion of the Senate on the question. It can be dealt with summarily. I move the second reading of the Bill.

Hon. Mr. SHARPE: That is all right.

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

Hon. Mr. DANDURAND: I have the honour to move that this Bill be referred to Committee of the Whole House to-morrow.

Hon. W. B. ROSS: I beg to move in amendment that the Bill be referred to the Standing Committee on Railways, Telegraphs and Harbours, with the understanding that its report be not delayed beyond to-morrow.

Hon. Mr. SHARPE: That is all right. I will not object to that.

Hon. Mr. DANDURAND: That would allow them one sitting.

Hon. Mr. ROSS: The understanding is that the Bill must come in. I have no desire at all to obstruct it.

Hon. Mr. SHARPE: I am not blaming the honourable gentleman at all.

Hon. Mr. ROSS: The Committee could be called to meet to-morrow morning at 10 o'clock.

Hon. Mr. BELCOURT: Is it proper to tell a Committee that it may have only so much time to consider a Bill.

Hon. Mr. DANDURAND: It is not to consider the Bill: it is to hear the parties. It may then come back to Committee of the Whole.

Hon. Mr. BELCOURT: As the motion reads, it is simply that the Committee must make its report within a certain time.

Hon. Mr. DANDURAND: No, no.

Hon. Mr. BELCOURT: That is the way the motion reads.

Hon. Mr. ROSS: I said that that would be an understanding.

Hon. Mr. McMEANS: I would point out that there are several committees sitting at the present time. There is the Committee on Pensions, on which there are several honourable members. If this matter were referred to the Railway Committee, the result would be that two important Committees would be meeting at the same time and there would not be adequate representation at either. I think the proper course is to refer this Bill to Committee of the Whole House.

Hon. Mr. BRADBURY: Honourable gentlemen, a few moments ago I supported my honourable friend from Middleton in his

motion to have this Bill referred to a Standing Committee. I did so because I thought it necessary that we should know a little more about the matter. There should be no trouble in having the Committee sit to-night after the Senate rises. I understand another Committee is going to meet to-night. Why should not this Committee do likewise?

Hon. Mr. GILLIS: I do not understand the object of sending the Bill to a Standing Committee at this late date. Surely we ought to deal with it in Committee of the Whole House and have it threshed out there, where every honourable member may have a whack at it.

Hon. Mr. MURPHY: Question.

Hon. Mr. DANDURAND: I would suggest to His Honour the Speaker to put the amendment.

The Hon. the SPEAKER: It is moved in amendment by the Hon. Mr. Ross, seconded by the Hon. Mr. Bradbury, that the Bill be not committed to Committee of the Whole House but that it be committed to the Standing Committee on Railways, Telegraphs and Harbours.

Hon. Sir JAMES LOUGHEED: May I observe that there was a qualification attached to the amendment,—that the Bill should be reported to-morrow by that Committee. That would make all the difference in the world.

Hon. Mr. BRADBURY: That is the understanding.

Hon. Mr. MURPHY: You cannot do that.

Hon. Sir JAMES LOUGHEED: If a time limit were attached to it, so as to insure the passage of the Bill during the present week, that would determine the attitude of many honourable members, I fancy.

Hon. Mr. BELCOURT: I object to that sort of thing. As a member of any Committee I object to it being told that is must make a report within a certain time.

Hon. Mr. ROSS: The honourable member is a servant of this House.

Hon. Mr. BELCOURT: The amendment is that the committee must report to-morrow.

Hon. Mr. DANDURAND: No.

Hon. Mr. ROSS: Then vote against it.

Hon. Mr. BELCOURT: My honourable friend (Hon. Sir James Lougheed) has just repeated it.

Right Hon. Sir GEORGE E. FOSTER: It is a respectful request.

Hon. Mr. DANDURAND: It is not in the amendment.

Hon. Mr. BELCOURT: It is the very wording of the motion.

Hon. Sir JAMES LOUGHEED: I think the amendment should be put as it was moved.

Hon. Mr. ROSS: I think, honourable gentlemen, that it is quite within the power of this House to require a Committee to report within a certain time. If it is not within the power of the House to do so, that is very strange thing. A Bill might be sent to Committee and never heard of again.

Hon. Mr. BELCOURT: That is the Committee's business; it is not ours.

Hon. Mr. ROSS: If the Bill is referred in the way I suggest, it will go to the Committee on Railways, Telegraphs and Harbours with the understanding that that Committee report not later than to-morrow.

Hon. Mr. BELCOURT: That is exactly what I object to.

Hon. Mr. ROSS: All right, object to it.

Hon. Mr. BELCOURT: Let us understand what the motion is.

Hon. Mr. DANDURAND: I did not understand that the honourable gentleman from Middleton was including that condition in his amendment; I understood he was simply declaring that the amendment was moved with that understanding.

Right Hon. Sir GEORGE E. FOSTER: It is a gentlemen's agreement.

Hon. Mr. DANDURAND: If the honourable gentleman carries a majority with him, there will be a moral obligation on that Committee to report to-morrow.

Hon. Sir JAMES LOUGHEED: That was put there for the purpose of carrying it.

Hon. Mr. SCHAFFNER: I would like to ask the honourable leader of the House if it is possible for the Senate to fix a time when the Committee must report.

Hon. Mr. BELCOURT: Of course not.

Hon. Mr. SCHAFFNER: If it is not, we do not want the amendment.

Hon. Mr. DANDURAND: It was made by the honourable gentleman with the statement that the Committee should report to-morrow.

Hon. Mr. SCHAFFNER: "Should" is of no use.

Hon. Mr. BELCOURT: But it does not say that.

Hon. Mr. BRADBURY: If that is not accepted by the Senate, I am certainly not going to stand in the way of this Bill. It is a very important one and must go through. I seconded the motion to refer the Bill to the standing Committee on the understanding that that would be acceptable to the Senate.

Hon. Mr. ROSS: Honourable gentlemen, I would ask leave to amend my motion, to take this form: that the Bill be referred to the Committee that I named, with the understanding—

Hon. Sir JAMES LOUGHEED: With instructions.

Hon. Mr. ROSS: Yes, that would be better still; with instructions to the Committee to report not later than to-morrow.

Hon. Mr. MURPHY: Question.

The Hon. the SPEAKER: Does the Houses want the motion put again?

Some Hon. SENATORS: Yes.

The proposed amendment of Hon. Mr. Ross was negatived, and the motion of Hon. Mr. Dandurand was agreed to.

CANADA SHIPPING BILL

FIRST READING

Bill 236, an Act to amend the Canada Shipping Act.—Hon. Mr. Dandurand.

PETROLEUM AND NAPHTHA INSPECTION BILL

FIRST READING

Bill 237, an Act to amend the Petroleum and Naphtha Inspection Act.—Hon. Mr. Dandurand.

SITTINGS OF THE SENATE

MOTION

Hon. Mr. DANDURAND, with the leave of the House, moved:

That, commencing on Tuesday, the 26th instant, unless differently ordered there be two distinct sittings of the Senate every day the first to commence at 11 o'clock a.m., and the second to commence at 3 o'clock p.m.; and that all Standing and Select Committees of the Senate be permitted to sit while the Senate is in session, notwithstanding anything to the contrary in Rule 86.

The motion was agreed to.

ISENBERG COAL MINING LEASES

INQUIRY

On the Orders of the Day:

Hon. Mr. BRADBURY: I would like to ask the honourable leader of the Government whether he has any information to give to this House regarding the Bill that was passed here some time ago, empowering the Government to withdraw the fiat in connection with the Isenberg leases.

Hon. Mr. DANDURAND: I could give some information to my honourable friend, but I would rather defer it until to-morrow. Council has been deliberating over this matter and may have reached some conclusion, but an act of Council is determined only when the Order is signed by His Excellency the Governor General.

BANK BILL

FURTHER CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 83, an Act respecting Banks and Banking.—Hon. Mr. Dandurand.

Hon. Mr. Taylor in the Chair.

On section 84—loans on standing timber:

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I move that the words, "if the Provincial law permits," in the third line after the word "that," be inserted; so that the words in italics will read:

Provided that if Provincial law permits the instrument evidencing such security is registered against the land upon which such timber stands or in the offices in which are recorded such rights or licenses.

Hon. Mr. DANDURAND: I have no objection to that amendment.

The proposed amendment was agreed to, and section 84 as amended was agreed to.

On 84A—loans to receiver or liquidator under Winding-up Act and to trustee under Bankruptcy Act:

Hon. Sir JAMES LOUGHEED: In consequence of the language employed in the Bankruptcy Act, which we passed the other day, it will be necessary to import into this Bill certain terms we have used, such as "custodian" and "interim receiver," wherever "trustee" is mentioned; so, in line 35, after the word "a," the section should read, "or to a custodian, interim receiver or trustee under the Bankruptcy Act." The same words should be repeated in the thirty-sixth line, after the word "liquidator," and in the fortieth line after the word "liquidator."

The Hon. the CHAIRMAN: The section as proposed to be amended will read thus:

The bank may lend money to a receiver, to a receiver and manager, to a liquidator appointed under any Winding-up Act or to a custodian, interim receiver or trustee under the Bankruptcy Act, provided such receiver, receiver and manager, liquidator, custodian, interim receiver or trustee has been duly authorized or empowered to borrow; and, in respect of any

money so lent, the bank may take security with or without personal liability, from such receiver and manager, liquidator, custodian, interim receiver or trustee to such an amount and upon such property and assets, as may be directed or authorized by any court of competent jurisdiction.

On section 85—advances for building ships:

Hon. Mr. POPE: I would like to ask if there is anything in this security that we are giving the bank that would interfere with the claim of labourers—men engaged in the construction?

Hon. Mr. DANDURAND: I know there is a preferred lien given to labourers in general; but I would have to go through the Act to find out whether the privilege of the labourer in connection with ships is the same.

Hon. Mr. POPE: We should not pass any legislation that interferes with that.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. CROWE: This provision seems to be inconsistent with section 76, subsection 2, paragraph c, which says the bank shall not lend money or make advances on the security of any ships.

Hon. Mr. DANDURAND: The lien of labourers generally is limited to other activities than shipping, but if I find it is not we can come back to this clause.

Hon. Mr. CROWE: But how is clause 76 going to work in with clause 85?

Hon. Mr. DANDURAND: My honourable friend will see that, according to subsection 2 of section 85, it is subject to provincial law.

Sections 85, 86 and 87 were agreed to.

On section 88—loans to certain wholesale dealers; grain; loans to wholesale manufacturers; etc.:

Right Hon. Sir GEORGE E. FOSTER: I would like to call attention to this clause in connection with clause 88A, which follows. This is probably one of the most important clauses in the Act. The object is to give an opportunity to wholesale purchasers, shippers, or dealers in different products, largely natural and manufactured, to obtain advances from the bank to enable them to carry on the process of production, manufacture, or transport, which requires a certain length of time more or less extended. This system has been in process of gradual enlargement from year to year under the different rearrangements of the Bank Act, and this year there are some enlargements added to those of proceding years. Of course, the object is most praiseworthy, and security which is reasonable and necessary must be provided to the bank, otherwise those advances will not be made.

The whole of section 88A, which is a new section, is predicated upon the necessity or advisability of taking such precautions as will safeguard the creditors of a customer of the bank who proposes to get an advance in accordance with the provisions of that section. It was supposed that that, being a new provision, and a precautionary one, would be sufficient to meet all the circumstances of the case as nearly as they could be reasonably met, and so it was passed by the Banking Committee. Afterwards there was an amendment put in subsection 7 of section 88, and it is to that amendment I want to call attention, for it would seem to negative largely the practicability of carrying out the purposes intended, which were to give a creditor facility for advances upon assured security, and at the same time to protect the vendor as far as he could reasonably be protected. The section to which the amendment was added is subsection 7:

The bank shall, by virtue of such security, acquire the same rights and powers in respect of the products, goods, wares and merchandise, stock or products thereof, or grain covered thereby as if it had acquired the same by virtue of a warehouse receipt; provided, however, that the wages salaries, or other remuneration of persons employed by any wholesale purchaser, shipper or dealer, by any wholesale manufacturer, or by any farmer in connection with any of the several wholesale businesses referred to, or in connection with the farm, owing in respect of a period not exceeding three months—

And this is what has been added:

—and any claim by an unpaid vendor of or in respect to such products, goods, wares and merchandise to the amount remaining unpaid—

The section then proceeds as follows:

—shall be a charge upon the property covered by the said security in priority to the claim of the bank thereunder, and such wages, salaries or other remuneration—

Then come in these added words:

—and such claim of an unpaid vendor—

After which the section goes on as follows:

—shall be paid by the bank if the bank takes possession or in any way disposes of the said security or of the products, goods, wares and merchandise, stock or products thereof, or grain covered thereby.

It would seem as though this addition would largely nullify the purpose that was intended, of the bank making these loans and advances to the parties under the circumstances detailed in those two sections, 88 and 88A; and that would be rather a calamity, I should think.

We all know that that class of bank transactions has been in vogue and been gradually extended for several years, and it has led to a very large development along the line of

production, manufacture, and transportation; and it is felt that, if you are to bring in outstanding claims in respect to the unpaid vendor, or any claims for any other consideration that the unpaid vendor may have against him, you will defeat the purposes of the Bill. I think that is an entirely reasonable view. Whilst it is all very well to try to protect every unpaid vendor, it seems impossible to make the protection universal and at the same time allow the bank a fair security for making its advance.

I therefore move that those words in italics in lines 7, 8, and part of 9, and also in line 12, be omitted.

Hon. Mr. DANDURAND: Honourable gentlemen, there were complaints, mostly from Europe, where vendors, manufacturers, or wholesalers had sold goods to people in Canada, and found when their debtor failed that there was a privilege of lien given to the bank on the very goods which they had sold, and which were either wholly or partly unpaid. Representations were made to the Government and the Finance Department against that practice; but, after investigating the matter, the Minister of Finance came to the conclusion that the only protection he could give these parties would be in the obligation of the jobber or trader in Canada to register a declaration with the Receiver General or his agent in a province that he intended giving that lien to a bank. That enactment will be found in section 88A, which follows this one. So that henceforth the vendor will know that his purchaser is giving a lien to the bank, or intends to do so. He will then know under what conditions he is dealing with that party. But in order more surely to secure the vendor, that modification of the clause has been made, and the right honourable gentleman from Ottawa suggests that it be struck out.

Now, I agree with my right honourable friend, because, under the practice that has grown up throughout the land, hundreds of millions of credit have been given by the banks under the protection of a lien, which otherwise would not have been given, and the vendor has very often received the money or part of the money which the bank has advanced. Goods from Birmingham or Manchester or Sheffield are sold to some firm in Canada, for $50,000, payable at sight or at 30 days. The bank may be asked to advance 50 per cent upon those goods to meet the first payment. The bank, after examining the affairs of a client, would ask for that lien, and would advance 50 per cent of the value of those goods, which would go to the vendor.

Now, is it just that that vendor should step in and say to the bank, "I will treat you as an ordinary creditor, and you will have no lien upon my goods, you will have to share and share alike," when he will have received that very money from the bank? As a matter of fact, the bank would not have advanced that money except under the system that has grown up in Canada, and I believe that introducing such a change in business would cause considerable money loss to the general country.

Hon. Mr. BEIQUE: To show the absurdity of this amendment of section 88, take, for instance, the law in Quebec. which I dare say is to a great extent similar in the other provinces. The privilege of the vendor is subject to two conditions—first, that the sale has been made for cash, and that the privilege be exercised within eight days of the delivery of the goods. Well, here it would be open to the vendor of goods, in a year or two years, when he had given 6 months or 12 months credit, to come and exercise the privilege. Surely it would be absolutely contrary to all legislation governing privileges of that kind to pass an amendment which would prevent banks from making advances in such cases, and it would have the effect of crippling the industries of the country, which require millions and hundreds of millions of advances in virtue of that clause, as no advances would be made by the banks if the clause were to remain as it is.

Hon. Mr. ROCHE: What has been urged is very true on behalf of England and other countries, and frequently goods shipped extensively in that way are covered by the banks under bills of lading, the goods not being delivered until the money is paid. The banks provide for that. But, on the other hand, a merchant or trader is carrying on his business under false pretences when he is covered by a bank lien all the time, and he is taking credits commercially from all sorts of people, people with less money and not trading as extensively as others; and thus you have a person operating upon the whole community. Ought we not to protect our own people rather than strangers, and ought we not also to help the comparatively small merchant and others who give credits? It may be that in a large establishment the property is covered entirely by the lien which the bank holds upon it.

Hon. Mr. BLACK: I do not believe that these amendments put in by another Chamber should be stricken out, because I believe they are necessary in the interest of the

business of the country at large. Cases have been cited here which, after all, are not such as come up in the regular course of business life. People do not give credit for six months or two years in ordinary business concerns, large or small; they are limited to 30, 60, 90 and 120 days. The banks already have a great deal of protection. They have protection which no other trading concern in the Dominion of Canada has. I quite recognize that there are certain conditions which would make it almost compulsory for banks to have a certain amount of protection; but they should not be protected at the expense of all the other business interests of the country; and if you wipe out this amendment in section 88 you will take away something which I consider the business interests of the country ought to have, that is, a reasonable protection for advances to the builder, the manufacturer, or the producer for the very same object for which the bank advances money, namely, so that they may carry their contracts to completion, or produce the gold or whatever they are taking from their mines, and so on. The ordinary trader of Canada is just as important to the business interests of this country as the banks are. They go hand in hand, and it is by these businesses working together that the interests of Canada are best served. I think it is very important that the section should stand. It is just as much in the interest of the bank as of the trading community—why? I can cite to this House five cases in the Maritime Provinces in which the banks lost large sums of money, running from $350,000 to $1,200,000. In each of these cases the failure was because of what I call the "concealed liability" under the Bank Act previous to the present revision. The firms concerned borrowed enormous sums of money from the banks: they got so much that the banks in order to save their own skins gave them more. They were thus able to get credits from large dealers and manufacturers all over the country. The result of the extended credit given those firms was that they went to the wall. If there had been such a provision as this, three at least of those firms, I am convinced, would not have succumbed.

Hon. Mr. GILLIS: Under the Bank Act as it was previous to this revision there was no registration.

Hon. Mr. BLACK: I might have had a credit of $1,000,000 extended to me, and because of that credit I could go out and buy goods across the border or in European markets, and why? Because the business houses there would not know that I was mortgaged to the hilt to the banks from which I got the money.

Hon. Sir JAMES LOUGHEED: After hearing the remarks as to the purport of section 88, I am under the impression that a misapprehension exists in the minds of some honourable gentlemen. It will be observed that the object of this section is to assist the manufacturer in converting his raw product into the finished product. It is not contemplated that the finished product shall be subject to the warehouse receipts issued by the banks; therefore the unpaid vendor will not be the frequent claimant that one would imagine. For instance, if my honourable friend from Westmoreland (Hon. Mr. Black) will look at the first subsection of section 88, he will observe that the object of the section is for the advancement of money—

—to any wholesale purchaser or shipper of or dealer in products of agriculture, the forest, quarry and mine, or the sea, lakes and rivers, or to any wholesale purchaser or shipper of or dealer in live stock or dead stock or the products thereof, upon the security of such products, or of such live stock or dead stock or the products thereof.

I fancy that in nearly every Province of the Dominion—I speak subject to correction—there is a Provincial law by which, when a sale of this character is made, a chattel mortgage is taken and filed against the subject-matter of the sale. Of course, if this were so in this case, the bank would not have a prior lien against such a mortgage.

Hon. Mr. BLACK: The ordnnary dealer does not take a chattel mortgage in every sale.

Hon. Sir JAMES LOUGHEED: In the commercial transactions of to-day the unpaid vendor is very seldom heard of. It is very seldom in business transactions that you will hear of a substantial claim upon merchants' or manufacturers' products by the unpaid vendor. He realizes the difficulty of following the particular goods he has sold into the many hands through which they may pass. If there has been a change of possession he cannot follow them under the Provincial laws, because I venture to say that every province has enacted a law by which, when there is a change of possession, the claim must be registered.

Then we come down to subsections 2:

The banks may lend money to a farmer upon the security of his threshed grain grown upon the farm.

No prejudice is going to arise from the bank advancing money to the farmer upon his grain. The probabilities are against there being an unpaid vendor in such a case.

Under paragraph 3, my honourable friend will observe that the money is to be loaned—

—to any person engaged in business as a wholesale manufacturer of any goods, wares and merchandise, upon the security of the goods, wares and merchandise manufactured by him, or procured for such manufacture.

There could scarcely be within the realm of probability an unpaid vendor's lien upon raw materials which are immediately drawn into the process of manufacture, and upon which the bank, under the warehouse receipt of the manufacturer, makes the advance.

My honourable friend will find the same principle carried out under subsection 4 and subsection 5. So that the occasion does not permit of the vendor's lien being enforced to the same extent as in many phases of commercial life where the vendor may be able to trace his goods into the hands of the purchaser, there being no change in their character. Hence this clause contemplates dealing with goods of a character to which a vendor's lien in practice very seldom applies. I would venture furthermore to say, from what knowledge I have of commercial transactions, that to impose upon the banks the obligation of lending this money subject to a vendor's lien would be so oppressive and would render the transaction so unsafe that no class in the community would suffer so severely as the unpaid vendor, himself, because he almost necessarily has to rely upon the manufacturer exercising the right which he has under section 88 of the Bank Act to secure the assistance of the banks in the transaction upon which he has entered of converting the raw material into the finished product.

I need not point out to honourable gentlemen the insecurity of one transacting any business when a vendor's lien is suddenly to be called into motion without any knowledge on the part of the person advancing the money. Very few of us would assume the responsibility of transacting business of any importance if a vendor's lien were suddenly to emerge from unexpected quarters and cut the ground from under our feet. If these warehouse receipts were given to secure a debt, I could understand such a protection being advanced. But such is not the case. This right is given to the banks, and it is given to the manufacturer who issues his warehouse receipts for the purpose of applying the money in converting the raw material into the finished product, or placing the goods upon the market and making use of his finished product. I would suggest to my honourable friend the impossibility of transacting business if this clause is imposed upon the banks. I venture to say that no bank would advance one dollar to a manufacturer or a wholesaler dealing in this class of goods if there were to be an unpaid vendor's lien. If there were some way of ascertaining the existence of a vendor's lien, I could appreciate the cogency of my honourable friend's argument; but there is no channel through which this can be done.

If there were a law by which an unpaid vendor in this class of goods could be compelled to place his lien on record so that the banks would have notice of it, then one could understand placing the onus on the vendor to make inquiry for the purpose of securing this information. But that is not the case. I ask my honourable friend, if he were a banker and had transactions with a manufacturer, and he was about to advance $100,000 on raw material to have it manufactured into the finished product; and if he was aware of the fact that the Bank Act imposed upon him the unpaid vendor's lien, would he advance a dollar? I venture to say that he would not. Capital is so sensitive in matters of this kind that it can dictate its own terms. Capital does not need the application of law to place it in motion; but if it is handicapped in the slightest degree, it simply refuses to do business, and this would be a hardship upon the manufacturer, not on the bankers, because they would say: "Under no consideration will we make the advance."

Hon. Mr. BEIQUE: It would close half the factories of the country.

Hon. Sir JAMES LOUGHEED: I agree with what my honourable friend from De Salaberry (Hon. Mr. Béique) says. I have been an observer for some years of the operations of this particular section. I think it is one of the most salutary sections in operation in the Bank Act, and has assisted in the progress and development of our trade and resources more than any other section of the Bank Act.

My honourable friend has made a reference to the absence of any provision as to notice or registration. My honourable friend will observe that under section 88A, any person intending to give a bank security shall place upon record a notice that he intends to do this. That being the case, I would ask my honourable friend from Westmoreland (Hon. Mr. Black) if this is not sufficient security to the unpaid vendor. The unpaid vendor enjoys more security than he has had heretofore. Heretofore there has been no such obligation placed upon the vendee; but now I should say the unpaid vendor would immediately stipulate that the manufacturer or the bene-

ficiary under section 88 would at once place that lien upon record. That, it seems to me, would be his duty. I think a great deal of misapprehension exists as to the operation of this clause and the benefits which flow from it.

Hon. Mr. BLACK: I regard the remarks of my honourable friend as most excellent special pleading in behalf of the banks. If the banks were receiving no consideration for the money, it would be correct. The banks are actuated by the same motives as any other commercial institution in Canada. They are handing their money out for the purpose of being able to pay from 10 to 34 per cent interest to their stockholders—and all strength to them; but they are not the philanthropic institutions which they have been represented to be. Take the case cited by the honourable gentleman. He says that if a quantity of raw material is sold to a manufacturer it cannot be traced. I might sell a million feet of lumber to a furniture dealer or a contractor, and it is quite evident to any person that if it were sold on terms of 30 days it could very easily be traced. It is also quite reasonable to think that the man who sold the lumber had just as much right to receive his pay in the case of collapse as the banker who advanced the money at 6 or 7 or 8 per cent.

Hon. Mr. ROCHE: The observations of the leader of the Opposition are very correct but I think he omitted one circumstance—that is, the kind of warehouse. If a bank advanced money upon certain goods, those goods ought to be contained in a warehouse of which the person who received the money was not the custodian. In many cases, I suppose, the goods are in the custody of the merchant or manufacturer in his own warehouse, and those who advanced to him the money or sold him goods do not know what are the goods of the manufacturer and what are the goods of the bank. Originally when the banks advanced money upon warehouse security the goods were placed in public warehouses under the control of other parties; but afterwards the Bank Act was enlarged and the receiver of an advance could store the goods in his own warehouse. This provided less security to the Bank, because some of the goods might be taken away. It is in the interest of those who sell the goods that the goods which the bank holds should be in the custody of someone other than the owner of the warehouse or the receiver of the money.

The proposed amendment of Right Hon. Sir George E. Foster was agreed to on division: yeas, 17; nays, 7.

Hon. Sir JAMES LOUGHEED.

Section 88, as amended, was agreed to.

On section 88A—notice of intention to give security; to be registered:

Right Hon. Sir GEORGE E. FOSTER: The last subsection, 7, notes the time at which this section shall come into force, it being the first day of August, 1923. That will have to be borne in mind when we come to section 160; otherwise there would be a confusion in dates. I mention that now just so that it may be kept in mind.

Hon. Mr. DANDURAND: So section 160 would need to be amended.

Section 88A was agreed to.

Sections 89 and 90 were agreed to.

On section 91—interest at 7 per cent may be charged:

Right Hon. Sir GEORGE E. FOSTER: There is an addition to which I would ask the attention of the House. The section reads as follows:

> The bank may stipulate for, take, reserve or exact any rate of interest or discount not exceeding seven per cent per annum and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank.

The added words are:

> The rate of interest or discount charged by the bank shall appear on the face of the note.

I fail to see why that should be made a stipulation, and I move that those words be stricken out.

Hon. Mr. L'ESPERANCE: What is the objection to them?

Right Hon. Sir GEORGE E. FOSTER: That leaves the matter entirely between the borrower and the lender. Why is it necessary, or to what good purpose would it tend, to put on the face of every note discounted and every draft issued, for customers or non-customers of the bank, the exact rate of interest. There would then be really no privity of contract between the lender and the borrower. It does not seem to me that it is wise or advantageous that what the borrower pays and the bank charges should be made known to others, who are neither customers of the bank nor persons interested in the transaction, and it would certainly cause much inconvenience.

Hon. Mr TURRIFF: I think those words are very necessary. The bank always knows what interest it is going to collect, but if the figures are not mentioned the borrower in many cases does not know whether he is paying 7 per cent, 8 per cent or 10 per cent. And the banks should not be allowed to charge 10 per cent. They have advantages

enough, and I would not like to see those words taken out.

Hon. Mr. BELCOURT: There is, I think, an even stronger reason. It is a matter of contract. The rate may be under 7 per cent, and the borrower would have no evidence that the rate is less than 7 unless it were stated on the note.

Right Hon. Sir GEORGE E. FOSTER: He can ask the question, surely.

Hon. Mr. BELCOURT: But there is the evidence of his contract, showing that he has borrowed at less than the maximum legal rate that the bank might exact. Surely he is entitled to have it stated on the note, that he is to pay a rate less than the maximum legal rate. That is the only written evidence he has, and in the absence of such evidence, if he died, his estate might not be in a position to show that the rate of interest payable was less than 7 per cent.

Hon. Sir JAMES LOUGHEED: If he discounted the note they would.

Hon. Mr. BELCOURT: It is in order to protect the borrower that these words are added.

Hon. Mr. TODD: I would like to ask the honourable leader of the Government a question. The clause says:

> The rate of interest or discount charged by the bank shall appear on the face of the note.

Does that mean that when the note is drawn, and before it is signed, the rate of interest or discount must appear?

Hon. Mr. BELCOURT: Yes.

Hon. Mr. TURRIFF: I should think so.

Hon. Mr. TODD: I think that a proportion of the paper that is discounted is the customer's paper. I give John Jones my note for $1,000, payable possibly in three months. I do not put any rate of discount on that, for I do not know what the rate is. I do not see how the bank can put it on. It cannot very well do so after the note is signed. I do not see how this provision is workable.

Hon. Mr. TURRIFF: But the bank will take a note from you with your customer's paper attached to it as collateral.

Hon. Mr. TODD: They do not do that in our part of the country.

Hon. Sir JAMES LOUGHEED: Not necessarily. The bank may take your endorsement.

Hon. Mr. TODD: How is the rate of discount to be put on that note by the party who gets it discounted? The note has been signed. It is a completed document. I do not see how that provision would work.

Hon. Mr. DANDURAND: It will be noticed that—

> The Bank may stipulate for, take, reserve or exact any rate of interest or discount not exceeding seven per cent per annum and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank. The rate of interest or discount charged by the bank shall appear on the face of the note.

We know that it happens many times every day that a client comes into a bank with a customer's note at three months, no interest being mentioned on the document, and asks the bank to discount it. The bank says, "Well, we will charge you"—so much. The interest may vary, for good and valid reasons. The bank must then mark on that document the rate of interest. That paper, when it eventually returns to the customer, will show him the sort of transaction that has been made between his creditor and the bank, with the rate of interest. I do not see that that is good business. It invades the privacy of the affairs of that client who must do his own financing with the notes which he receives in payment from various customers. His own private financing is revealed to his customers. There may be special conditions which would determine the bank to fix and the client to accept a higher rate. This information will go out and may tend to start gossip as to the reason why the bank's client is paying a higher rate of interest than is ordinarily charged. I do not see any special reason for that. If some paramount reason is advanced as to why it should be done I will waive it; but I am inclined to favour the striking out of that amendment.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, it strikes me that the all-important consideration should be, what is the maximum rate of interest that the bank may charge? That is fixed at 7 per cent. That gives us a certain degree of comfort.

Hon. Mr. TURRIFF: Oh, but the banks can get around that. You know they can.

Hon. Sir JAMES LOUGHEED: That is a reasonable rate of interest. I am not going to assume that the banks will do anything illegal and have it undone by the courts. However, the maximum rate is fixed at 7 per cent.

Hon. Mr. DANDURAND: Yes, the maximum rate that is recoverable.

Hon. Sir JAMES LOUGHEED: Yes. Now, it seems to me that this is entrenching upon the rights of private contracts to a degree that we have not imposed in any form of legislation that we have placed upon the Statute Book. It is going to operate more or less as a detriment to the bank's customer who has excellent credit, on account of the invidious distinction which may be drawn between the rate of interest which he may secure on account of the credit behind him, and the higher rate of interest which may be imposed upon a more doubtful customer.

Hon. Mr. DANDURAND: On a more risky document.

Hon. Sir JAMES LOUGHEED: To elaborate a little further upon the illustration advanced by my honourable friend the leader of the Government (Hon. Mr. Dandurand), here is a wholesale merchant whose credit is the highest in the community. Owing not only to the very high credit which he enjoys, but also to the assets which he has behind him, he may arrange with the bank for an extremly favourable rate or interest for his customer's paper. In fact, he might take the position: "Were it not for the reasonable rate of interest that I obtain from the bank, I would not do business; I would carry the customer's paper in my own account. The bank is therefore called upon to change the note which he has received from his customer—to place upon its face something which was not orginally part of the contract. The bank is compelled to impose upon the contract a condition, so as to speak, namely, to mention the rate of interest which it is charging the wholesale merchant. It may be 6 per cent. He may have taken the note at 8 per cent, considering that his risk in selling goods to that particular customer and taking his note made it advisable for him to charge his customer for the money which he has permitted him to have a higher rate of interest than that at which the wholesale merchant could secure money from the bank. That is a perfectly legitimate transaction.

Hon. Mr. TURRIFF: May I ask my honourable friend a question? Could not the wholesale merchant obviate all difficulties whatever? I quite agree he would be justified in taking 7 or 8 per cent from a customer and getting money himself for six per cent, but all that could be obviated, as is done in thousands of cases, by the merchant giving his own note and attaching the other as collateral.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. TURRIFF: Yes. I know of it being done.

Hon. Sir JAMES LOUGHEED: If my honourable friend were familiar with most of the transactions, he would know that a line of discount is given to a merchant, and he discounts his customer's paper and endorses the note, or he gives a guarante, as the case may be. The customer's note may be at 8 per cent, and when it is returned to him paid he ascertains that the money was advanced by the banker to the wholesaler or manufacturer at say 6 per cent. That is a disclosure. I do not call it a disclosure in any sense of which the wholesaler may be ashamed, but it creates a greater or less sense of dissatisfaction on the part of the customer that the wholesale dealer has made perhaps 1 or 2 per cent out of him in the transaction, while the customer could not get money elsewhere at less than 8 per cent. This provision therefore seems to me to entrench upon the law of contract to an undesirable degree, and in view of the fact that the maximum rate has been fixed at 7 per cent, I do not think any injustice would follow by the rate of interest not appearing upon the face of the note.

Hon. Mr. TURRIFF: As I understand it, the fixing of the rate at 7 per cent does not mean for one moment that the bank will not charge more than 7 per cent. It means that they will charge what they like, but in the event of a law-suit for recovery they may collect only 7 per cent. That is what it means.

Hon. Sir JAMES LOUGHEED: No, it is more than that, as my honourable friend will see if he will read the section.

Hon. Mr. TURRIFF: I agree with what my honourable friend has said; but if there is anything detrimental to the wholesaler about it, he and the bank can obviate all the difficulty. The bank can take the wholesaler's note, in which everything is made plain, and the customer will not see anything at all about the nature of the transaction.

Hon. Sir JAMES LOUGHEED: Business is not transacted in that way.

Hon. Mr. BEIQUE: The suggestion of the honourable gentleman is not workable, for the reason that a manufacturer or a wholesale merchant does not discount his own notes, as it would appear as a liability in his balance cheet. He discounts the notes of his customers, and no liability appears on his part, except perhaps an indirect liability only. If the transaction were to be carried on as the honourable gentleman suggests, the notes would appear in

the merchant's balance sheet and he would be placed in a very bad light, for he would always appear as being liable to the bank for perhaps hundreds of thousands of dollars, whereas he did not owe the bank a cent. Very often the money is owed to the merchant by his own customers.

Hon. Mr. TURRIFF: But he is liable indirectly.

Hon. Mr. BEIQUE: We must take business as it is carried on; and it is not by way of discounting the notes of the bank's customer, but of discounting the notes of the bank's customer's client, the notes being endorsed by the customer of the bank, so that the bank may have the security of both parties. Now, I call attention to this, that the rate of interest depends not only upon the security of the customer of the bank, but also and very largely upon the current account he keeps with the bank. For instance, some merchants are able to command a rate of 5½ or 6 per cent interest, while others are charged 7 per cent, because the former has an understanding with the bank that he will keep in his current account the sum of say $30,000 at all times, and this enables the bank to reduce the rate of interest very much. Now, take the case of A and B, who are customers of the same bank. B is a client of A, and A discounts B's note. If the rate of interest had to be stated on the note it would bring to B the knowledge that A was getting discount at the rate say of 5 per cent, while B was being charged 7 per cent, and B would complain to the bank about the difference in the rate. The bank would be obliged to give such and such reasons, which would create discontent unnecessarily, and interfere very seriously with the banking business, and with the business of the customers themselves.

Hon. Mr. SCHAFFNER: Eevery honourable gentleman seems to use the word "wholesale," but I judge that this section applies to all commercial transactions, even to a very small note. Customs may be different in different places, but I know that, in the city of Winnipeg, if I take a note for $1,000 to one of the leading and strongest banks of Canada and ask them to discount it and give me the cash, they will ask me to give my own note, and they will attach the other note to mine as security. I have had that experience. I want to know whether the manager of that important bank had a right to do that, or whether he should have discounted the note which I presented.

Hon. Sir JAMES LOUGHEED: He would do either.

Hon. Mr. SCHAFFNER: No, he would not do either.

Hon. Sir JAMES LOUGHEED: It would depend on the character of the account he was carrying in the bank.

Hon. Mr. SCHAFFNER: But he was quite willing to take my note. The point is whether a bank is supposed to discount the notes that I take to it, or not. In Winnipeg they do not.

Hon. Mr. DANDURAND: Both those methods are being adopted.

Hon. Mr. CROWE: I venture to say that 99 out of 100 men have no experience in banking transactions, and the ordinary man reading this section would understand that a bank could not collect more than 7 per cent. I think it should read that the bank should not draw more than 7 per cent. Why not make it definite and clear what amount the bank can charge? Under this section we do not really know what transaction goes on between the borrower and the lender, but in a section of this kind I think the maximum rate of interest should be arrived at and stated clearly. I wish to state that we want to refer back to this section later on.

The amendment of Right Hon. Sir George E. Foster was agreed to, and section 91 as amended was agreed to.

Sections 92, 93 and 94 were agreed to.

On section 95—deposits may be received from persons unable to contract; deposits limited to $2,000:

Hon. Mr. DANIEL: What does this mean —limiting the deposit to $2,000?

Hon. Mr. DANDURAND: It is to allow a married woman to deposit.

Hon. Mr. DANIEL: Does this refer to savings banks?

Hon. Mr. DANDURAND: No, it refers to commercial banks. The amount which a commercial bank may receive under these conditions is raised from $500 to $2,000.

Sections 95, 96 and 97 were agreed to.

On section 98—Dominion Government cheques to be paid at par:

Hon. Mr. DANDURAND (reading):

The amendment to this section, in effect, provides that anyone who is paying money by cheque to the Government need not add the exchange. His cheque in favour of the Government will not be subject to deduction for exchange in any part of Canada.

Section 98 was agreed to.

On section 99—bank may sell assets to another bank; consent of Minister:

Hon. Mr. TURRIFF: I move to strike out in subsection 2 the words "the Minister, in writing," and substitute therefor the words, "Parliament has consented."

Hon. Mr. DANDURAND: And when Parliament would be specially called upon to meet in order to give consent the bank would be closed.

Hon. Mr. TURRIF: That may be, but I venture the assertion that if the law during the last 15 years had provided that two banks had to receive the consent of Parliament instead of the consent of the Minister in order to amalgamate, it would have been very much to the advantage of the people of Canada. I think my honourable friend the leader of the Government is wrong when he thinks that a great deal of suffering or harm might result if the consent of Parliament had been waited for, possibly 6 months or well on to a year. I presume he has in mind the late lamentable affair that occurred when the Merchants Bank failed.

Hon. Mr. DANDURAND: And three or four others.

Hon. Mr. TURRIFF: They sold out their assets, and there is a very strong opinion throughout the country that it would have been better not only for the shareholders of the Merchants Bank, but for everybody concerned, if that bank had not been wound up; and if it had been necessary to wait until Parliament met, other and more satisfactory arrangements might have been made.

Hon. Sir JAMES LOUGHEED: Does my honourable friend think that the Merchants Bank could have been kept open, and that the run would not have been made upon it?

Hon. Mr. TURRIFF: I certainly think that, when it had a capital of many million dollars absolutely intact, and part of its reserve remained, it could have kept on as a going concern, and would have been in operation to-day, although it might have had to curtail business somewhat.

Hon. Sir JAMES LOUGHEED: Where did my honourable friend get his information that the capital was unimpaired, and likewise a portion of the rest account?

Hon. Mr. TURRIFF: I saw the statement of the bank, that its losses were less than its reserve so that part of the reserve still remained intact for carrying on the business.

Hon. Mr. DANDURAND: And where was its capital? More than its capital was invested in real estate.

Hon. Sir JAMES LOUGHEED: What would you say to that? The real estate represented that.

Hon. Mr. TURRIFF: That shows that the Bank Act in regard to the inspection of banks is in very great need of much more drastic treatment than it is receiving at present, if my honourable friend the leader of the Government is correct, and I have no doubt he is; and that is why I think Parliament would have done well if it had put off for another year this revision of the Bank Act. I am not going into that, but I still believe amalgamation of two banks should not take place until Parliament consents. Look at the amalgamations that have taken place. To-day we have not much more than half the number of banks we had 20 years ago. Many of them have amalgamated, and one bank has absorbed three or four others that were in just as good standing as itself. When the Bank of Ottawa sold out to the Bank of Nova Scotia no one would suggest it was in bad condition or poor circumstances; at least nobody seemed to know it if it was, and I do not believe it was. I think it would be very much in the interest of the people of Canada if banks had to give notice of amalgamation and had to apply to Parliament for the right to do so.

Hon. Mr. TODD: Does the honourable gentleman realize that if his amendment carries no bank can sell any piece of property it owns without coming to Parliament for permission?

Hon. Mr. TURRIFF: My amendment has nothing at all to do with the selling of a town lot.

Hon. Mr. ROBERTSON: I would feel like supporting the amendment if my honourable friend would amend it to read "Governor in Council" instead of "Parliament."

Hon. Mr. TURRIFF: It is just the same as Governor in Council now.

Hon. Mr. ROBERTSON: No, there is a very great difference. Under the present law the Minister of Finance bears the entire responsibility for action, and I do not think he should be saddled with that, but that it should be borne by the Governor in Council. I have reason from experience for feeling that way.

Hon. Mr. TURRIFF: Well, make the amendment.

Hon. Mr. BEIQUE: I had not a cent's interest in the amalgamation of the Merchants Bank or with the Bank of Montreal, but my judgment is that if they had had

to wait for Parliament the shareholders would have lost the whole of their capital, and the value of their shares, for which they got par in stock of the Bank of Montreal, while that bank was getting the good-will of the Merchants Bank; and therefore they got all that they could expect to get. The shareholders were not the only parties interested, but the people at large were concerned, as the closing of the bank would have exposed the country to a great crisis. from which the whole commercial community would have suffered immensely. The honourable gentleman and those who criticize the transaction are parties who were not interested. Those mainly interested were shareholders in the Merchants Bank, and, as the sale could not be made without their consent, they had to pass upon the transaction. Parliament could not go into the details of the assets of two banks, or of any bank, and would not do so, and the reference to Parliament would involve an exposure of the country to a crisis at any moment.

I would be against the proposition to refer the matter to the Governor in Council, because I think we have the assurance of the Finance Minister that the policy of his Department and of the Government is not to permit any amalgamation between banks unless the public interest demands it. We should be content with that assurance. When the matter of amalgamation is broached to the Finance Minister, and he is approached in an advisory capacity, I think he should not have to consult his colleagues, and thus run the risk of the application being made public, thus possibly provoking a commercial crisis. I think we have been fortunate in having had for many years past Governments and Finance Ministers who deserved the confidence of the country, and we should hope this state of affairs would continue, and we should leave the matter as it is.

Hon. Mr. MURPHY: Would not the Merchants Bank be in as good a position to carry on if the directors had not been stampeded as the Union Bank is at the present time?

Hon. Mr. DANDURAND: I may say that very few men, and only those with very intimate knowledge of the situation of a bank, would be able to answer that question. In any two given cases, while the figures might appear alike, the fundamental situation might absolutely differ. My honourable friend the ex-Minister of Labour (Hon. Mr. Robertson) suggests the substitution of the Governor in Council for the Finance Minister, but I draw his attention to section 102, where the consent of the Governor in Council is necessary before the agreement can be effective; so my honourable friend will notice that the Minister of Finance must carry his colleagues with him in such a matter.

Hon. Mr. SCHAFFNER: Then what becomes of the argument of my honourable friend from De Salaberry (Hon. Mr. Beique)?

Hon. Mr. DANDURAND: The argument remains complete, because it is the Minister of Finance who is approached, and who must decide, with his staff of experts, who must sometimes make quick decision in order to save a situation. No doubt he will seek advice from some members of the Cabinet, in order to feel secure in the sanction of his action when the time comes to submit the whole matter to Council; but at the initiation the consent for bringing the two institutions together to work out an agreement is given by the Minister of Finance, and I think it rests in the proper hands.

The amendment of Hon. Mr. Turriff was negatived, and section 99 was agreed to without amendment.

Section 100 was agreed to.

On section 101—agreement of sale to be submitted to selling shareholders, etc.:

Hon. Mr. DANDURAND (reading):

Sections 101, 102 and 103:

The effect of the amendments to these sections, which have to do with the purchase of the assets of one bank by another bank, is to make clear that the shareholders of the purchasing bank as well as the shareholders of the selling bank must approve of the agreement of sale and purchase. The amendments are in accord with what has been the practice under these sections.

Section 101 was agreed to.

Sections 102 to 111, both inclusive, were agreed to.

On section 112—monthly returns:

Hon. Mr. DANDURAND (reading):

In the first subsection the time within which a bank must send its monthly return to the Minister is enlarged from twenty days to twenty-eight days after the first of the month. This was in order to make sure that the banks might receive from remote branches all returns and thus have a more accurate return.

Section 112, subsection 4 and 5.

Enlarge the Minister's powers in calling for special returns from the banks.

Section 112 was agreed to.

On section 113—return accompanied by declaration, etc.:

Hon. Sir JAMES LOUGHEED: Subsection 8 of this section should be stricken out. Owing to the provision for an appropriation

account having been stricken out in the former part of the Bill before it came from the Commons, this is meaningless.

Right Hon. Sir GEORGE E. FOSTER: There is nothing to connect this with.

Hon. Sir JAMES LOUGHEED: There is no such thing as an appropriation account.

Hon. Mr. DANDURAND: My honourable friend is right. My attention had been drawn to it.

Section 113, amended as proposed, was agreed to.

Sections 114 to 135, both inclusive, were agreed to.

On section 135—unauthorized issue of notes for circulation:

Hon. Mr. SCHAFFNER: I would like to ask the honourable leader of the Government or some other bank directors a question. I want a little explanation of that word "unauthorized." What I have to say does not relate directly to this clause, but perhaps I may be permitted to ask the question. In the statement made by Mr. Allan, President of the Union Bank, in accounting for the difficulties of the bank, he referred to the transfer of some $4,500,000 from the reserve, and said:

> And to this was added a substantial loss through the unauthorized transactions in sterling exchange in the London office.

What does the word "unauthorized" mean?

Hon. Mr. DANDURAND: He was alluding to the action of the manager of the branch in London, who, without authority from his Board, had dealt in certain foreign exchange.

Hon. Mr. L'ESPERANCE: Is there not a penalty for that?

Hon. Mr. MURPHY: Will this correct that condition?

Hon. Mr DANDURAND: When the manager is far removed from the head office, it is very difficult to surround his dealings with such safeguards as will prevent him doing things that would be deserving of condemnation. Of course, it is a matter of regulation between the head office and the outside management.

Hon. Mr. BRADBURY: Surely, honourable gentlemen, that is hardly an explanation of what has taken place in London. If a manager can without authority make investments which will practically ruin a great bank like the Union Bank and get away with a sum of $4,000,000, there should be some effort made to prevent that kind of conduct. If the manager of almost any other company in Canada were to violate his trust as apparently some of the managers of the Union Bank have been doing, they would be put in the penitentiary; but apparently bank managers are immune. They can do anything they like: the funds of the bank can be dissipated; investments can be made in foreign exchange without authority.

Hon. Mr. McMEANS: No, no.

Hon. Mr. BRADBURY: That is what they have done.

Hon. Mr. McMEANS: If a loss is made, it is "without authority;" if money is made, it is all right.

Hon. Mr. BRADBURY: The measure before the House is one of the most important that has come before it during the last ten years, and I fear very much that the public interests are not being safeguarded in this Bill. The leader of the Government practically admits that it does not make provision to protect the public against a repetition of what has taken place in the Union Bank affairs. Surely there should be something done to make that impossible. You cannot make men honest by legislation, but you can do something to punish them. It is only quibbling to speak of what they have done as a lack of judgment or faulty judgment, because these men have invested money belonging to the public without authority.

Hon. Mr. SCHAFFNER: I have not yet quite all the information I wish to get. I understand now what is meant by "unauthorized." Another point that I would like to have cleared up is this. The annual meeting of the Union Bank was held in January, I think. The whole transaction in connection with the loss of that bank must have been known to the directors at that meeting of the shareholders.

Hon. Mr. MURPHY: It was. They changed it.

Hon. Mr. SCHAFFNER: No, they did not change it. The manager in London has been changed, and the general manager of the Union Bank had also been changed before the meeting of the shareholders.

Hon. Mr. MURPHY: They are the fellows that caused the trouble.

Hon. Mr. SCHAFFNER: At the Directors' meeting the President gave his annual announcement, and everything was fine. It must be inferred that the President and the Directors knew the situation at that time.

Why are matters in connection with our big financial institutions allowed to go on in that way? It seems to me that bank officers should be compelled to be more careful in making their reports at their annual meetings. There is no doubt that the situation was known, because the Manager in London had been changed—dismissed, if you like; so had the General Manager in Canada. New appointments had been made. Yet the capital account, reserve fund, rest account and all were represented to the shareholders as being unimpaired. I think this is an excellent opportunity to obtain the desired information, for we have present with us several directors and presidents. The laity, who know so very little about these matters, would like to have some information.

Hon. Mr. MURPHY: I would like to know in connection with this matter, if there is one rule for subordinate bank managers and another for the men who have gone up step by step and attained to one of the superior positions in the bank. In another place a quite serious charge was made against the banks, so far as the Maritime Provinces are concerned. A man of prominence made the statement that we had some years ago about 15 branches of banks who were conversant with our financial and commercial conditions and were able to give direct evidence as to whether a transaction should be authorized or not; but to-day, on account of amalgamations, there are only seven altogether, and men are sent down from Ontario or some other province to the Maritime Provinces who know nothing about our conditions and must refer everything to Montreal or Toronto, where the head offices are located. That is a great handicap on business in the Maritime Provinces. There are in the Maritime Provinces men as bright as can be found anywhere. In fact, the general managers come from the Maritime Provinces. The Manager of the Bank of Nova Scotia was taken the other day from a little village in my own Province of Prince Edward Island. I met in New York last year some bank managers who had come from the Maritime Provinces. You will find them all over.

If brakes are kept on bank managers in the Maritime Provinces in such a way as to hold up business, why should not similar safeguards be imposed upon a man in London who, as this debacle of the Union Bank shows, had gone into debt in foreign exchange without any authority? Why could there not be in this Bill some provision which would require him to obtain authorization to have a free hand to go out and buy foreign exchange of any kind, before he could dabble in what is, after all, speculation? You have experts at your right hand, honourable Sir, and we have the secretary of the Bankers' Association sitting outside the bar. I would like to hear some explanation as to why unauthorized conditions can obtain in one place, in higher positions in the bank, while in another place a handicap is imposed on banking conditions and on the commercial conditions in the localities where the banks maintain their branches.

Hon. Mr. SCHAFFNER: I hope the honourable leader will take these questions in order. Mine comes before these of the honourable gentleman from Prince Edward Island.

Hon. Mr. MURPHY: All right. Mine can be taken next.

Hon. Mr. DANDURAND: Honourable gentlemen, the banking system is carried out by human beings.

Hon. Mr. MURPHY: We know that.

Hon. Mr. DANDURAND: Banks are carried on by partners called shareholders, who put in their money and select their management.

Hon. Mr. MURPHY: Very little have they to say in it.

Hon. Mr. DANDURAND: They select their board of directors, and they should be all the more intent upon selecting the best men inasmuch as they must always bear in mind that a double liability rests upon their shoulders. It may be said that the majority rules and that if from 40 to 50 per cent of the stock is in the hands of a limited number of persons they will have their way at the annual meeting, and there is a possibility of 49 per cent being denied any considerable influence in the action taken. Yet this is an institution wherein the owners must bear the full responsibility, and they are interested in good management, and presumably select the best men available among the shareholders. To my mind the management is nine-tenths of the whole.

Hon. Mr. MURPHY: In anything.

Hon. Mr. DANDURAND: Management, with the safeguard of a duly-constituted board closely superintending all the operations. In the case of the Union Bank I am under the impression that there was laxity in the supervision of the operations, owing to the fact that the board was composed of men belonging to distant parts of the country. The bank had its principal seat of business in the city of

Quebec, but transferred its head office to Winnipeg. Looking at the list of directors, I find that on the board there are representatives of the old group in Quebec. There are representatives from outside.

I believe that the board should be on the spot to superintend the work of the management and to receive a statement from the manager weekly.

Hon. Mr. MURPHY: I do not wish to interrupt my honourable friend, but what about the Merchants Bank. Were not the directors near enough to the spot?

Hon. Mr. DANDURAND: I may discuss that point later. But I am now talking of the Union Bank.

Hon. Mr. MURPHY: That is easier.

Hon. Mr. DANDURAND: I am convinced that the Union Bank had not at its head office the board of directors, who should direct operations.

The Union Bank has branches abroad. It has one in New York and one in London. We are told that at a certain time losses were incurred to a considerable extent by the London manager, who dealt in foreign exchange. I observed the suggestion of my honourable friend that the President attributed the losses to unwise speculation in foreign exchange. If that is true, there is a duty devolving upon the management of that bank, namely, to bring to book the manager in London. He had a contract with the bank. He had certain directions, or he had not.

Hon. Mr. MURPHY: There was nothing criminal about it, though.

Hon. Mr. DANDURAND: It will be for the directors and shareholders of the Union bank to decide in what way they should penalize the person who brought about a large part of the losses that we are now examining. We do not know the amount. The responsibility will rest on the Management to satisfy their shareholders that their official in London is solely responsible, and that they have no responsibility whatever. We cannot go further.

Reference was made during the debate in another place to the large profits of the banks and their extraordinary prosperity, and the answer given was that an accumulated reserve is a good thing and is essential. The operation in London or elsewhere, by which the Union Bank has lost four and a quarter millions establishes the fact that, if there are prosperous times, if there are large gains, there are losses also. The banking institutions and the Bank Act have stood the test in this instance, for there is still 25 per cent of profits in the reserve of the Union Bank. They have transferred $4,250,000 to contingent account. The amount set aside may be excessive; it may prove to be a larger amount than is needed; but they want to be conservative. I do not think that the accident which befell the Union Bank is an argument against our banking system, our banking institutions, or the Bank Act.

Hon. Mr. MURPHY: No.

Hon. Mr. BRADBURY: Is it not putting it pretty mildly to call that an accident?

Hon. Mr. DANDURAND: I would not call it otherwise before I had an opportunity of looking into it myself or had a report regarding it.

Let us come now to the Merchants Bank. Could the Merchants Bank have continued to carry on or not?

Hon. Mr. MURPHY: I asked my honourable friend that question.

Hon. Mr. DANDURAND: It is for the owners of the institution to say—

Hon. Mr. TURRIFF: No.

Hon. Mr. DANDURAND: —not for us. What business have we to look into that question?

Hon. Mr. TURRIFF: We have.

Hon. Mr. DANDURAND: I beg leave to differ with my honourable friend.

Hon. Mr. MURPHY: They got panicky.

Hon. Mr. DANDURAND: Who suffers? The shareholders, that is, the owners—no one else. They preferred to link up with the Bank of Montreal. It may be said on the part of some shareholders that they would have preferred to carry on by getting support, if support was needed, elsewhere; but the wiser men are probably those who knew most about the matter. Responsibility for the action taken is a matter for discussion between the shareholders and the board of directors.

Hon. Mr. MURPHY: Just a question at this juncture. Under certain circumstances, where a bank is solvent, does not the Bankers' Association, which represents all the banks, come to the rescue?

Hon. Mr. DANDURAND: Undoubtedly the banks are inclined to help each other. My honourable friend will recognize that the banks are interested in maintaining a healthy condition of the whole system, and the Bank

of Montreal did for the Merchants Bank what other banks would probably have been disposed to do.

Hon. Mr. MURPHY: In a spirit of philanthropy?

Hon. Mr. DANDURAND: But why this outcry against the sale of the Merchants Bank to the Bank of Montreal? It is the business of the owner, the shareholders. Of coursre, the Treasury Board may have to pass upon the transfer and consider whether or not it is in the interest of the country that the banking institutions should not diminish in number, but as many as possible should be maintained; but when a crisis occurs and the bank that is assailed is threatened with the necessity of closing its doors, it is for the owners of the institution to do what is possible in order that no interest may suffer. We have those two instances, the Merchants Bank and the Union Bank, which in my opinion establish the solidarity of our banking system. There has been no loss to anybody.

Hon. Mr. TURRIFF: Oh, yes; to the shareholders.

Hon. Mr. MURPHY: There were big losses in the Merchants Bank. Do not say there has been no loss.

Hon. Mr. DANDURAND: My honourable friend (Hon. Mr. Turriff) may have been a shareholder, but nobody forced him to buy Union Bank stock.

Hon. Mr. GILLIS: Was a general meeting of the shareholders of the Merchants' Bank called before the amalgamation?

Hon. Mr. MURPHY: No. A meeting of the shareholders was called to ratify it; that was all.

Hon. Mr. DANDURAND: The shareholders had to pass upon it.

Hon. Mr. MURPHY: Yes

Hon. Mr. DANDURAND: And they voted, I think, unanimously to ratify the agreement.

Hon. Mr. GILLIS: There was not a general meeting called. I know of a large number of shareholders who were never notified of the amalgamation until it was all settled.

Hon. Mr. MURPHY: It was all settled before they had any say.

Hon. Mr. DANDURAND: But there are regulations governing this matter and a notice was sent to the last post office address of every shareholder. The shareholder used to receive his dividend cheque pretty regularly, and he was interested in giving his latest address, and the notices to the shareholders went in the same way as the preceding dividend cheques.

Hon. Mr. SCHAFFNER: Why was not the General Manager, Mr. Macarow, put into the penitentiary? Why was nothing done to him?

Hon. Mr. DANDURAND: He was brought before the courts and was freed.

Hon. Mr. MURPHY: There it goes again.

Hon. Mr. DANDURAND: Would my honourable friend ask Parliament to institute a special tribunal, or turn this Parliament into a High Court of Justice, to try those people? We have the courts of the country.

Hon. Mr. SCHAFFNER: No. but I think that when we are amending this Act we should endeavour to fix some sort of penalty upon the Managers. My information is that it was the fault of the Manager.

Hon. Mr. MURPHY: Certainly it was. There is no doubt about that.

Hon. Mr. SCHAFFNER: I am referring to that simply as an instance. When we are revising the Bank Act, is there no way that can be suggested whereby we may prevent a transaction such as that which Mr. Macarow seems to have perpetrated on the Merchants' Bank? Is there no way to deal with him and punish him for a transaction of that kind?

Hon. Mr. DANDURAND: I will answer my honourable friend by facts. The Department of Finance sent a high official of the Department to lay a complaint against him before the criminal courts. So the Department represented that feeling that someone ought to be punished and that light should be thrown upon the transaction. There were two long trials; the President and the General Manager were put on trial, and they were freed. But is not my honourable friend surprised, as I am, at the absolute inactivity of that body of shareholders whose money has been lost? By the increase in value of the Bank of Montreal stock they may recover part of their losses. But if the Management was as bad as—

Hon. Mr. WATSON: As we know it was.

Hon. Mr. DANDURAND: —as we have felt it was—

Hon. Mr. MURPHY: As we know it was.

Hon. Mr. DANDURAND: —There could be a suit to recover at civil law, before the courts, for gross mismanagement. Yet that body of shareholders, among whom there must surely be business men, remained apparently helpless, notwithstanding that all the courts

of the country were open to them. The shareholders could have prosecuted the wrongdoers before the criminal courts, had they so desired.

Hon. Mr. MURPHY: Perhaps the wrongdoer was not worth anything.

Hon. Mr. DANDURAND: Or they could have sued for damages in the civil courts to recover the losses. We have heard of not one suit.

Hon. Mr. MURPHY: What would be the good of a verdict for damages if the defendant was worth nothing and all his property was out of his hands?

Hon. Mr. TURRIFF: My honourable friend asks, why do not the shareholders act in trying to bring those men who wrecked the Merchants Bank to time. Why does not the Government act?

Hon. Mr. DANDURAND: It did.

Hon. Mr. TURRIFF: I beg the honourable gentleman's pardon. Efforts were made in the House of Commons to have those men brought before the Banking and Commerce Committee within the last two weeks. What was the objection? It was felt throughout the country that the management of that bank was to blame. Charges were made against them and the courts dismissed the charges, and allowed these men to go free who had squandered millions of money of the shareholders by blind gambling, by stock speculation. The Government was asked to bring these bank officers before the Banking and Commerce Committee, presided over by a prominent member of the House of Commons, with the Minister of Finance present all the time. The Government was asked to bring those men before the Committee in order that Parliament might find out something as to the manner in which the losses were brought about.

Hon. Mr. BEIQUE: To find out what?

Hon. Mr. TURRIFF: To find out how that money was all lost, and whose fault it was, and to bring the blame home. The court said they were not guilty at all—that they could squander $5,000,000 to $7,000,000 in gambling, and they could not be held responsible. My honourable friend a moment ago said: "What could we do? It is a matter for the shareholders." But I claim that it is more than a matter for the shareholders. The banking institutions of Canada are on a different footing from any other body of business men in the country; they have practically the whole monopoly of the deposits of you and me and everybody else from the Atlantic to the Pacific.

Hon. Mr. MURPHY: And the widows are shareholders largely.

Hon. Mr. TURRIFF: Those institutions get that money for 2½ per cent. My honourable friend says no, but a very prominent bank manager told me some years ago that while the banks paid 3 per cent for money put into saving accounts it only averaged 2½ per cent, because intrest was not reckoned on amounts put in on the 3rd or 4th of a month, or if the money was taken out on the 25th or 26th of a month no interest was paid for that month. Then we all know that very few customers get interest on current account, though the banks lend that money out at 6 per cent and 7 per cent.

Hon. Mr. MURPHY: And 9 and 10 per cent.

Hon. Mr. TURRIFF: And in some places in the West at as high as 10 per cent. They get from one to two and three hundred per cent on the money they do loan out. Then, when a bank does what the Merchants Bank did, and as the Union Bank has evidently done by bad management, surely somebody should be brought to book; surely we should be given an option of having those men before the Banking and Commerce Committee in order to see if we could not find out how this disaster was brought about, and how it could be guarded against in the future.

Hon. Mr. DANDURAND: They were examined by the very best lawyers.

Hon. Mr. TURRIFF: I would like to ask my honourable friend if the Government is going to take any action to look into the question of the Union Bank, which is in exactly the same position as if that $3,500,000 or $4,000,000 had been sufficient to close its doors and put it in the same position as the Merchants Bank. Surely in the circumstances it is the duty of the Government to hold an investigation. The President says they lost money through the manager without authority dealing in exchange. That may be just camouflage; there may have been some money lost there, but we do not know.

Hon. Mr. DANDURAND: We do not know the amount.

Hon. Mr. TURRIFF: That is just it; we do not know the amount. A great deal of money may have been lost by various banks throughout the country, and it seems to me there ought to be some action taken to investigate that bank's affairs and find out. When I was in Winnipeg six or seven weeks ago I was told by different men that the Union Bank was shaky, and that it was quite on the

cards that they would lose their money, and I was advised to sell short on Union Bank stock, that the bank was going down, that it was in bad shape.

Hon. Mr. MURPHY: You cannot sell bank stock short, can you?

Hon. Mr. TURRIFF: I never sold any short, or sold any long, so I do not know about that. It seems to me that when we put the banks in such a favourable position, they ought to be held to account, like any other joint stock company; and I think it is up to the Government to look into this Union Bank business, not with the hope of remedying it, as I suppose the money is gone, but in order to guard against it in the future. That is why I say the Government has not taken a wise course in extending this Bank Act for 10 years; it would have been wiser to have laid it over and found out just how we could improve the Act next year.

The point I want to make is this. Here is a case where the President and General Manager and Board of Directors of the Union Bank were sitting in their headquarters in Winnipeg, and knew what loss had been made last January or February; yet they allowed matters to go on until the revision of the Bank Act was through the Committee and in the House of Commons, before they made the fact public. Now, should not the president of the Bank be held responsible? There was nothing to hinder innocent people from buying stock in the Bank, though the manager and directors knew that it was not solvent, or very near to insolvency. There ought to be some change made in the Bank Act to provide definite punishment for bank managers who would continue doing business and deceiving the public under such circumstances.

Hon. Mr. SCHAFFNER: Do not forget to secure an answer to your question as to why Macarow and Allan were not brought before the Committee.

Hon. Mr. TURRIFF: I think the honourable leader will answer that.

Hon. Mr. BEIQUE: I am surprised that a gentleman who has such strong common sense would suggest that those men, who have been on trial before the courts, should have been brought before Parliament. The evidence has been taken in writing, and published for months in all the newspapers of the country.

Hon. Mr. DANDURAND: They have had four trials.

Hon. Mr. MURPHY: Everybody but the jury knew they were guilty.

Hon. Mr. BEIQUE: Four trials were conducted by leading lawyers engaged by the Government, and the shareholders were entitled also to be represented at those investigations; so that the whole history has been published from one end of the country to the other in the press, and I ask the honourable gentleman what additional information he would have asked for if those two gentlemen, Mr. Macarow and Sir Montagu Allan, were brought before the Banking Committee.

Hon. Mr. TURRIFF: I look on my honourable friend as one of the first lawyers in Canada, and I would ask him if he would give me his opinion as to whether Mr. Macarow of the Merchants' Bank was guilty of wrongdoing or not.

Hon. Mr. MURPHY: You will not get that.

Hon. Mr. BEIQUE: Mr. Macarow has been found not guilty before the court, and by a judge in whom I have full confidence, and therefore I would not put my judgment against that of the judge. If the honourable gentleman is logical in his opinion of banking business, he should invest in bank shares, which are open to be bought by every person in the country.

Hon. Mr. DANDURAND: Short or long.

Hon. Mr. BEIQUE: Short or long, and if my honourable friend thinks banks have such a fine monopoly that they can coin money as they like, surely he should invest in bank shares. What is the situation? It is this, that it is recognized not only in this country but in the United States and in England that we have one of the best systems in the world, and the only criticisms we hear are from people who, as a rule, have not made a study of the question, and who have not sufficient faith in what they say to invest in bank shares. If my honourable friend would invest in bank shares, and not content himself with selling short, he would appreciate better the position and appreciate the rules which should govern banking institutions.

As far as the management is concerned, as was very properly stated, the parties mainly interested are shareholders. They are represented by Boards of directors in whom they are supposed to have confidence. The board of directors is obliged to make returns to the Finance Minister every month, going into all possible particulars, every item

in detail, and that method is improved by this new Act, for now each bank is obliged to submit to an audit of two different auditors, one of whom has to be changed every two years, I think. Moreover, the Minister is given power, whenever he likes to have any additional information, to send any of his officers or employees of the Department to examine into the affairs of the bank. What else can you suggest that would improve that situation?

Hon. Mr. McMEANS: Some of the leaders of the Government are bank directors, and I take strong exception to the statement made by them that it is no affair of the people of Canada how these banks carry on.

Hon. Mr. DANDURAND: I did not say that.

Hon. Mr. McMEANS: You said it was the business of the shareholders.

Hon. Mr. DANDURAND: When it comes to amalgamating, when it comes to a situation such as the Merchants Bank was in, to turn around and suggest amalgamation to a stronger institution.

Hon. Mr. McMEANS: The honourable gentleman, only a moment ago, speaking about the Union Bank, said that this was a matter for the shareholders. But if a bank makes an application to the Government for a charter, and it gathers up money from the Canadian people from coast to coast, large sums of it, and takes it into foreign countries and speculates with it and loses it, is that not the business of the people of this country?

Hon. Mr. MURPHY: And their representatives in Parliament?

Hon. Mr. McMEANS: It is said the Union Bank lost something like $4,250,000. How much money was drawn from Canada to speculate on this foreign exchange? If they lost that amount, I venture to say they may have had $20,000,000 invested, because they could not lose that amount of money on an investment simply of $5,000,000 or $6,000,000. Where did that money belong? Was it not the money of the people of Canada? And was not that money intended for the use of the people of Canada, under the system of banking we have here? The people out West are demanding money to assist them in their efforts in building up that country, and to a great extent their application is useless, because the banks will not give them any money. We know that when the Canadian wheat harvest comes on it draws to the utmost limit on every bank in Canada, and the banks have to go to the Government to get further issues; yet they think nothing of taking a large sum into a foreign country, speculating with it, gambling with it, and losing it. I say that is the business of the people of this country; it is the business of every Canadian citizen, because the banks derive all the advantages they have from the people of Canada, and that system is engrafted on the people, and is for the benefit of the people, and not for the benefit of those who take it out of the country and lose it.

Hon. Mr. BEIQUE: I speak subject to correction, but I think if the honourable gentleman consults the returns he will find that there is a larger amount of foreign money deposited with Canadian banks than there are advances made to foreigners in foreign countries, so that instead of being crippled by foreign business, as far as capital is concerned, this country derives the benefit of a larger amount of capital at the disposal of our banks.

Hon. Mr. McMEANS: I gathered from the statement of the honourable gentleman that it was purely the business of the shareholders, and not the business of the people.

Hon. Mr. DANDURAND: My honourable friend must notice, when he goes through this Act, that it is very much the business of the country at large, since we are surrounding this institution with all kinds of obligations and safeguards. I draw his attention also to the fact that his statement is a very wide and broad one, which, if taken without any conditions, would create suspicion and fear in the minds of the people of Canada. My honourable friend draws upon his imagination to say that $4,250,000 was lost in London on foreign exchange, and must have represented a speculation of $20,000,000. I may tell him that no one kows what amount out of that sum of $4,250,000 was lost in foreign exchange. It is not stated by the bank that that sum was lost in foreign exchange. There was some loss in that direction. My honourable friend can see monthly the amount of money the Canadian banks have abroad, how much they lend and what they receive, and what they hold in deposits throughout the country. We are trying every ten years to add safeguards to this Bank Act. I remember that a few years ago the United States sent a delegation around the world, and when they returned one of the bright bankers of the United States, who, by the way is a Canadian, Mr. Forgan, of Chicago, said that all the members felt that

one of the best and most solid systems, which offered the greatest guarantee to the public, was the banking systems of Canada. Now if there is anyone here who can suggest any improvement that will strengthen our Bank Act, let him rise and do so when these clauses are being examined.

Hon. Mr. McMEANS: If I had to do the drafting of this Act I would seriously consider the question whether banks, gathering up money as they do from every town, hamlet, and village of this Dominion, are justified in speculating in foreign countries. That is my whole point. If I said $20,000,000, I think I modified it by saying that if there was a loss of $4,250,000 on foreign exchange an immense amount of money must have been invested. We heard the other day not only of the Union Bank, but of other banks which had lost money in sugar, and we heard of banks losing money down in South America, and we hear of losses everywhere except in Canada. My opinion is strong that we should have some limitation put upon the banks investing their money in foreign countries while we need it so much in Canada.

At six o'clock the Committee took recess.

The Committee resumed at 8 o'clock.

Sections 137 to 146B, both inclusive, were agreed to.

On section 147—bank not making monthly returns:

Hon. Mr. TURRIFF: I see there is a penalty for not making returns; but is there a penalty for making false returns such as have been made by the Merchants Bank and the Union Bank?

Hon. Mr. DANDURAND: Very much so.

Hon. Mr. TURRIFF: In another clause?

Hon. Mr. DANDURAND: Yes.

Section 147 was agreed to.

Sections 147A to 152, both inclusive, were agreed to.

On section 153—making false or deceptive statement in account or return:

Hon. Mr. FOWLER: This is new, I perceive, but the word "knowingly" seems to destroy all the benefit that the section is likely to bring. All a man has to do is to be ignorant and not look into affairs and he goes scot free. There ought to be some provision by which he should know these things.

Hon. Mr. TURRIFF: It is his duty to know.

Hon. Mr. FOWLER: It is his duty to know, and therefore why should he escape on the technicality of the word "knowingly"?

Hon. Mr. MURPHY: Why not strike it out?

Hon. Mr. TURRIFF: Move to strike it out.

Hon. Sir JAMES LOUGHEED: You would not accept a presidency then would you?

Hon. Mr. FOWLER: Why not? What is the good of his making a statement if he can make it without knowledge? What is the good of the president's signature unless it has the bank's knowledge behind it. It is his business to know and I do not think the position of bank president with the emolument that it carries, would go long begging. I think you would get men to take it.

We have had two object lessons very recently before us. No man has greater pride in the stability of our banks than I have. I have never been ill-treated by the banks; I have always been treated kindly and courteously, and have no fault to find with them. It is the other way. At the same time, a bank is a trust repository where the savings of the people are deposited to be invested by the officers of the bank; and it is essentially our duty, it seems to me, to see that that trust is kept sacred and is guarded so that that the bank may not lose that money. There are two cases which are notorious because they were exploited in the public press; but there are cases which do not get into the public press at all, but which are spoken of on the outside—two very flourishing and very important banks that have made very heavy losses in different cases. I do not know whether what is said is true or not; but we do know that losses were made in the case of the Merchants Bank and the Union Bank. I would strike out that word "knowingly."

Hon. Mr. McMEANS: Read the following subsection. That will cover it.

Hon. Mr. FOWLER: If you strike out "knowingly" in the first subsection, you would not need the second subsection.

Hon. Mr. DANDURAND: The honourable gentleman will find that section 153 must be taken as a whole, and that it is a considerable improvement upon the old one.

Hon. Mr. FOWLER: Subsection 2 is old.

Hon. Mr. DANDURAND: No. The first part of 153 is new.

Hon. Mr. FOWLER: But the second part is old, apparently.

Hon. Mr. DANDURAND: No, there is an addition:

Or any return which does not set forth the true financial position of the bank including all the information required by section 113 of this Act.

If my honourable friend will read that section, he will find that the Act has been considerably strengthened in that direction.

Hon. Mr. MURPHY: "Knowingly" is a very dangerous word there.

Hon. Mr. FOWLER: It certainly is, and it is just a question of whether "knowingly" in the first part would not govern the second part. There is a disposition, you know, to favour men in high places: bank presidents get a lot of help from the courts.

Hon. Mr. SCHAFFNER: Outside of the Senate.

Hon. Mr. FOWLER: No, in the Senate too.

Hon. Mr. MURPHY: What are you going to do with it?

Hon. Mr. FOWLER: I will test the Committee by moving to strike out the word "knowingly."

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that:

Every president, vice president, director, auditor, general manager or other officer of the bank or trustee who negligently prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank, containing any false or deceptive statement, or any return which does not set forth the true financial position of the bank including all the information required by section 113 of this Act, shall be guilty of an indictable offence, punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding three years.

So he would be held liable for all he could reasonably be expected to know.

Hon. Mr. FOWLER: No. "Negligently" is a somewhat peculiar word. "Negligently" is a word of degrees: there is slight negligence and gross negligence and other varieties of negligence. That gives a chance for a sympathetic jury or court to let a man go. If you strike out "knowingly" and "negligently" in both those cases, you have an absolute provision that the statement signed by the President is true and correct.

Hon. Mr. MURPHY: He might be in Europe at the time.

Hon. Mr. FOWLER: Yes. Here we have a President, as I understand it, spending four years in Europe, and annually signing his reports and sending them in.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. FOWLER: Did he not sign them?

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. FOWLER: Then, why was he prosecuted?

Hon. Mr. DANDURAND: Because he signed returns after he came home. He had been home for three or four months. He started examining into the conditions of the bank, and found that the management had not been up to his expectations.

Hon. Mr. FOWLER: And I thought he signed a return.

Hon. Mr. DANDURAND: He signed one return and he produced a statement. He was tried on the statement of October. He then claimed that he had but a provisional report from Mr. McKenzie, and that he was expecting a complete report. He decided to sign the report of October. He claimed that if he had not signed the report of October and got time to turn around, it would have been a complete collapse. I suppose he was somewhat dubious and fearful; yet he took that risk to save his bank and save his shareholders, and the following month he was before the Treasury Board and the then Minister of Finance. I doubt, under the circumstances, whether many men of standing would have done otherwise when faced with the responsibility of wrecking their bank by announcing the situation which loomed up before them. But he signed that report, and he was found not guilty.

Hon. Mr. BELCOURT: Will my honourable friend tell us under what provision the indictment was laid against him? Of course, it was under old section 153, but that has two provisions. May I read them?

Hon. Mr. FOWLER: To what is the honourable gentleman referring?

Hon. Mr. BELCOURT: I am looking at the corresponding section in the Bank Act, 1913. I am trying to ascertain in what way this is different from that section. First of all, I wanted my honourable friend (Hon. Mr. Dandurand) to tell us, if he can, under which provision in section 153 of the old Act the indictment was laid in the case that we are now discussing. Perhaps my honourable friend can tell us.

Hon. Mr. DANDURAND: The only answer I can give my honourable friend is that I

remember that the Manager was prosecuted under a different clause from that under which the President was prosecuted. The clause which the Finance Department tried to have applied to the President was a less severe one, as to absolute, direct knowledge.

Hon. Mr. BELCOURT: Then perhaps I had better read this. I think the Committee ought to know it:

153. (a) The making of any willfully false or deceptive statement in any account, statement, return, report or other document respecting the affairs of the bank, or

(b) the using of any false or deceptive statement in any account, statement, return, report or other document respecting the affairs of the bank with intent to deceive or mislead any person, is an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by an imprisonment for a term not exceeding five years.

Now let us take subsection 2:

2. Every president, vice-president, director, auditor, general manager, or other officer of the bank or trustee who negligently prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank, containing any false or deceptive statement shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding three years.

Honourable gentlemen will notice that in the first case the offence is the making of a "wilfully false or deceptive statement."

Hon. Mr. DANDURAND: That was, I think, the one under which the Manager was prosecuted.

Hon. Mr. BELCOURT: I see. The Manager was indicted under that?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BELCOURT: The punishment for that being five years. Subsection 2 is exactly the same as subsection 2 of this Bill, except for the words in italics, which have been added. In the first subsection the words, "making any wilfully false or deceptive statement," have been replaced by the word "knowingly prepares."

Hon. Mr. MURPHY: It amounts to the same thing.

Hon. Mr. FOWLER: It is not the same thing. The old provision is stronger.

Hon. Mr. BELCOURT: I do not think this is any improvement on the old Act at all.

Hon. Mr. FOWLER: Certainly not. The older provision is the stronger—"makes any wilfully false or deceptive statement."

Hon. Mr. BELCOURT: Instead of improving it we are making it easy.

Hon. Mr. FOWLER: We are softening it.

Hon. Mr. ROCHE: No bank official except the Manager or the Inspector could conscientiously make a statement of that kind, because he does not know the facts. The only two officials that would probably know enough about the affairs of the bank to swear to a statement would be the Manager and the Inspector. In regard to returns the Inspector is the responsible man, for he receives the details from all the branches The President, the Vice-president or the Directors do not know positively what they swear to, but the Inspector knows; and the Manager ought to know, because he has all the details brought before him in condensed form.

Hon. Mr. BRADBURY: I cannot get through my mind any reason why it is necessary to use those words, "knowingly prepares." Take for instance the returns made to the Timber Department of the Ontario Government or the Quebec Government. The lumbermen are required to file returns of their cuts. Do you think there is any loophole such as this to let those men out? They have to take an affidavit that the return is true, and if the return is not true they are liable to be prosecuted. There is no way in which they can dodge the question by saying they did not know. I submit, honourable gentlemen, that these words, "knowingly prepares," ought not to be left in this clause, because they simply leave a loophole for anyone who has signed a return that proves to be false.

Hon. Mr. TURRIFF: It seems to me the whole object is to improve the Bill. My honourable friend said that a good deal of effort has been made to improve this clause over the corresponding clause in the present Act. Apparently it has not been improved.

Hon. Mr. DANDURAND: Oh, yes.

Hon. Mr. TURRIFF: By inserting those two words, "knowingly prepares," the clause is rendered useless. You might as well leave it out, because there is in it a loophole for any bank officer to get out. You would never get a conviction against an officer who did wrong under this clause, because he would be able to escape by the plea that he did not know. Why put in the clause at all if it is not an improvement?

Hon. Mr. BELCOURT: The prosecutor would have to prove that the bank officer knew.

Hon. Mr. TURRIFF: Certainly, the prosecutor would have to prove it. Why should these bank managers be given that exemption? It is their duty to know. If, as the honourable gentleman from Halifax (Hon.

Mr. Roche) says, there are in the bank only two men who could possibly have the requisite knowledge, why not require those two men to make the returns? It would be their business to see to it that the statements they make are correct. As long as they make a correct statement there is no danger of the penalty of three or five years. They can avoid making a false statement. With a clause of this kind we would probably have returns upon which the public could rely in the future. They cannot depend on the returns at present. We need only to cite the instance of the Union Bank. Apparently, when they held their general meeting last winter they knew that things were wrong; yet no effort was made to take the public into their confidence.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. TURRIFF: Until three months afterwards.

Hon. Mr. DANDURAND: But would taking the public into their confidence have remedied the situation or retrieved the loss?

Hon. Mr. TURRIFF: No, but it would have prevented many innocent persons from buying stock on a statement, made by those officers, that was absolutely false.

Hon. Mr. McMEANS: Did the honourable gentleman buy any stock in that way?

Right Hon. Sir GEORGE E. FOSTER: There seems to be a balance between two opinions. Some members think—and I am one of these—that to leave out the word "knowingly" might often result in a great injustice. Others think that by putting in the word "knowingly" you actually provide a loophole of escape, and that with this word in the clause a man need take no due care nor look for proper information, nor try to make his knowledge as complete as possible. The thought has suggested itself to me that instead of the word "knowingly" we might insert these words: "Without due care and knowledge." Then, any person who without due care and knowledge prepares signs, etc., etc., would be within the judgment of the court or the jury as to whether he was neglectful—as to whether he did not take care to inform himself. I want the clause to go as far as possible so as to make strong the lesson that a man who accepts office has a duty to perform besides simply wearing the honour and drawing the fees; that not only is he responsible to his shareholders, but he occupies a position of responsibility and trust in relation to the general business public.

Hon. Mr. BELCOURT: But that is provided in subsection 2.

Right Hon. Sir GEORGE E. FOSTER: No; "negligently" is quite a different word.

Hon. Mr. BELCOURT: "Negligently" implies duty.

Right Hon. SIR GEORGE E. FOSTER: But I do not think it is as great or as definite a limitation as "with due care and knowledge." I think these words would be an improvement upon the word "knowingly."

Hon. Mr. TURRIFF: It certainly would be an improvement.

Right Hon. Sir GEORGE E. FOSTER: And it would not go so far as to cause sometimes a great injustice.

Hon. Mr. FOWLER: The expression of the original clause is a much stronger section —stronger against the banker.

Hon. Mr. DANDURAND: How? It says "the making of any wilfully false or deceptive statement."

Hon. Mr. MURPHY: "Knowingly" amounts to the same thing.

Hon. Mr. FOWLER: He makes a wilful statement.

Hon. Mr. DANIEL: Why not make the clause read:

> Every president, vice-president, director, auditor, general manager, or other officer of the bank or trustee—
>
> Leave out the word "knowingly"—
>
> —who prepares, signs, approves or concurs in any account, statement, return, report, or document respecting the affairs of the bank, containing any false or deceptive statement—

"Of which he should have been, as such official aware"—put that at the end. Then the clause would cover any statement which he, as the officer referred to, ought to have known was false or deceptive. Then you could leave out the word "knowingly." It would be his duty to understand what he is signing. It appears to me that such a provision would fill the Bill.

Hon. Mr. MURPHY: What the junior member for Ottawa (Right Hon. Sir George E. Foster) says is about the same thing.

Hon. Mr. McMEANS: I think the clause is best as it stands.

Hon. Mr. BEIQUE: Honourable gentlemen, you must bear this in mind. Take any of the large banks; they have hundreds of agencies from the Atlantic to the Pacific.

Hon. Mr. DANDURAND: And quite a number abroad.

Hon. Mr. BEIQUE: Yes, and abroad. The branches are each under a local manager. Of course, the reports are prepared and sent in from the different branches to the head office by the local managers, and all these statements are tabulated at the head office. How can it be expected that the General Manager of the Bank, much less the president or vice-president, shall control those returns and answer for errors that are made in them? The responsibility must be upon the officials whose duty it is to prepare those statements and who prepare false returns. They are the persons to be reached and in my opinion the law is framed in the strongest way to reach them when it is possible to do so.

I have just sent to the library for a volume containing a reference to a case in which I was engaged before the Privy Council some 20 odd years ago. It was the case of La Banque du Peuple which failed through the mismanagement of the General Manager. The President a Mr. Grenier was sued by one of the large shareholders of the Bank, Mr. Prefontaine. The case went to the Privy Council. When I appeared in that case I heard the Lords of the Privy Council state, first of all, that the president of a bank or a company could not be expected and is not expected to follow the details of the bank or company. He has to accept the reports and returns which are made by persons in whom he has confidence and whose duty it is to make such returns. And I remember, as if it were yesterday, the expression used, namely, that it would be unbearable and no man of common sense would ever accept the chairmanship or presidency of a bank if he was expected to incur that responsibility. The question came up in England. There is a well-known case in which the question was agitated and discussed over and over again, and similar trouble was found in England, and they had to rest satisfied with a text such as we have here.

Right Hon. Sir GEORGE E. FOSTER: I agree in the main with the honourable gentleman. Does he wish to read the reference to his case? He might as well finish.

Hon. Mr. BEIQUE: I shall have to look it up.

Hon. Mr. DANDURAND: While my honourable friend is looking it up I would like to say a few words.

Right Hon. Sir GEORGE E. FOSTER: If my honourable friend will allow me, I will say a few words, and then he can make his reply.

Hon. Mr. DANDURAND: I thought my right honourable friend would reply to me; as he was suggesting the amendment.

Right Hon. Sir GEORGE E. FOSTER: It is very true that under our system of wide distribution of branches of banks it is absolutely impossible for any bank president to know the correctness of statements made in the large constituency of that bank, within his jurisdiction, and, by all manner of men, as managers or sub-managers in the different places. It is impossible for any man without omniscience to know whether such statements are all correct or not. In practice the head man must take the statements that are vouched for by the managers of the different branches, and he cannot go behind those. It is impossible for him to do it of his own personal kuowledge unless he happens to visit a locality and make himself thoroughly acquainted with all the details of the branch there. But though he might do that in the case of one branch, he cannot do it with 100 or 500. That is absolutely impossible.

I think we are lax if we permit of a man accepting the presidency without being obliged to apply himself to discharge the duties of that office so far as possible. I believe that nine out of every ten persons who do business with banks and invest their money in banks do so on the strength of the president and directorate rather than on the strength of the manager. It seems to be the president and directors who give character and security to the bank, and the outsider looks to the president and the directors and says: "I trust those men. They have their eye on the affairs of the bank. They are doing their work of supervision, and I trust in the outcome." I think we should make that confidence as strong as we possibly can, so that bank managers or bank directors, for that matter, may feel that they do not have a sinecure, and that it is their duty as trustees and representatives, or acting in the interest of the common people and business people of the country, who have to do with banks or are influenced by the results of banking methods, to make the best effort to prove themselves as thoroughly capable as men can be. How can this be done? Well, I think there is a second sense, a business sense, that a manager or a president of a bank or some directors of banks have. They are used more or less to that kind of transaction. Gradually in the course of a lifetime they get a sense of quick appreciation and quick under

standing of what a layman going in would have no sense of or no knowledge with regard to; consequently, if they are alert and alive to their duties, they can fit themselves by getting information, making themselves acquainted in the line of supervision and oversight, and thus they can do a great deal to stop incipient initiation of wrongdoing. They have a sort of sense as to the existence of something wrong, and they use their business capacity, if they are in earnest and alert, with great benefit to the institution itself.

Now, if you say in the Act that a man is culpable who "knowingly" signs a thing, you take away all sense of responsibility from the supervisors, be they directors or president. That is, there is a tendency to do so. But you say: "You are now before the public, and you are now before the courts of law, and you must make a sworn statement that you have used due care and knowledge in the preparation of your statement and your return; consequently if you go wrong and make a false statement you are to be haled before the courts, and a jury has its right of judgment as to whether you took that due care and made yourselves au fait and of knowledge of the affairs of the bank that it was your duty to do. If you did not do that, then you are liable for the penalty. If you did that, no mortal can do more, and therefore you go free."

I move that, instead of the word "knowingly," the words, "due care and knowledge" be substituted. I think that would be an improvement.

Hon. Mr. BELCOURT: In appreciating and determining what this Act should be, I think we should not lose sight of recent examples that we have had. I said a moment ago that the old section 153 was really more stringent than the one now proposed. Now, what did recent history disclose? Take the cases of the Merchants Bank and the Union Bank. There was an indictment against the General Manager of the Merchants Bank, under section 153, of having wilfully made a deceptive report. At the same time there was an indictment against the President of the bank under subsection 2 for having knowingly made a false report. The subject-matter of the indictment was a loan made by the Merchants Bank of an amount exceeding $4,000,000 to a gambling house in Montreal.

Hon. Mr. DANDURAND: To a stock-broker.

Hon. Mr. BELCOURT: To a stock-broker, a gambling house, in Montreal.

Hon. Sir GEORGE FOSTER.

Hon. Mr. DANDURAND: Would you say that all stock-brokers are gamblers?

Hon. Mr. BELCOURT: No, but this one was; it was known to be a gambling house.

Right Hon. Sir GEORGE E. FOSTER Speculative dealers.

Hon. Mr. BELCOURT: That may be a more charitable term, but it means the same thing. That was a very large amount; the work was going on for years and was never reported; yet with those provisions of the Bank Act both those cases failed.

In the present case of the Union Bank, shareholders are told that there is a loss in the reserve of $4,000,000 or $5,000,000, through speculating on exchange. That was not one transaction only; it could not have been one transaction; it must have been a series of transactions, because the bank could not have met with such a loss in one transaction; it must have been going on for a long time, how long of course nobody knows; but no report was made. With all the knowledge that we have of those two losses in question, they were going on for a period of years, and no report was made.

With the law stronger than is now proposed, I think, those gentlemen in the Merchants Bank case escaped. Now, if you are going to have anything in the Bank Act that imposes a duty on those people there must be a stringent provision. I quite agree with my honourable friend when he says it is impossible for one man, from the president down, to have a full knowledge of a transaction. There are inspectors who go around, but their district is limited; there is not one inspector who inspects all the branches, because he could not do it for lack of time. If there were only one inspector he might be in a position to give a statement such as we are speaking about, which would give every guarantee, but he cannot.

The result is that we might as well have nothing at all if, as proposed now, the onus of proof of knowledge on the part of the party making the return is on the Crown. In other words, if you have to prove that the president or the man who made the report did so knowingly, how can you prove it? You can prove that only in a very exceptional case. Remember that the onus will be on the prosecution. All that the accused will have to say will be, "I did not know," and then it will be for the Crown to show that he did know, and if the Crown cannot show that, the indictment fails. To my mind the law is no better than it was before, and I do not think the law as it was before was sufficient.

Hon. Mr. FOWLER: The argument of the honourable gentleman from De Salaberry (Hon. Mr. Beique) was a very strong argument, and I was greatly impressed by it; but it was not strong for the purpose for which he intended it. It was intended as an argument for branch banks, but it was a very strong argument against the principle of branch banks, which is the guiding principle of our banking system, because, according to his doctrine, nobody could be held responsible; nobody can make a statement for which he should be held responsible in connection with a bank. The president cannot do it, because it is impossible that he should know all about the branches. Any one auditor cannot do it, because he does not audit them all. Who is there to do it? How can the manager do it? He has had the same means of knowledge open to him that are open to the president—exactly the same; therefore he stands in the same position in regard to that.

The only way that I can see that this can be remedied and still retain our principle of branch banks—which I am not prepared to say is not the best thing for the country, although I have my doubts about the matter—would be to have the manager of each branch make his return to the head office under oath. Then we would have the general manager and the bank president protected by themselves certifying that they took the best means they had—the sworn affidavits of the branch managers—and they went according to them. I throw that out as a suggestion.

But as the honourable senior member from Ottawa (Hon. Mr. Belcourt) has said, the present section is certainly not an improvement upon the old section if you are looking to strengthen the section against the official. Under that word "knowingly" the general manager and the president shelter themselves against the charge brought against the president, because, as the honourable gentleman has well pointed out, the burden of proof is upon the Crown, and it is absolutely impossible for the Crown to succeed.

There never was, and probably never will be again, a more clear case than that of the Merchants' Bank; yet it was not possible to fix the guilt upon either of the persons indicted. The President was as much a victim as any one else, but the General Manager was in league with the stock gambling house that was robbing the bank, and it was generally reputed—I do not know but what there was some evidence in regard to it—that he was a silent partner in the firm. If he was not a silent partner, and in that way reaping special benefit, he was a bigger fool than people took him to be, to advance so much money to this gambling concern.

Now, I think we had better either wipe out the whole section, or else strike out the word "knowingly" in the first part of the section, and "negligently" in the other. I do not know but what it would be just as sound to wipe out the whole thing and let them go without a law. What is the good of having a law that is no good? What is the good of having an enactment on the Statute Book that is absolutely non-enforceable? We have too many of these laws now, and it tends to bring all the laws into contempt.

Hon. Mr. BELCOURT: It gives the people a false security,

Hon. Mr. FOWLER: Yes, it gives people a false security. Let us not lose sight of this fact, that the banking institution is a depository of trust funds, those of widows and orphans, and all other classes, and it is not their own money that those people are gambling with. Look at the directorate of a bank, and you see Sir Somebody or Lord This or That at the head of it, and you know he is a wealthy and successful business man. They have about 20 names of men distinguished in financial and commerical life on the list, and you have faith in that bank. But do these directors as a matter of fact direct? We know they do not. It is mighty seldom they do. Just as in commercial institutions, there is a good deal too much of that sort of thing—directors who do not direct. But I would hold directors responsible, whether they are active directors or not, if anything went wrong, and I would hold them, from the president down, because they should direct, they should know these things, or else they should not take the position.

I move, if I can get a seconder—

Hon. Mr. DANDURAND: There is already an amendment before the Chair.

Hon. Mr. FOWLER: What is that amendment?

The Hon. The CHAIRMAN: Right Honourable Sir George E. Foster moves to strike out from line 34 the word "knowingly" and insert instead the words "without due care and knowledge."

Hon. Mr. FOWLER: That is only shifting from one thing to another; that is not an amendment. I moved in amendment, before that, that the word "knowingly" be struck out in the first case, and "negligently" in the second. The words, "without due care and knowledge" are equivalent to "knowingly."

Hon. Mr. BEIQUE: My objection to the wording of the amendment is that it would imply a duty on the part of the president or vice-president and directors to go into the details of the bank, and it would leave them open to be tried on any occasion when, from the nature of their functions, they cannot be expected to do that. I was referring to that case of Prefontaine vs. Grenier. The holding was this:

Where the collapse of a bank was due to overdrafts which the cashier, the principal executive officer of the bank under the directors, whose accounts had been duly audited by a board of auditors duly appointed and entirely independent of the directors, had irregularly and improperly allowed to certain cutomers: Held, that by the law of Quebec as by the law of England, a charge of negligence could not be established against the president of the bank simply by reason of his having in good faith failed to detect the cashier's concealment of such overdrafts.

And, in rendering judgment, they said, amongst other things:

In this country questions as to the nature and extent of the duty and responsibility of directors and others, in respect of the conduct of affairs of companies, have been frequently under consideration. Attempts have been repeatedly been made to render them personally liable, on the ground that they have trusted the regularly authorized officers of the company that they have failed to detect, and been misled by, misrepresentation or concealment by such officers, when there was no reason for doubting their fidelity. But such attempts have not been successful. It is sufficient to refer to the case of Dovey vs. Cory (1), in which the subject was fully considered by the House of Lords.

On referring to that case, I find that Lord Halsbury, who was one of the Lords rendering the judgment, said, amongst other things:

The charge of neglect appears to rest on the assertion that Mr. Cory, like the other directors, did not attend to any detail of business not brought before them by the general manager or the chairman, and the argument raises a serious question as to the responsibility of all persons holding positions like that of directors, how far they are called upon to distrust and be on their guard against the possibility of fraud being committed by their subordinates of every degree. It is obvious if there is such a duty it must render anything like an intelligent devolution of labour impossible. Was Mr. Cory to turn himself into an auditor, a managing director, a chairman, and find out whether auditors, managing directors, and chairmen were all alike deceiving him? That the letters of the auditors were kept from him is clear. That he was assured that provision had been made for bad debts, and that he believed such assurances, is involved in the admission that he was guilty of no moral fraud; so that it comes to this, that he ought to have discovered a network of conspiracy and fraud by which he was surrounded, and found out that his own brother and the managing director (who have since been made criminally responsible for frauds connected with their respective offices) were inducing him to make representations as to the prospects of the concern and the dividends properly payable which have turned out to be improper and false. I cannot think that it can be expected of a director that he should be watching either the inferior officers of the bank or verifying the calculations of the auditors himself. The business of life could not go on if people could not trust those who are put into a position of trust for the express purpose of attending to details of management. If Mr. Cory was deceived by his own officers—and the theory of his being free from moral fraud assumes under the circumstances that he was—there appears to me to be no case against him at all.

Then Lord MacNaghton and Lord Davey all spoke to the same effect.

It is said that the clause is of no use. The monthly returns are based on the reports of the manager at the head office, and on the reports made by the managers at the different branches, and the clause is useful to reach them. It is not the general manager, who must of necessity act on the reports of the subordinates, the local managers, that should be or can be reached, but it is the local man, the man who makes the false report, and it cannot be otherwise.

If the wording were changed it would open the door to juries deciding that the law intended that the president or the general manager should inquire into the details of the bank, which they cannot be expected to do.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, if I thought for a moment that the work of the president and the other executive officers mentioned in clause 153 could be performed personally by them with reasonable industry, I would be very glad to support the suggestion made by my honourable friend that the word "knowingly" be stricken out. But upon investigating the Act, upon looking at the different sections as to the details devolving upon those officers in making their statement, it will be at once ascertained that it would be physically impossible that those officers should have a personal knowledge of the statements the Bill requires them to make. It will be observed in section 112 that they are called upon to make a monthly statement, and if any honourable gentleman will look at that section as to the knowledge which is to be possessed, and evidence of which is to be included within the statement, he will observe that no human being could possibly have the personal knowledge to make a statement such as is set out in that section, upon which he might be criminally responsible. This statement is to be made monthly, and it covers the operations of the bank in its entirety. It covers the bank wherever it carries on business in the hundreds of branches which some of the banks operate; in their business overseas; in their banks on the four continents—because some of these banks are doing business not only

upon this continent, but upon the four continents; and that they should have a personal knowledge of the returns to be made under section 112 is, as I say, physically impossible.

Then, if honourable gentlemen will turn to the particulars required by section 113, which likewise are to be embraced within the statement, it will be observed that he would be required to have personal knowledge of all those subjects.

Then, schedule G sets forth all the information which must be shown in detail in this statement, and my honourable friend will at once be convinced of the reasonableness of saying that those executive officers shall not "knowingly" make a false statement, or, as my right honourable friend has said, shall make it "with due care and knowledge." Schedule G covers over three pages, and deals with the operations of the banks in all their ramifications wherever they carry on business. From this honourable gentleman will see how impossible it would be to make a statement as to the accuracy of the accounts, because it is well known that so long as human infirmity exists false statements will be made by many employees of the banks.

Hon. Mr. FOWLER: Is it not like the case of the audit: you cannot have an audit that is worth a cent.

Hon. Sir JAMES LOUGHEED: And you cannot have a correct statement. As long as there is human infirmity, and resourcefulness in the mind of the man who wants to perpetrate a criminal or fraudulent or false act, we cannot possibly devise legislation which safeguards property or money against all the possibilities. The result of what we are trying to do has its reflection upon the financial status of the banks. Notwithstanding the latitude which we give, say in statements of this kind, the investing public are only too anxious to put their money into the bank—in bank stocks or on deposit—and consider these investments equal to anything on the market.

Hon. Mr. FOWLER: They are anxious to put it into oil stock too.

Hon. Sir JAMES LOUGHEED: You cannot protect the public against their avidity for large profits; and, no matter what legislation we build up, it is utterly impossible to safeguard humanity against human infirmity.

Hon. Mr. DANDURAND: I should like to say a few words on the amendment of the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster). First and foremost, I would like to say that we are trying to build up an Act that will protect the weak institutions, if there be still some in existence; and, in contradiction of the statement of my honourable friend from Sussex (Hon. Mr. Fowler), I desire to state that bank directors direct.

Hon. Mr. FOWLER: Some bank directors.

Hon. Mr. DANDURAND: I will mention banks that are around me—banks in Montreal; I will not speak of Toronto.

Hon. Mr. MITCHELL: Did the Merchants' Bank directors direct?

Hon. Mr. DANDURAND: I know the Imperial Bank directors direct.

Hon. Mr. MITCHELL: Did the directors of the Merchants' Bank direct?

Hon. Mr. FOWLER: What about the Union Bank?

Hon. Mr. MITCHELL: The leader of the Opposition says the president and directors are not responsible.

Hon. Mr. DANDURAND: I will come to that in a moment. I take banks that have their head offices in Montreal. I do not think any honourable gentleman from that city who knows what is going on there will say that there is a Board there that does not direct. I think likewise of the Royal Bank, the Molsons Bank, and the Bank with which the honourable member from De Salabery (Hon. Mr. Béique) is connected, and I feel sure that no one will challenge the statement. I just mention those banks around me.

The Merchants Bank had an accident that showed that it was weak in its management. The Manager and the President were brought before the court. The suits against them were dismissed—why? As far as I remember—and I think I have a clear conception of the real cause—the point made by the judge was that the monthy return did not call for the same complete information that was required in the annual statement; and, after examining into what the President and the Manager were obliged to subscribe to in their monthly report, he did not feel justified in declaring that the return as made to the Government was knowingly or wilfully false in one case, or negligently false in the other.

I am not ready to accept the suggestion of my right honourable friend, for this reason. An effort has been made under the present

Bill to meet the situation that developed in the case of the Merchants' Bank. I will cite some cases to show that in the body of the Act there are safeguards which have been added, and which would have protected the shareholders of the Merchants Bank against some of the losses they made.

The clause now under review, the first part of which is new, says:

Every president, vice-president, director, auditor, general manager or other officer of the bank, or trustee who knowingly prepares, signs, approves or concurs in any account, statement return, report or document respecting the affairs of the bank containing any false or deceptive statement, or any return which does not set forth the true financial position of the bank including all the information required by section 113 of this Act—

And we will look at that section in a moment—

—shall be guilty of an indictable offence, punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding five years.

The next subsection contains in the main the old clause, but with an improvement. It says:

Every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who negligently prepares, signs, approves or concurs in any account, statement, return, report or document respecting the affairs of the bank containing any false or deceptive statement—

And here are the new words:

—or any return which does not set forth the true financial position of the bank including all the information required by section 113 of this Act, shall be guilty of an indictable offence punishable, unless a greater punishment is in any case by law prescribed therefor, by imprisonment for a term not exceeding three years.

Now let us see what improvement has been brought about by this Bill. I draw the attention of my honourable friends to the fact that it will be much harder henceforth for the president or directors to plead ignorance. Their knowledge will be widened under the authority of the new clauses of this Bill. I feel that clause 153, which has been prepared under the authority and sanction of the Department of Justice to meet the Merchants Bank case, will sufficiently complete the Act, and will ameliorate conditions under it.

Then I call attention to subsection 9 of clause 56, which says:

The Minister may, from time to time require that the auditors of a bank shall report to him upon the adequacy of the procedure adopted by the bank for the safety of its creditors and shareholders, and as to the sufficiency of their own procedure in auditing the affairs of the bank; and the Minister may at his discretion enlarge or extend the scope of the audit, or direct that any other or particular examination be made or procedure established in the particular case as the public interest may seem to require.

This is new. Let my honourable friend following me while I read subsection 10:

It shall be the duty of the auditors to report individually or jointly as to them may seem fit to the general manager and to the directors in writing any transactions or conditions affecting the well-being of the bank which are not satisfactory to them, and which in their opinion require rectification, and without restricting the generality of this requirement they shall report specifically to the general manager and to the directors from time to time upon any loans exceeding one per cent of the paid up capital of the bank which in their judgment are inadequately secured, but this provisions shall not be construed to relieve any director from the due and proper discharge of the duties of a director. The report shall be transmitted or delivered by the auditors to the general manager at his office and to each director at his last known post office address and the said report shall be incorporated in the minutes of the directors' meeting first following the receipt of the said report.

My honourable friend will see that the auditors are under the obligation of scrutinizing the large accounts; and I draw the attention of my honourable friends to the fact that the larger accounts are always supervised from the head office, even if the money is not directly advanced from the head office. The branches are limited in the amount which they may loan, but the large accounts are scrutinized and must be scrutinized monthly by the head officers and the directors. The auditors will not have the simple mission of verifying the books and finding out whether the figures of the monthly report resemble the figures in the book. They will have to watch over the larger accounts, and to report if they feel there is anything to which the attention of the directors ought to be called.

Section 153 states that the management will have to conform to the requirements of section 113, which my honourable friend opposite mentioned a moment ago. I draw attention to snbsection 4 of section 113. This is the chapter under the title of "Returns." This is new:

Notwithstanding anything in the last preceding section contained it shall not, except as to the chief accountant or acting chief accountant of the bank—

whose responsibility is not taken into question—

—be sufficient for the purposes of any return provided for or required under the said section that such return agrees with the books of the bank—

That was the old system.

—but the return shall set forth the true financial position of the bank on the last juridical day of the month last preceding the date of the return according to the latest information possessed by or reasonably available to the officers or any of them who sign the return.

Then, subsection 5 says:

For the purposes of any return provided for or required under the last preceding section, or for the purposes of any statement, or balance sheet prepared and issued by a bank, there shall not be included amongst "current loans" any loan in respect of which,

(a) The borrower has not for a period of two years—

Hon. Mr. FOWLER: Does that say two years? That is giving pretty good leeway.

Hon. Mr. DANDURAND: Yes, but there are reasons why it should be two years.

(a) The borrower has not for a period of two years preceding the date of such return, statement or balance sheet, paid the interest thereon at the rate agreed, in cash, unassisted by the bank.

I still have echoing in my ear the claim of the farmers, as voiced in another place, that the banks should be rural credit institutions lending money which should not be recalled until there is a good crop. There have been times in the West when crops have not been good for five years. Such a loan might be good, but it would not be a current loan.

Hon. Mr. FOWLER: I hope the honourable gentleman is not inferring or attempting to imply that I hold the views of the honourable gentlemen in the other House.

Hon. Mr. DANDURAND: No, no. I said, some members in the other House.

Hon. Mr. FOWLER: I certainly would disclaim it at once. I do not think you will find anybody much more conservative in this matter than I am.

Hon. Mr. DANDURAND (reading):

in respect of which,—

(b) the bank has taken possession of the property or any part of the property—

These are all clauses which would have protected the shareholders of the Merchants Bank.

Hon. Mr. FOWLER: My interruption was this, that two years seems to give a pretty good leeway. I would say that an account on which nothing was paid in the way of interest for two years was in a pretty perilous way.

Hon. Mr. DANDURAND: I would point out to my honourable friend that those two years would have to be years in which there has been no renewal, and it will be deemed to be no renewal if the renewal has been made with money borrowed from the same bank.

Hon. Mr. FOWLER: Yes.

Hon. Mr. DANDURAND: If the bank, at the expiration of the note, renews it for three months and adds the interest, it will be the bank that furnishes the amount of interest accruing.

Hon. Mr. FOWLER: I understand that.

Hon. Mr. DANDURAND: This says that if a loan has been unprotected for two years and remains overdue for that period, even if it has been renewed, but renewed with the bank's money, it will not be held to be a current loan.

Hon. Mr. FOWLER: I should think so. It would be a very slow current.

Hon. Mr. DANDURAND: There are at present in many banks in the West, I am told, loans that have run for much more than two years, and that are good, safe loans, though no money has been paid on them. A delay has been requested because of failure of crop.

(b) the bank has taken possession of the property or any part of the property covered by any security given by the borrower with the intention of realizing thereon, or has realized or taken any step or proceeding for the purpose of realizing upon any security given by the borrower;

This will not be a current loan.

(c) the bank has commenced an action at law to recover from the borrower the amount of the loan or any part thereof;

(d) the borrower has made an abandonment of his estate for the benefit of his creditors or any of them;

That was the case of some of the debtors of the Merchants Bank.

or, (e) there is other cause, sufficient in the opinion of the manager of the branch of the bank where such loan is domiciled, or in the opinion of any director or officer of the bank who prepares, signs, approves or concurs in such return, statement or balance sheet, for deeming such loan not to be a current loan.

I might continue and read all the new clauses of the Bill which require the managers and directors to have a direct knowledge of the affairs of the bank, through the auditors who are appointed under this measure. So when it is provided in section 153 that—

every president, vice-president, director, auditor, general manager or other officer of the bank or trustee who knowingly prepares, signs, approves. . .

It will be far more difficult for the bank officer to say that he did not know. And when he is made fully liable for preparing, signing, approving or concurring in any account, statement, return, etc., negligently, it will be harder for him to disprove the negligence. The return he is obliged to make, and the work of the auditors and all the new conditions which are introduced in this Bill will bring home to him the importance and

seriousness of his responsibility. Knowing that the Department of Justice has worked very carefully upon this clause 153, in connection with the other clauses, I would hesitate to disturb the whole economy of the Act by the proposed amendment, without at all events consulting the Department of Justice. I think that the new work which has been done would justify my right honourable friend in not insisting upon the alteration of this clause

Hon. Mr. ROCHE: Each honourable member who has offered an amendment has presented a forcible argument for the acceptance of it, and I see nothing in either amendment that would be objectionable. Why not accept both the amendments proposed by the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) and the amendment of my honourable friend from Sussex (Hon. Mr. Fowler), if they are additional safeguards?

Hon. Sir JAMES LOUGHEED: Did I understand my honourable friend (Hon. Mr. Dandurand) to say that this clause had been prepared or drafted by the Minister of Justice, due regard being had to the late trial of the President and the General Manager of the Merchants Bank.

Hon. Mr. DANDURAND: Yes, I did say that.

Hon. Sir JAMES LOUGHEED: And is the language used to meet certain questions that had arisen in that trial?

Hon. Mr. DANDURAND: All that was found to be insufficient in the suits that were instituted against the Manager of the Merchants Bank is proposed to be remedied in this Bill, according to the Department of Justice.

Hon. Mr. FOWLER: I will guarantee that no man could be found guilty, under the same circumstances, under this measure in its present form.

Right Hon. Sir GEORGE E. FOSTER: I take notice of what my honourable friend (Hon. Mr. Dandurand) has said, and I do not desire to oppose an idea of my own to the well-considered and careful study of the question by the Department of Justice, having in mind the case in Montreal which led to the suits and what we think is a failure of justice, and I do not wish to press my amendment in the face of these facts.

The proposed amendment of the Right Hon. Sir George E. Foster was withdrawn.

Section 153 was agreed to.

On section 154—director refusing to make calls on suspension of bank:

Hon. Mr. FOWLER: Is there any change in this?

Hon. Mr. DANDURAND: There is no change.

Section 154 was agreed to.

On section 155—officers giving undue preference to any creditor:

Hon. Mr. DANDURAND: No change.

Hon. Mr. FOWLER: Why do you use the word "wilfully" here?

Hon. Mr. DANDURAND: Because it refers to the direct action of those officials.

Hon. Mr. FOWLER: Why not leave out the word "wilfully"?

Every person who, being the president, vice-president, director, general manager, manager, or other officer of the bank, willfully gives or concurs in giving to any creditor of the bank any fraudulent, undue or unfair preference over other creditors, by giving security to such creditor, or by changing the nature of his claim, or otherwise howsoever, is guilty of an indictable offence,

Why do you put the word "wilfully" there unless it is a sort of step-ladder to get him out of trouble?

Hon. Mr. DANDURAND: One cannot commit or associate himself with a fraud without doing it wilfully.

Hon. Mr. FOWLER: If that is the case, why do you use the word "wilfully"?

Hon. Mr. DANDURAND: It is but a repetition of the expression used in the Criminal Code.

Hon. Mr. FOWLER: I move that the word "wilfully" in the third line of section 155 struck out.

Hon. Mr. BEAUBIEN: Will my honourable friend state the reason why he wants it struck out? I should be very glad to know it.

Hon. Mr. FOWLER: The reason I did give, but I will repeat it for the benefit of my honourable friend from Montarville (Hon. Mr. Beaubien).

Hon. Mr. BEAUBIEN: We do not hear very much here.

Hon. Mr. FOWLER: I understand. The word "wilfully" is absolutely unnecessary in this clause. If you leave out the word, the section will read:

Every person who being the president, vice-president, director, general manager, manager or other officer of a bank, gives or concurs in giving to any creditor of

the bank any fraudulent, undue or unfair preference over other creditors, by giving security to such creditor . . . .

The word "wilfully" is not necessary at all If a person were taken by the throat and held down and forcibly made to sign, he could plead duress, and that is the only way he could do the act unwillingly.

Hon. Mr. MITCHELL: Were not directors responsible under the old Act for anything wrong they did? Are we making a new provision?

Hon. Mr. FOWLER: I do not quite catch the honourable gentleman's argument. I say that the use of the word "wilfully" can be with only one intention, and that is to make it more difficult to prove the case. The officer could not do the deed unwillingly unless he were taken forcibly by the throat and the pen in his hand guided on the paper; and in such a case he could plead duress.

Hon. Mr. BEAUBIEN: This clause creates a criminal offence punishable by two years' imprisonment. It seems to me it is a fundamental principle of criminal law that no man may commit a criminal offence unless he does it wilfully. If you eliminate from this Bill the term "wilfully," a man may be sent to prison for two years, without there being one tittle of proof that he has committed an offence knowingly or wilfully. For my part I do not think that is fair, or that it is good British law. I certainly think the amendment should not be passed. I may add that there is in my opinion no law in the world that is, on the whole, more satisfactory in its application or better in its results than this Act.

Hon. Mr. MURPHY: The Merchants Bank was a good case.

Hon. Mr. BEAUBIEN: Oh, yes, a few of our banks have fallen by the way. But what has been the experience of other countries? As has been observed, very properly, by the honourable leader on this side of the House, no human law will reform a man or prevent absolutely the commission of crime. If you make this law so severe that men will not accept directorship in banks, they will not have sufficient capital. After all, as I say, our banking law has given wonderful service and compares favourably in its results with any banking law in the world.

Hon. Mr. BEIQUE: I would point out to the honourable gentleman that if the word "wilfully" were struck out the result would be this. The advantage might be fraudulent because of the act of an officer or employee of the bank. Though the president might not know that it was fraudulent he could be indicted for the offence committed by another person.

Hon. Mr. FOWLER: How would he sign this without knowing it? What is the use of talking such nonsense as that?

Hon. Mr. BEIQUE: But he might not know that the advantage was fraudulent. The act might be that of another officer of the bank.

Hon. Mr. BEAUBIEN: Of many officers of the bank.

Hon. Mr. BEIQUE: He might not know at all that it was fraudulent.

Hon. Mr. BRADBURY: Does not the honourable gentleman think he ought to know? I think he ought.

Hon. Mr. FOWLER: Could he give a preference without knowing it?

Hon. Mr. ROCHE: You cannot investigate the mind of any person. You must prove his intention by his overt acts.

Hon. Mr. FOWLER: Honourable gentlemen, I cannot understand the pleading of my honourable friend from De Salaberry (Hon. Mr. Béique). He seems to think that the bank presidents have very little sense—that they are foolish—that they could give fraudulent preference without knowing it. Of what material are bank presidents in Montreal composed? Are they all like Sir Montagu Allen, who did not seem to know—I will give him the credit of not knowing—what was going on? If all bank presidents are like that, we had better have some section devoted to supplying qualifications for bank presidents, so that a man must have a certain degree of intelligence before he can be appointed a bank president. I cannot believe that there is any president of a bank to-day in Canada who is so devoid of common intelligence and understanding that he would give a fraudulent or undue preference to a creditor of the bank without knowing what he was doing unless he was—

Hon. Mr. MURPHY: An imbecile.

Hon. Mr. FOWLER: —under the influence of intoxicating liquor.

Hon. Mr. DANDURAND: My honourable friend will observe that this clause has been in the Bank Act since 1913 and has worked satisfactorily up to the present time. Expert advice was available to the Government when

this clause was enacted in 1913, and it is still available. I do not see why we should alter the clause.

Hon. Mr. FOWLER: It is falling off its hinges.

Hon. Mr. BELCOURT: May I give my view of what difference it makes to have the word "wilfully" there or not to have it? To my mind the question is reduced to one of onus of proof. If you have the word "wilfully," then the onus of proof is upon the Crown to establish as part of the crime that the accused did know that the preference was fraudulent and that he gave it wilfully. If you strike out the word "wilfully," the situation is not really changed except that the onus of proving that the accused was innocent rests upon himself.

Hon. Sir JAMES LOUGHEED: No; because the very act constitutes the crime.

Hon. Mr. BELCOURT: But if you leave the word "wilfully" in the clause then the Crown has to show by evidence that the person did wilfully give the preference. If you take it out, the onus of proving that it was not done wilfully will fall upon the accused. That is the only difference between leaving in the word "wilfully" and taking it out. I do not think it changes the crime in any way, except that in one case the Crown must prove that the accused is guilty, and in the other the onus is upon the accused to show that he is not guilty; in other words, that he did not know.

The proposed amendment of Hon. Mr. Fowler was negatived, and section 155 was agreed to.

Sections 156 to 159 inclusive were agreed to.

On section 160—commencement of Act:

Hon. Mr. DANDURAND: I intend moving these words as the first words of this section:

Except as herein otherwise provided, this Act shall come into force on the first day of July, one thousand nine hundred and twenty-three.

Section 160 as amended was agreed to.

The Schedules were agreed to.

Section 46 was agreed to.

On section 76—business and powers of bank; exceptions:

Hon. Sir JAMES LOUGHEED: I moved an amendment to this section. That amendment I propose withdrawing. I understand my honourable friend from Portage la Prairie proposes moving a section.

Hon. Mr. WATSON: Honourable gentlemen, I wish to move, seconded by the honorourable member for Selkirk (Hon. Mr. Bradbury) in addition to section 76, as subsection 4, the following:

4. Nothing herein contained shall prevent an agent or manager of a bank with chief offices and branches in one province only from acting as agent for the placing of hail insurance.

This does not name the bank, but as a matter of fact it applies to only one bank that we know of, the Weyburn Securities Bank, and I venture to say that anybody who read the evidence before the Banking and Commerce Committee on the Bank Bill will come to the conclusion that such a bank as the Weyburn Securities Bank should receive some consideration. It is a small bank entirely within a province, having a head office and some twenty-four branches. Its total profits last year, I understand, were $48,000, of which some 37 per cent were fees from hail insurance. Anyone acquainted with the West knows that any bank that encourages hail insurance is a good thing for the country. That bank has shown, before the Committee, that it is most prosperous, that its customers are prosperous, and that quite a number of its branches, which of course are small, would have to be closed up if it were not for the fact that they got policies of hail insurance. For that reason I have no hesitation in moving this, knowing that any person who knows the Weyburn Securities Bank would agree that it should be allowed to carry on this hail insurance. This added subsection will not affect any other bank in the Dominion of Canada, and if any other bank should do the same business in the future as is done by the Weyburn Securities Bank, it should be allowed to do so. Hail insurance is one of the things that all people of good judgment in the community out West put on the land, because occasionally we have hail-storms that sweep over the country and generally destroy the entire crop. It is well that a bank, in doing a safe business on farmers' security, should wish to have it further secured by adding hail insurance.

Hon. Mr. MURPHY: I took exception to this, and I have not seen any reason to change my opinion. It has been the habit of banks to take hail insurance in the past, and I cited some examples in the Maritime Provinces where this custom prevailed, and it was inimical to the interests of customers of the bank. If you give the privilege of doing insurance business to one bank you should allow it to all banks.

Hon. Mr. WATSON: No, it is confined to a bank where the head office and all the

branches are in one province, and there is no other bank in Canada to-day that answers that description.

Hon. Mr. MURPHY: It will allow every bank in the province of Saskatchewan to do that business.

Hon. Mr. WATSON: No, because there is not a bank in Saskatchewan that has not offices outside of that province.

Hon. Mr. MURPHY: It gives a preference to one bank over all the others, and it gives a preference to a bank over insurance companies. It is a vicious practice. In the Maritime provinces some banks acted as insurance agents, and held up a man applying for a loan. If his lumber was in the boom, or his oats were in the barn, he would be told he must insure his lumber or his oats, or he could not get his bank loan. In principle the method is wrong, and a bank that cannot stand on its own feet should not have a right to go into a business of that kind.

Hon. Mr. DANDURAND: I will appeal to the sense of fair play and equity of my honourable friend. I know nothing about the conditions in the West; but it is represented to us that there is really a farmers' bank that is doing business in places where other banks are not doing business, and it has been able to develop and cover that ground because its local agents have been doing that work. It was a legal act, that of placing hail insurance, and that institution is flourishing under those conditions. What my honourable friend objects to is the act of the branch manager who places insurance for his own personal advantage. In this case it is not so. It is the bank itself that has carried on and has developed and prospered because it has added this legitimate income from commissions received by local agents for the bank.

Now, there is an institution in the West, that has prospered, and it says: "Why should you at one fell blow take off a line of business that represents some 33 or 35 per cent of our income?" Here we are decreeing that henceforth branch managers or other managers will be prohibited from placing any kind of insurance, and we are asked to make that exception for a little institution in the West, which is provincial in its scope. For my part, it appeals to my sense of fair play, and I say I will vote for that amendment.

Hon. Mr. BRADBURY: I do not think this matter needs to be discussed at great length. This bank at Weyburn has certainly filled a most important function there, and it is doing a lot of good work, I understand. This amendment certainly cannot do any harm, and it will do a whole lot of good. It will keep the bank in interest and give it an opportunity of carrying on. I am informed that if this permission is not given to the Weyburn bank, the refusal will almost put it out of business. This hail insurance does not fit any of the other banks at all; it only fits these small banks with the head office and branch offices in one province. Consequently I think the amendment ought to be adopted.

Hon. Mr. LAIRD: We had some discussion on this question on Friday when the matter was first presented, and I must confess that I have heard nothing further to-night than we did upon the former occasion which would give legitimate support to this amendment.

Hon. Mr. DANDURAND: But my honourable friend will admit that this is a much more restricted amendment: it only covers one bank.

Hon. Mr. LAIRD: Yes, I admit that it is a much more restricted amendment, but I do not know that it is any more innocent for that reason. This is the first time I have seen legislation in this House or any other which specifically selected one institution and made amendments to satisfy that institution and the circumstances surrounding it. It is said that no names are mentioned, but the circumstances mentioned in connection with the amendment apply to only one institution, and that happens to be in the province of Saskatchewan. The leader of the Government says this is a farmers' bank, and for that reason it is entitled to special consideration. Let me tell the leader of the Government in this House that it is no more a farmers' bank than any other bank that operates in the province of Saskatchewan. It operates to a large extent in small communities, but at almost every point there is a branch of a chartered bank, and in some places there are five or six chartered banks in competition with this bank. I have every sympathy with the Weyburn bank, but to specifically pick out one institution in the country and pass special legislation adapted to that particular institution is, I believe, wrong in principle and wrong in practice.

It has been urged by the mover of this amendment that hail insurance is a desirable thing. There is no use in discussing that, as the principle was proved beyond question years ago, and hail insurance is universally

adopted all through the western provinces. If the facilities for getting hail insurance were difficult to obtain, or if this were the only institution that could supply it in those localities, there might be some ground for argument; but I venture to say, as was stated when this motion was before this House on a previous occasion, that in every locality where there is a branch of this particular bank there are half-a-dozen agents who are prepared to supply this service in the ordinary course of business.

Hon. Mr. WATSON: I do not understand that those people do hail insurance; it is simply that their agents are allowed to act as agents for hail insurance. They are not taking out a license.

Hon. Mr. LAIRD: A bank which is chartered to do a banking business is specifically singled out from all the other banks in Canada and allowed to do hail insurance business.

Hon. W. B. ROSS: No.

Hon. Mr. LAIRD: I would like to be corrected.

Hon. Mr. WATSON: I understand that its agents are authorized to act as agents for hail insurance. It is not a hail insurance company.

Hon. Mr. LAIRD: I never suggested that it was a hail insurance company, but it is in the hail insurance business to this extent, that the bank acts as agent for hail insurance, and therefore comes into competition with hundreds of legitimate hail insurance agents who are already in those different communities.

Hon. Mr. BRADBURY: What harm will that do?

Hon. Mr. LAIRD: Well, it is rather infra dig. for a chartered bank to go into hail insurance business in competition with people who are already in that business, and making their living by it. It is an unusual thing for this Parliament to pick out any one particular institution and by law say that it can do business, and that no other institution can do a similar business.

Hon. Mr. GILLIS: I certainly think this is a step in the wrong direction. In addition to coming in competition with well-established agencies throughout that province, this bank will come into competition with municipal hail insurance, as a large number of municipalities in Saskatchewan have a system of hail insurance of their own.

Hon. Mr. WATSON: They act only as agents.

Hon. Mr. GILLIS: They are doing a hail insurance business, no matter what you call them. This bank goes into that business in competition with other banks which have not the same privilege, and in addition to that this amendment will apply to the province of Manitoba.

Hon. Mr. WATSON: No.

Hon. Mr. GILLIS: The Union Bank of Canada has its headquarters in the city of Winnipeg.

Hon. Mr. WATSON: This only applies to a bank that has its head office and branches all in one province.

Hon. Mr. GILLIS: The principle is entirely wrong, and I think we are making a very serious mistake in giving a regular chartered bank a special privilege of doing hail insurance. As a rule, where a farmer is in need of hail insurance, the regular banks will advance the money.

Hon. Mr. WILLOUGHBY: It was a suggestion of mine that this bank should be limited to its own business. This amendment makes the bank a general agent for writing hail insurance, whether it is fitted as a bank otherwise to do so, by way of lending money. I think it should rather be restricted to insurance writing in connection with business in which it has made advances. I think that is as far as we ought to go.

Hon. Mr. DANDURAND: We are making a broad prohibition covering the banks and are leaving the hail insurance business to the smallest bank of the seventeen, a bank in the Western Provinces. It was because I felt that the West needed all the possible support that I made the exception.

Hon. Mr. TODD: I would like to ask the honourable gentleman, why, if the West needs that support, he does not let all the banks do hail insurance? I think this House should prevent bank managers taking an unfair advantage of insurance agents by forcing all the bank's clients to place the insurance in their hands. You make a general rule which is a good one; then you make an exception in a special case. You might as well say that a certain bank in New Brunswick can solicit fire insurance and that the others cannot. I think it is legislation of the worst kind.

Hon. Mr. DANDURAND: The prohibition is along the line of the policy of the banks. They do not want their managers to become insurance agents, and prohibit them from soliciting insurance. I have been informed by an honourable gentleman from Nova Scotia, I think, or is it my honourable friend from Prince Edward Island, that some bank man-

gers violate that prohibition. I wonder whether it it worth while spending ten minutes over the question of allowing the smallest bank to continue to do this business. I remember some years ago the garden island of this country asked for favoured treatment, and we said, "Let us do it for the smallest unit"—perhaps the brightest and most perfumed—"of the Dominion of Canada." I say let us do this because it is the smallest chartered bank.

Hon. Mr. TODD: Does the leader of the Government admit that he is giving a special privilege in a special case?

Hon. Mr. DANDURAND: It is a privilege to that bank, but the other banks do not want the same privilege.

Hon. Mr. GILLIS: What will you do if the others come here next year and say, "Let us do this too"? There are other banks in the West that are just as anxious to do this as the Weyburn Bank.

Hon. Mr. LAIRD: Suppose another bank came along next year and asked for the privilege of doing a life insurance business, what position would my honourable friend be in? Would he say, "Oh, I am prepared to make another exception of that one particular bank"?

Hon. Mr. DANDURAND: No, I would not. I want honourable gentlemen to understand that I know nobody connected with this institution, and that nobody has asked me to take sides. But this bank is already doing that kind of business as a special line of own. It is developing in a farming district, and in allowing it to do hail insurance I do not see that we violate any principle.

Hon. Mr. WATSON: I think that when any bank such as the Weyburn Bank can come before Parliament and make as good a presentation of its case as the Weyburn Bank has done, we ought to encourage it in its business. I heard the President of that Bank giving evidence before the Banking and Commerce Committee of the other House, and he made a presentation that was acceptable to everybody. I understand that the Bank gives four per cent on deposits and that the average rate of interest charged is nine per cent. As for the prosperity of the customers, the management was asked to make out a statement of what the Bank's customers were worth when they came to the country as compared with the present time. Ten customers were picked out from each of 17 branches, and it was shown that they had made an average profit of $1,100 a year, which was attributed to the method of management. The President said that he was acquainted with practically every customer in every branch of the Bank in Saskatchewan. He had been doing the business as a banker for a number of years.

Hon. Mr. LAIRD: We were present in the Committee of the Commons and heard all about that.

Hon. Mr. WATSON: If you heard it, I do not see why you do not support this legislation, which as a matter of fact, is wanted. It is a question whether it is a good thing to squeeze out these small banks. I am of the opinion that a bank of that description that has taken care of its people as this bank has done, ought to be encouraged to the extent of giving it such legislation as we are asking here to-day.

Right Hon. Sir GEORGE E. FOSTER: Was this amendment proposed in the other House?

Hon. Mr. WATSON. I do not know.

Hon. Mr. LAIRD: No, it was not.

Hon. Mr. WATSON: I know the Bill came here without it. It is asked for because the bank gets the commission. In other banks the trouble lies in the fact that the commissions for insurance go to the managers personally; but in this case the fees go to the bank, and it is represented that if that right is taken away some of the branches that are doing business will have to close up shop, because it is said that their average earnings last year was some $700, which goes quite a way towards paying the cost of upkeep of the bank.

Hon. Mr. MURPHY: I do not agree with this proposal at all. It has not been manifested to us that the bank would have to go out of business if it did not do hail insurance. The chartered banks after a great deal of experience have found that it is not in the interest of the banking system to allow the managers to do an insurance business; therefore they have prohibited that practice of their own volition. Now this bank comes in asking for special legislation. It asks us to amend the Act to enable it to do hail insurance. I submit, honourable gentlemen, as I said in the beginning, that the principle is vicious. I can see no reason why this bank should be allowed to enter into the hail insurance business almost, I might say, in contravention of its charter, and in competition with other interests.

The proposed amendment of Hon. Mr. Watson was agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

THIRD READING POSTPONED

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

Hon. Mr. GILLIS: I object to the third reading of this Bill to-night.

Hon. Mr. SCHAFFNER: Oh, let us put it through.

Hon. Mr. DANDURAND: Does my honourable friend insist upon his objection?

Hon. Mr. GILLIS: Yes.

The motion for the third reading was postponed.

C. G. M. M. CANADIAN FARMER

SUPPLEMENTARY ANSWER TO INQUIRY

On the notice:

By the Honourable Mr. Taylor:

That he will call attention to omissions from answers to questions respecting insurance claimed for C.G.M.M. Canadian Farmer and will inquire:

1. Who on behalf of the C.G.M.M. made the specifications for the repairs by the Prince Rupert Dry Dock Company for which repairs a bill of $8,500 was rendered by the company?

2. On what date or dates and at what place or places were these repairs inspected by Mr. T. Louden, Mr. C. McCoskrie and Mr. W. A. Wallace?

3. (a) Why was not the $8,500 claimed from the insurance underwriters included in the estimated amount receivable shown in the assets as at 31st December, 1922? (b) Has this amount or any part of it been paid yet by the underwriters; and if yes, how much? (c) Has there been resistance by the underwriters against this claim or any part of it, and if so on what grounds?

Hon. Mr. DANDURAND: I have a supplementary answer to the inquiry of the honourable gentleman:

As is customary, all accounts require to be scrutinized and approved by all interests previous to being paid. This account was not received by us in completed form until January, 1923, and was not paid until April, 1923. As the amount does not appear on our books as outstanding until that date, it was not shown as recoverable from the Underwriters in 1922 but will be included in amounts recovered for 1923.

EDMONTON PENITENTIARY

INQUIRY

Hon. Mr. GRIESBACH inquired of the Government:

1. For what reason or reasons was the penitentiary at Edmonton closed down and dismantled, and Alberta convicts sent to the penitentiary at Prince Albert?

2. (a) In what year was the penitentiary established? (b) In what year was it disestablished?

3. What were the numbers of convicts in each year in the Edmonton Penitentiary, year by year, from the date of establishment to the date of disestablishment at Edmonton?

4. What are the numbers of convicts, year by year, and in each year, sent from the province of Alberta to the penitentiary at Prince Albert?

Hon. Mr. DANDURAND:

1. The penitentiary at Edmonton was closed:

(a) To promote economy, it being ascertained that the convicts for Alberta and Saskatchewan could be more cheaply cared for in one institution than in two.

(b) On account of the continued demands of the citizens that it be moved.

2. (a) The penitentiary at Edmonton was established in 1906.

(b) It was disestablished in 1920.

3. The numbers of inmates are as follow:

At end of year	1907	57
of whom 24 were transferred from Manitoba penitentiary.		
At end of year	1908	91
" "	1909	80
" "	1910	148
" "	1911	199
" "	1912	167
" "	1913	207
" "	1914	203
" "	1915	175
" "	1916	192
" "	1917	160
" "	1918	129
" "	1919	121
" "	1920	154

4. The following number of convicts from Alberta were incarcerated in Prince Albert Pententiary, Saskatchewan:

On March 31,	1921	90
" "	1922	122
" "	1923	137

In the penitentiary at Stony Mountain, Manitoba, the following number of inmates were incarcerated:

On March 31,	1921	58
" "	1922	34
" "	1923	20

Making the following totals:

On March 31,	1921	148
" "	1922	156
" "	1923	157

The Senate adourned until to-morrow at 11 a.m.

THE SENATE

Tuesday, June 26, 1923.

FIRST SITTING

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

BANK BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 83, an Act respecting Banks and Banking.

Hon. R. H. POPE: Honourable gentlemen, before we proceed with the third reading of this Bill, I desire to relieve myself by expressing my keen disappointment at what has taken place in the consideration of this measure in this House. I had hoped to see a disposition on the part of the leading influential elements of the Senate of Canada to consider more favourably the appeal of a very large portion of the people of Canada for additional banking facilities.

I am not speaking in the interest of any attempt to destroy the usefulness of any of the banks that exist, or the system that we have. I think it is a fair system so far as it goes. I do not think it is the best in the world, as has been stated here. There was a time when a comparison with all other systems was in its favour; but the creation of the Federal Bank system of the United States of America has given the people of the United States some advantages that we do not possess. I see no reason why we should not have learned some lessons from them, as well as they have learned from us, or why we could not have here in Canada a system of allied banks, with a Federal Reserve Bank to protect it, in order that the small communities might have greater use of the money that they deposit in the banks, which would redound to the advantage and development of the country parts.

I take a deep interest in this matter because I do not think it is possible to build up a nation by developing a few large centres at the expense of all the smaller ones. That is what the banking system of Canada tends to do to-day: whether it is the desire of the banks to do so or not it is not for me to say. I do not deal in big financial matters; I deal only in small things, so far as my ability and experience goes. Perhaps that is one reason why I sympathize more deeply with the smaller people—the little units, the farmers, the village communities—those places that I find stagnant to-day. When I go among the people of the small communities and speak of the service that they are receiving at the hands of our big financial institutions, I find bitter disappointment; I find feelings of serious resentment. Perhaps these are unwarranted; perhaps they go too far. Nevertheless those feelings have been growing during my 25 or 30 years of public life, until to-day the situation has become a serious one.

I had sincerely hoped that this measure would not have been hurried through Parliament; that it would not have been passed until it had been thoroughly digested and we could see if the Senate might not exert some influence towards improving it. The Senate must be useful or it should not exist. If we are to be useful, this is in my opinion one of the occasions when we might bring pressure to bear upon the Government and urge them at least to promise to investigate an additional system, which would not injure the present banking system, but would favour the small units of our population.

We have had this Bill before us for two or three days. It has been hurried through at a speed which I do not like to see, and which I do not think is fair. For many years, from this side of the House, when I did not sit here—and I can see some honourable gentlemen who did—complaints were made that the then Governments gave us too much to deal with in the last week of the Session, and played the game of politics upon us. It seems a pity that, when we have this measure to consider only once in ten years, this House should be turned into a race-course to see who can make the best speed in getting through legislation. It is not sufficient to say that a particular clause is not amended, or that some other clause has been amended; we should be given the opportunity of studying or digesting the legislation and thinking it over, and communicating, if you like, with the outside world, to ascertain the desirability of certain amendments. Instead of that, we are set up against a wall, as it were, and we have to get through or be shot at daylight. Such orders may do for some people, but they do not please me. I suffer under the great misfortune, when anything does not please me, of being liable to get up and say so; therefore I am taking a little of your time.

I have received letters from gentlemen who I believed, possibly knew something of what they were writing about; others have spoken to me. Some are business men, some legal men; all are men of good standing. They have pointed out to me that clause 88 as it is in the old Act is a dangerous clause; that the banks are able to obtain a security behind closed doors unknown to the man furnishing the goods and doing business with the bank; that the banks can know earlier than anybody else the standing of the manufacturers of this desk, for instance—earlier than I who might be furnishing the lumber to make it. While the last statement that I received from the manufacturer might be sound and might

warrant me in supplying raw material, the bank could demand and get security on everything that the manufacturer had

In the House of Commons a Mr. Casgrain moved an amendment to that section, and I understand that we removed that amendment last night and restored the section which has been represented to me as being extremely dangerous. For instance, people in England or in any foreign country might be doing business in good faith on the statement that a merchant was in good standing; and in a month or two months they would discover that they had been misled and that the bank was able to stand in and establish a claim behind closed doors. An amendment was made also to section 29, which is closely related to section 88.

I would refer this honourable House to a decision rendered by the Court of King's Bench in the Province of Quebec, which can be found in volume 25 of the reports for 1916, in a case of Valentine vs. the Bank of British North America, where the hon. Mr. Justice L. P. Pelletier, former Postmaster General, together with Mr. Justice Lavergne, dissented from the judgment of the majority of the Court and gave very sound reasons, supported by numerous authorities, which can also be found at page 69 of the said volume of the Court of King's Bench Reports, volume 25, and in which the learned judge, Hon. L. P. Pelletier, found that section 88 was a law of exception, which ought to be interpreted strictly, and that those (the banks) who wanted to avail themselves of the same, should prove that they had followed strictly the meaning of the same, as well as the spirit of the law, and that otherwise, the said section and following 89 would become a public danger; that it would permit a fraudulent preference and would wipe out the admitted principle that the wealth and property of a debtor are the common pledge of his creditors, and that otherwise that article would mean that the bank could take all the assets of a debtor, and that his creditors would get nothing. This learned judge said that the legislators, the Parliament of Canada, who incorporated that article in that law, certainly had not that in view.

On page 59, the learned judge gives 10 conditions which have to be followed strictly in order that a bank may avail itself of the privileges of sections 88, 89 and 90 of the the said Act. On page 62, the judge expressed surprise in this special case at the way the transactions had been done by the bank, and this case, in which Valentine happened to be the liquidator of an insolvent estate, may be assimilated to numerous cases of similar type and nature, in which the bank finds itself in difficulty in having advances to make to a certain customer, and needs vigorous effort and a strong stroke to pull itself out of the difficulties and entanglements in which the bank has placed itself; but this stroke has to be effected secretly in order that nobody can become acquainted with it.

The judge said that sections 88 and 89 of the Bank Act, are the sections which in similar cases saved the situation, and made it possible for the bank to obtain a privilege and guarantee a debt, whereas at the beginning the bank had only an ordinary claim. This section, the learned Judge Pelletier says, allows the bank to convert the ordinary indebtness of a customer to the bank into a privileged claim in favour of the bank, and this miracle, the judge goes on to say, is performed by the wrong operation in favour of the bank of sections 88 and 89; but, as the judge points out, somebody must lose his feathers, and in most of those cases, it is the other creditors who will have nothing and the bank gets it all.

Further, on page 65 of the said report, volume 25, at the end of the page, the judge says that section 88 is like a shield or mantle under the cover of which the bank, pretending to make new advances to a customer, really makes the said advance, supposed to be for future expenditure, when in reality it is only to cover an old claim and an outstanding indebtedness long due, and which the bank has allowed to run uncovered; and this performance is done about the time when a customer is in a bad fix, in an entangling situation, and when he is on the verge of insolvency, and when the bank finds it absolutely necessary to protect itself, as it does in most of these cases, undoubtedly to the great disadvantage of the other creditors.

Under these circumstances, I would have imagined that we could have found someone in the Senate of Canada who knows more about law than I do, and who would have stood up and fought for the retention of the clause which was inserted in the Committee of the House of Commons, instead of handing over to the banks the means of crucifying us to the detriment of the development of the Dominion of Canada. There are men who have been here long enough, and who have authority, to warrant them in directing the welfare of this country.

So much for that particular clause. Now let us return for just a few moments to the question of establishing smaller banks in Canada, and then I will let you all rest. I firmly and honestly believe that that must be done, and I believe that the sooner we do it

the sooner we will begin to relieve the financial difficulties of this country and create conditions of prosperity in the communities which we have under our care. I was reading in yesterday's newspaper an address by Mr. Harding, President of the United States, to which I will refer:

In an address devoted to discussion of the agricultural situation the chief executive reviewed the measures taken by the Government to aid the farmers, placing at the forefront the farm credits legislation enacted by the last Congress. This legislation when carried out, he declared, "will be capable of furnishing the American farmers, for the first time in the history of agriculture in any country, adequate investment and working capital, on terms as favorable as those accorded to commerce and industry." Furthermore, he said, it will tend to restore fair prices for farm products, and aid the farmer in lifting debts incurred during the period of depression, adding: "We have been officially informed that, owing to improved conditions, the farm products of the country for 1922 were worth $2,000,000,000 more than they were in 1921. Clearly, we are through the worst of the depression and can reasonably except gradual improvement."

Mr. Harding enumerated other measures taken by the Government to aid the farmer, including re-establishment on an active basis of the federal farm loan board, reduction of freight rates on farm products and legislation to facilitate co-operation in marketing of farm products and to prevent harmful gambling in agricultural futures.

According to the President, whom I think we will accept as an authority, the United States has discovered that the establishment of Federal banks and loan organizations has proved good. The honourable member for Moose Jaw (Hon. Mr. Willoughby) the other day said something which I was glad to hear in reference to that, but which I will not repeat. I would only add that Europe has had its co-operative agricultural banks—they originated there. There is no country in Europe that has not, or had not up to the time of the war, well-established co-operative banks, and long term and short term banks—loan banks, some of them, if you prefer that term. There was not a country in Europe that had not found out the necessity of having these banks. I referred to this point ten years ago in a speech which I delivered in this House on a similar occasion, when the Bank Act was under revision. When the charters came before this House, I saw the combination at work and was so disgusted that I walked out of the door; but, notwithstanding that, I could see the hand of fate at work waiting to drop as heavily as ever; and it dropped last evening. The co-operative banks of Europe enabled the people of Norway and Sweden to compete with us in the European market. They enabled the people to get their money at from 3½ to 4 per cent, and as a result those people have become our competitiors in dairy products and have established an industry fostered and helped by these combinations. Why we in this country should not profit as well as the people of Australia, New Zealand, Europe, and now the United States of America, I do not know. Why should we not have set an example to the United States, instead of allowing them to set an example to us? Why should this thing be approached in such a timid, closed-door manner, as though someone owed the banks something and was afraid of them? I do not think that is what the banks desire.

I want to make another plea—not to this House, but to the banks—or to anyone here who represents them—to consider more favourably the wages which they pay to the young men employed by them throughout Canada —to give them sufficient wages to live honourably, and to provide a system of education. Move them about and put them in touch with the large industries of this country and with the head office, so that when they are called to the management of the branch banks they will take hold of them and work in the interests of the community in which the branch is placed.

There is nothing I would enjoy more than to discuss this question for an hour. It is a great big question, and worthy of attention; but I realize that this Parliament is at its close and that the usual thing is happening. We are being hurried off our feet to accommodate people who might have proceeded very much faster than they have done if they had come along earlier with their legislation. But as it has been so I presume it will be; and I assume that nothing I may say will affect it. Therefore I move:

That this Bill be not now read a third time, but that it be referred back to Committee of the Whole to amend section 5 thereof as follows:

By substituting the word "twenty-four" for the word "thirty-three" in the fourth line thereof; and that subsection 2 of section 5 be amended by substituting the word "twenty-four" for the word "thirty-three" in the third line thereof.

Hon. A. B. GILLIS: As seconder of this motion, I want just a word or two. I think that the motion of my honourable friend from Bedford (Hon. Mr. Pope) is one that should receive every consideration. I quite realize that at this stage of the Session there is comparatively little hope of it carrying, but I think it would have beeen wise on our part to have left this Bill over until another year. When the Bank Act was up for consideration 10 years ago it was postponed for one year, and I think there exist greater reasons to-day for a similar extension, because of what has occurred during the past two or three years in connection with our

banking institutions. In my opinion, we should have submitted this Bill to a special committee of this Chamber, to have it thoroughly considered from every standpoint, and in that way reach a wise decision as to what ought to be done.

As stated by my honourable friend, we have always pointed with a great deal of pride to the stability of our Canadian banks; but what has occurred in connection with two of our leading institutions during the past year or two has to a large extent lessened our confidence. In consequence of the dealings of the banks with the people of the western provinces, also, those people have lost a great deal of their confidence in these institutions. I think I can safely say that the prairie provinces would be better off to-day if we never had a bank.

Hon. Mr. DANDURAND: Too much credit.

Hon. Mr. GILLIS: Yes, too much credit. They would have been much better off if credit had been restricted during the years of prosperity. In those years the banks went forward and almost forced the farmers to borrow money for the purpose of developing their resources, buying stock, etc.; but when the hard times came along the banks commenced to squeeze the farmers, and to take their share without any consideration as to whether the farmers were in a position to respond.

Honourable gentlemen will understand that in the western country all grain tickets are cashed by the bank. If the farmer owed the bank some money, when he would appear at the bank with his wheat or grain ticket the bank would naturally get the first rake-off, and let others take their chances. Storekeepers and others who were helping farmers along during the season had to wait and take what was left, and in some instances there was comparatively little, if any, remaining when the banks got their share. The banks have not been true to the people, particularly during the past year. In many instances that came within my own personal knowledge the banks made promises in this way when the farmers went there: "Square up your account, and in due course we will probably renew your note or give you an additional loan." That is what occurred in almost every part of the country. I do not know whether the head offices of the banks were responsible for conditions of that kind, but when the time came for renewing the old loan or for an additional one the bank promptly refused to help the farmers at all.

That being the case, and the banks not appearing to be desirous of helping the farmers of the West, the latter have lost confidence to a great extent in our banking institutions. Would it not have been a great deal better to have lost some money in trying to develop our western country, and in fact the whole of Canada, than for the banks to go into insane speculation by which millions were lost to the whole country? Every dollar of money that was lost from the banks was so much lost to the Dominion of Canada; yet as far as the banks' business with the western provinces is concerned, I venture to state that in the older parts, where the farmers have been carrying on for years, the banks have lost comparatively little. In the older parts of Saskatchewan, for example, I believe they have not lost even up to 5 per cent. That being the case, coupled with the fact that the banks are not treating us as they should, I feel that more time should have been given to the consideration of this Bill, and an endeavour made to rectify conditions that exist to-day. For that reason I am going to support the amendment of my honourable friend.

Hon. Mr. DANDURAND: If nobody intends to rise to support that motion, I will say a few words.

Hon. G. W. FOWLER: I should like to speak to it very briefly. I am going to favour this motion, not because I am so very much dissatisfied with the Bank Act in general, but because of the necessity for more deliberation by this House upon its terms and details. The Bill was introduced into the other House some three or four months ago, but we have had only about a week since it came here, and in the meantime we have had to transact a great deal of other business; consequently this Bill has not received the attention which I think is its due. I had occasion to complain a number of times, when the Bill was in Committee, at the unseemly rate of speed with which the various Chairmen were pushing the Bill through. You cannot gabble off the head-notes of sections of a Bill and get a thorough understanding of the matter so as to enable you to pass a seasoned judgment on matters of policy. For that reason I am in favour of extending the Bank Act for another year, and giving plenty of time to produce a really considered Bill.

There are two points upon which it is very difficult to get a Bill that will be workable: as to the security given to the shareholders and creditors of a bank by reason of the affidavit or affirmation which the Manager

and the President are obliged to make, and also as to the matter of auditing. These are the two things that should afford security for the people who are dealing with a bank either as shareholders or in any other capacity.

As I pointed out at the time the Bill was passing through this House, the audit as at present constituted is an absolute absurdity, affording not the slightest security to anybody, not even to the heads of the bank. I say this without fear of successful contradiction by any person who understands what an audit means.

The affidavit, as it is now, is another absurdity that offers no security to anybody except to the person making it that, no matter how untrue it may be, how false and deluding it may be, he will not be convicted because of the character of the statute. The words "knowingly" and "negligently" provide a way of escape which will save any man who has taken the oath. It is a glaring thing, of course, that nobody but a fool or a lunatic would be guilty of, but the affidavit that an ordinary clever man would make, though he be a crook, would enable him to escape by means of those two words in the first and second clauses of section 153.

I am not prepared at the moment to advise any way in which to overcome these difficulties. In regard to the affidavit, it is very difficult to overcome that on account of our system of general banks with branches. If each bank were an individual institution, the manager and the president could both be called upon to make the necessary affidavit, and we might take out the words "negligently" and "knowingly," because then they would be in a position, without excuse, to know just exactly the position of that bank; but, with our system of a great central bank with branches scattered all over the country, that would be impossible. I suggested that each manager of a branch should be obliged to make an affidavit with regard to the affairs of his branch, this to be forwarded to the head office, and upon it the General Manager and the President should make up their statement. That suggestion was not received very favourably. I do not know why. It appealed to me as being one method of solving that difficulty, because the branch manager who made a false affidavit covering up his fraud would be liable to the penitentiary. I suppose it was not favourably received because the great majority of this House was so much enamoured of the Bank Act and our banking system that they could not see any flaw or wrong in it anywhere.

I do not see how the audit could be remedied under any circumstances, because it is impossible for an auditor to know the circumstances of every account that comes under his supervision in a bank. It would be impossible for him to know that, unless there were an auditor for each bank. That is the only way in which it could be done, because, unless the items that make up the assets are all correct as to value, the auditor cannot make a proper return, and he protects himself by a clause at the end of every audit that it is made up from the books, and he does not vouch for their correctness.

Our Bank Act, as it is before us, is defective in those two very important particulars—one as to the audit, and the other as to the affidavit which the Genueral Manager and the President are forced to make; and I venture the assertion that, no matter what the circumstances are, you will never know of a General Manager or a President being successfully prosecuted for fraud in connection with the making of false affidavits. Prosecutions may be undertaken, but never successfully carried through, because the onus is upon the Crown to prove that the act was done knowingly, and he would be a bungler indeed if that word did not afford a very safe way of escape.

For these reasons, and many others which I will not take time this morning to formulate, I think this House would be well advised if, in spite of the adjuration of the leader of the Government, it were to accede to the wishes of those who have moved this resolution, to let the matter stand over for a year. Nothing would be hurt by it. It has been done before, and the heavens did not fall, and there was no financial crash whatever. This was done the very last time the Act was revised, and there was no disturbance either in the financial world or in the heavens above us. Then why should it not be delayed? There is a large body in the other House who are anxious for delay, but the steam-roller is in working order, and I suppose it will smash into utter flatness the resolution of my honourable friend here; but under all the circumstances, and particularly those that apply to the passage of the Bill through this House, I do not think that that should be the result. If the people of Canada could have been collectively sitting in the galleries here, and have seen this Bill passing through this House, they would be simply astounded. The Bill, containing 160 clauses, some of them of the utmost importance, relating to practically the whole financial system of this country, has been railroaded through this House in two or three sittings. Such haste would not tend to give that collective individual who represented

the intelligence of Canada, sitting in that gallery, a very high opinion of this House; and for that reason I think this Bill should be delayed.

There are other important considerations. This House dealt with an amendment in regard to section 88, which was made in the other House. I was not present at the time it was up, and I am not sure that I would not have voted to restore section 88 to its original form, for I think that section is a very important part of our banking system. I think it is very important that men should have an opportunity of securing the bank, and thus of getting an additional amount of money to use in their business, which they could not do if the bank were to rank simply as an ordinary creditor. It is like a second mortgage on a ship, which, as lawyers all know, ranks ahead of the first one, for emergency reasons. So it is with section 88 of the Bank Act, and I am quite favourable to the bank, for I believe many a man has been saved from financial destruction by reason of section 88 enabling the bank to come with perfect safety to his rescue. And we must remember, in that connection, that the bank is handling trust funds, and therefore it should be secured in every possible way for this money, and not be on the footing of an ordinary person who merely sells his goods. Therefore I say that section 88 is, I think, all right and ethical.

I have taken a great interest in this Bank Act because I know how essential a good financial system is to the business welfare of this country. I made up my mind that I would examine carefully into all the different ideas that were put forward with regard to our banking system. I was very much struck with a pamphlet issued by, I think, the Bank of Montreal. I do not know who was the author of it, but it is a very cleverly written pamphlet, and it moderated some of the extreme views which I was beginning to entertain with regard to the bank system. I do not think that the bankers have anything to fear from a proper examination of the Bank Act. On that ground I think this motion should pass.

I am not going to take up the time of the House any further. I have said all I could say, and the fate of some of my amendments last night proves that my arguments have not very much weight with the honourable members of this House. Therefore I will not urge anything further.

Hon. J. J. DONNELLY: Honourable gentlemen, from long association I have learned to have a great deal of respect for the opinions of the honourable member for Bedford (Hon. Mr. Pope), but I cannot see my way to support him in what he has just moved. I wish therefore briefly to state my position.

We have heard from the West and from Quebec, particularly during the time that the Bill was in Committee, what was supposed to represent the opinions of the common people in regard to the way they were treated by the chartered banks of Canada. Now, I think I may claim to be for the common people of Ontario, particularly in Western Ontario, and, speaking as a borrower, not as one who has a great deal of money tied up in bank stocks—

Hon. Mr. FOWLER: Ontario spoke for itself last night.

Hon. Mr. DONNELLY: Yes. I will refer to that later on. In my opinion, the banks as at present constituted are giving very satisfactory accommodation to the people of Ontario. I have heard it stated that bank managers are somewhat aristocratic and hard to approach. In our section of the country, when there is a farm sale it is a common thing to see the bank manager come out. In fact, I remember seeing the manager of the local branch of the Royal Bank attend three different farm sales and act as clerk, just to get in touch with the farmers. The bankers advertise in the local papers, soliciting the business of the farmers who wish to borrow money to put cattle on the grass or to buy cattle to feed them in the winter time, and I do not remember hearing of a solitary instance in the last five years where a farmer complained that he had not been getting reasonable accommodation from the banks. I am speaking only of Western Ontario.

The honourable gentleman from Sussex (Hon. Mr. Fowler) made reference to what happened in Ontario yesterday. I think that it shows that the people are getting back to a normal state of mind, which will create confidence in those who have thought of investing their money in the business enterprises, not only in Ontario, but throughout the country; and I think it will help to establish that confidence more firmly if we renew the bank charters for ten years, as proposed.

Reference has been made to some system of longer credit. So far as the Province of Ontario is concerned, that Province, either rightly or wrongly, has provided for such a system; that is, it is taking in money and paying 4 per cent for it, and arranging to lend it out on farm loans. Since the Province has started on that line, if there is any great desire for such a system, it seems to me that

it is the duty of other Provinces to follow that example. It is not necessary that we as a Dominion should take up the matter. Let each Province take it up.

For the reasons which I have just given, I will not support the amendment moved by my honourable friend.

Hon. J. G. TURRIFF: Honourable gentlemen, I intend to support the amendment moved by my honourable friend from Bedford (Hon. Mr. Pope). Ever since this Bank Bill has been before Parliament, especially when it was in the other Chamber, many arguments have been urged for extending the charters for only one year, and I have yet to hear any conclusive argument on behalf of the Government or the banks to show why the measure could not be left over as proposed for a year that it may be given full consideration. Who would be hurt if the charters were extended for one year only? Next year you could make the extension for ten years. Similar action has been taken before, as has been pointed out by honourable gentlemen who have just spoken, and no harm has resulted.

There seems to be an impression that those in the other House who opposed the extending of the bank charters for ten years had some wild scheme in their minds to change the Bank Act. I want to say, honourable gentlemen, that that is not so at all. Members of the Progressive Party in the other House are just as conservative in all matters of business as any other class of men in the country. There may be one or two men and one or two papers who have advocated radical action, but that does not apply to the farmers generally.

Under the present Bank Act, during the last two years, huge sums of money extending into five or ten million dollars have been lost in connection with banks; not lost merely to the banks, but to the people of Canada as well. If four millions have been lost by the Union Bank through speculation in Great Britain, nearly every dollar of that sum of money comes from Canadians, because practically all the shareholders are Canadians. If in the case of a previous bank failure a still larger sum was lost, that was all lost by Canadians. In view of the facts, why the tremendous rush to grant charters for ten years. Surely the happenings of the past two years point to the fact that there must be something wrong with the Bank Act or we would have been able to prevent such huge losses. Remember, honourable gentlemen, that there may be several other banks in a similar position for anything we know. The general public did not know anything about the Merchants Bank being in trouble. Its failure came as a bolt from the blue. We did not know anything about this other bank being in trouble. Its losses were a surprise to us. Surely, then, in view of the happenings of the past two years, it is not too much to ask what my honourable friend from Bedford recommends, that the charters be extended for only one year and that we examine the matter more fully. Next year we can extend the charters for the full term of ten years. I am sure it is the desire of everybody here to improve the Bank Act; but with regard to the main clauses, which the Banking Committee and the Government have endeavoured to strengthen and improve, two prominent lawyers in this House, men who have given a great deal of time and study to this sort of legislation, stated yesterday afternoon in this House, in my hearing, that what we were doing to the Bank Act this year was making it weaker, less in the interest of the public, and more in the interest of bank managers taking all sorts of chances and engaging in speculation with impunity. If that is the case, why should not the measure be allowed to stand for a year, in order that we may see if we cannot improve on what is at present proposed.

At this stage of the proceedings, honourable gentlemen, I do not intend to say any more on the subject except that I am heartily in favour of the amendment proposed by the honourable member from Bedford. It is a move in the right direction.

Hon. Mr. DANDURAND: Honourable gentlemen, I will say but a few words in answer to those of our colleagues who have supported the amendment that is before us. It is claimed in support of the amendment that the Senate has not given proper time and study to this important piece of legislation, and that if we deferred it for another year we might devise some additional banking facilities, mainly for the farmers and the people of the West. Well, I do not believe that there is any evidence of hurry to pass this piece of legislation. I heard the honourable gentleman from Sussex (Hon. Mr. Fowler) state that it was being hurried through, but he was not with us for nearly half the time that we devoted to the study of this Bill. The honourable gentleman has been following for a few months, he states, the inquiry that has proceeded in the Banking Committee of the other House, before whom the principal banking experts were heard and examined, and theorists and faddists as well had a chance to explain their views. The

machinery of Government controlling the operations of this Act has been at the disposal of that Committee for three months, and a more thorough inquiry into the working of the Bank Act has never been made since Confederation. All the information gathered has been at the disposal of honourable members of this Chamber. Many of them attended the meetings. I have been told that there was often quite an influential representation from this Chamber in attendance. We are all aware of what has taken place. We all know that this measure is not the Act of ten years ago. We all know that the Department of Finance, with the assistance of the Department of Justice, has made every effort to strengthen this Act in the light of the experience gained in recent years.

Hon. Mr. FOWLER: I do not know of an important change that is made.

Hon. Mr. DANDURAND: That is the fault of my honourable friend

Hon. Mr. FOWLER: Is it?

Hon. Mr. DANDURAND: He told us that a very important clause, 88, was passed when he was not present. There was printed a memorandum regarding this Bill, and the Bill itself shows in italics all the proposed changes in the Act.

Hon. Mr. FOWLER: My honourable friend, I think, does not wish to do me an injustice; but his insinuation that I was not here—

Hon. Mr. DANDURAND: It is not an insinuation; it is the statement made by my honourable friend.

Hon. Mr. FOWLER: I have taken as much part in the discussion of this Bill as any honourable gentlemen in this Chamber, as a matter of fact. I was not here at one session, it is true.

Hon. Mr. DANDURAND: At two sessions.

Hon. Mr. FOWLER: At two sessions. I did not suppose the Bill was going on. I did not know that this Bill was going to be rushed through at railroad speed; I thought it was going to follow the usual course. That is the reason why I did not think it necessary to be here on that particular occasion. Otherwise I would have been here. But the Bill has been railroaded through this House.

Hon. Mr. DANDURAND: I am not complaining about my honourable friend not being here; but I would point out to him that if he will examine the Bill from the first clause to the last he will see that in most important particulars the Act has been strengthened in the light of the experience gained by the Department of Finance.

Hon. Mr. FOWLER: It happened that those particular parts were passed in my absence. If the honourable gentleman considers that the change in the clause respecting the affidavit strengthens the Act, I have a different understanding of it.

Hon. Mr. DANDURAND: We may differ on that point. But why do we renew the charters for ten years instead of every year? In the first place, I may say, that was the principle laid down by the Fathers of Confederation—men of experience. Some of them were highly esteemed as men of finance, and their names have gone into the financial history of Canada. It was thought that when the Bank Act should be reviewed at the end of the decennial period it would make for greater stability to give the banks an assurance of being able to continue their activities for another ten years.

Hon. Mr. FOWLER: I agree with that.

Hon. Mr. DANDURAND: But that does not mean that a member of this Chamber or of the other may not move at any Session for the amendment of any clause of the Act. Amendments have been made during the last ten years. The Act has been amended on two or three occasions that I can recall. So we are not closing the book for ten years. We say to the country: "We have reviewed the Bank Act and have strengthened it wherever we could, and the banks may continue to carry on." It is important that any of those institutions which are essential to the development of the country should feel that its operations and activities are not viewed with suspicion by the Parliament of Canada. If any honourable member of this Chamber or of the other feels at any time during the next ten years that there is reason for an amendment, it will be examined and discussed.

My honourable friend from Bedford (Hon. Mr. Pope) has told us that he desired to have this Bill postponed because he thought there might be devised in connection with it some additional system for the farming community of this country. What did he say? That he recognized that any system devised for that purpose would be an additional system. I take it for granted that we could not link up with this Act any system of rural credits. The Minister of Finance has said that he would study the situation and see what Federal action might be taken along that line, but that any such action could not be intimately

connected with this Act. If we are all agreed as to that, this Chamber or the other can examine next year into the possibilities of Federal action in the field of rural credit. But why delay this Bill? In passing it now we are simply stating to the people of the country that things are going well and are normal. If this conservative House of Parliament declares that there is something seriously wrong with our system—that there is something to mend—are we not creating suspicion throughout the land? I believe it is our duty to say, "All's well." "But," I may be told, "look at the Merchants Bank look at the losses in the Union Bank." So long as human beings are at the head of institutions on this planet, such accidents will happen. Let us take the system as a whole. I think it is a credit to Canada and it devolves upon this Chamber especially to see that all is well with the Bank Act and the banking institutions of Canada.

The proposed amendment of Hon. Mr. Pope was negatived.

Hon. H. W. LAIRD: I move:

That the Bill be not now read a third time, but that it be referred back to the Committee of the Whole House to strike out subsection 4, which was added at the last sitting.

Briefly, honourable gentlemen, because I do not wish to take up the time of the House, the Bill as it originally stood placed a restriction upon all banks engaging in any kind of insurance business. At the sitting last night an amendment was passed making an exception of one particular bank, the chief office and branches of which are situated in one Province. As there is only one bank in Canada in which such a condition prevails, the Weyburn Bank, the only logical conclusion one can come to is that the exception is made to provide that the Weyburn Security Bank can engage in the hall insurance business.

I wish to move this amendment for several reasons: in the first place, because there is a vital principle involved by reason of the fact that Parliament in general legislation of this kind picks out one particular banking institution and accords to it privileges which it denies by statute to every other similar institution in the country.

Hon. Mr. BRADBURY: No.

Hon. Mr. LAIRD: If any honourable gentleman wishes to question that, I would be glad if he would do so now.

Secondly, because it introduces a precedent which, if followed to its logical conclusion, would lead to the banks being allowed to engage in all kinds of insurance business, thus displacing and affecting a very large industry in the country.

The third, and one of the main reasons why I propose this amendment, is because the amendment was passed in this House last night, I submit, under misrepresentation of the facts. It will be remembered that the honourable gentleman from Portage la Prairie (Hon. Mr. Watson), in supporting his amendment went to a great deal of trouble to detail at great length the evidence which he said was given by the General Manager of this particular bank at the investigation held before the House of Commons Committee. Amongst other statements that he made was one that 37½ per cent of the profits of this institution were derived from hail insurance. As I heard the evidence of Mr. Powell before that Committee, and could not recall any reference to that question, I went to the trouble of looking up the evidence which he gave on that occasion, and I find not one single reference to the fact that the bank conducted hail insurance business at all, or that 37½ per cent of its profits were based on the hail insurance business. I submit, therefore, that this amendment was passed under misrepresentation—I would not say wilful misrepresentation; but nevertheless incorrect representations made on the floor of this House, and which, no doubt, induced a great many honourable members to support it.

I have nothing further to add; but for the three reasons that I have given, I would like to see the amendment which I propose supported by this House.

Hon. Mr. WATSON: I happen to have in my hand proof—not from the evidence—of the statement I made last night with reference to this Bill. I hold no brief for the Weyburn Bank.

Hon. Mr. LAIRD: What evidence have you?

Hon. Mr. WATSON: I submit that this is evidence. It is a telegram signed by H. O. Powell, General Manager, and I think also President of the Weyburn Bank.

Hon. Mr. LAIRD: To whom?

Hon. Mr. WATSON: To Henry T. Ross, Secretary of the Canadian Bankers Association.

Hon. Mr. LAIRD: Where is he?

Hon. Mr. WATSON: I think the gentleman is occupying a seat at the end of this Chamber.

Hon. Mr. LAIRD: You were dealing last night with the evidence given before the Commons Committee.

Hon. Mr. WATSON: I did not say last night that the evidence given was about hail insurance.

Hon. Mr. LAIRD: Amongst other things you said that 37½ per cent of the profits of that institution were made out of hail insurance.

Hon. Mr. WATSON: I detailed the evidence given before the Banking Committee, and gave evidence from my own knowledge from information received. I will read this telegram:

> In last three years Weyburn Security Company has turned hail insurance commissions to bank on an average per branch of seven hundred fifty five dollars per year Stop Bank managers act as agents of Weyburn Security Co., at all points and receive no part of profits from business done other than salary received Stop Unless business of bank and company is combined and expenses borne jointly many of small branches would not pay expenses for years Stop Interest of customers are protected better in this way than by leaving them to agents who are only looking for their commission Stop Not letting the managers share in the profits takes away any objectionable feature.

I simply give that as an evidence that, as stated by the bank manager, they have some 17 branches which—

Hon. Mr. FOWLER: Is this bank an insurer?

Hon. Mr. WATSON: No, their managers are permitted to place hail insurance for their customers in the bank. It is part of the banking business, and the commissions go to the bank, not to the agent at all. They claim that many of these branches would be put out of business if they could not write hail insurance, and that some of them would have to be closed.

Hon. Mr. BRADBURY: Has that bank been doing it?

Hon. Mr. WATSON: Oh, yes, for years.

Hon. Mr. ROBERTSON: Under what authority?

Hon. Mr. WATSON: It did not require any authority.

Hon. Mr. LAIRD: It is quite clear that it is not the mouthpiece of the Senate that is speaking, but the mouthpiece of the Canadian Bankers Association, because the honourable gentleman quotes a telegram received by the Secretary of the Canadian Bankers Association; and I am in a position to say as well that the resolution prepared amending the Bill that is now before this House was either drafted by the Canadian Bankers Association or was changed by them before it was put into the hands of the mover.

Hon. Mr. DANDURAND: That would establish the fact that the members of the Bankers Association are ready to deprive themselves of any advantages that would accrue to them from the insurance business, and are liberal enough to allow a small bank in the West to do that business in order that it may prosper.

Hon. Mr. LAIRD: Why not let the Bankers Association pass this Bill? Why should we bother about it?

Hon. Mr. TURRIFF: I may be mistaken, but to my mind the point has not been made very clear that the Weyburn Security Bank does not take on one cent of liability in connection with the placing of this hail insurance. All it does is to allow its managers in the small branches to act as agents for hail insurance companies in the placing of hail insurance; and the commission received goes to the bank, because the bank pays the salaries of its managers.

Hon. Mr. BRADBURY: Would that be of any great advantage to the farmers of that district?

Hon. Mr. TURRIFF: I do not know that it is of any great advantage to the farmers. If the bank were assuming any responsibility whatever for this hail insurance, I for one would not support it in any shape or form, because I have seen the holdings of hail insurance companies in the West entirely wiped out in one year. But the bank incurs no liability whatever, and under the circumstances I think it is advisable to permit the managers to act as agents.

Some Hon. SENATORS: Question.

Hon. Mr. FOWLER: Why should a bank interfere in the matter at all except to give their agents a free hand?

Hon. Mr. WATSON: That is all.

Hon. Mr. FOWLER: I understand that they do more: it seems that they take the revenue from the agents of the hail insurance company. That is a different thing. If the bank management permit their branch managers acting as agents to take the commission, that would be all right.

Hon. Mr. WATSON: That is all they do.

Hon. Mr. FOWLER: I understand that the bank takes the income.

Hon. Mr. WATSON: Yes.

Hon. Mr. FOWLER: But, I say, that is all wrong.

Hon. Mr. WATSON: Why?

Hon. Mr. FOWLER: It is a different thing. That is a departure; that is allowing the bank to engage in the business of procuring hail insurance. I say the bank has no business to act as an agency for hail insurance, but that its managers should be allowed to act as agents, receiving the commission. That is not a distinction without a difference.

Hon. Mr. DANDURAND: My honourable friend would allow the branch managers to keep the commission and not return it to the bank?

Hon. Mr. FOWLER: Yes. I say you are violating a principle when you permit the bank to do it; you are making a departure from the general rule, because banks are not allowed to engage in other business. Why make a departure to give this bank the right to do that? I do not think it is necessary for legislative action to be taken to permit the banks to allow their managers to act as agents.

Hon. Mr. DANDURAND: We have just prohibited them from doing so under a general clause, and this is the exception.

Hon. Mr. FOWLER: Whether it is perversity on the part of the honourable gentleman I cannot say; but he fails to grasp what I am driving at. You prohibit banks from engaging in other business, and by this exception you permit this bank to engage in the business of procuring hail insurance. It is not done by the agent, but by the bank.

Hon. Mr. MURPHY: And their charter does not allow them to do that.

Hon. Mr. FOWLER: That is one thing that happened when I was not here.

Hon. Mr. TURRIFF: It shows the necessity of your always being here.

Hon. Mr. FOWLER: I want to give the bank the opportunity of supporting its managers in selling hail insurance or life insurance or any other kind of insurance; but I do not want the bank to have the right to become the general agent for hail insurance. As I say, there is a very broad distinction there, which my honourable friend, with his natural acuteness, must see.

Hon. Mr. DANDURAND: May I tell my honourable friend what is the law that we passed last night. It came from the Commons, and is new:

> No manager or agent of any bank shall act as agent for any insurance company or for any person in the placing of insurance, nor shall any bank exercise pressure upon any borrower to place insurance for the security of such bank in any particular insurance agency, but nothing herein contained shall prevent such bank from requiring such insurance to be placed with an insurance company which it may approve.

This is the principle, and the banks generally have already prohibited their agents from demanding that the clients of the bank should place the insurance with any such company. This bank in the West, the smallest bank of the seventeen, has been allowing its managers to place risks with hail insurance companies, and the commissions upon such risks have been returned to the bank and represent 37 per cent of its profits. Only with that supplementary profit has it been able to develop in small places where otherwise there would be no banking facilities. We were asked to make an exception, and the Senate last night voted to allow that exception in the case of a bank doing business in one Province only. As my honourable friend from Regina has said, it can only cover one institution of that kind. Up to the present time that bank has had the right to do that business under the law.

Hon. Mr. MURPHY: So have the others.

Hon. Mr. DANDURAND: So have the others—and the others are agreeable to this clause prohibiting the branch managers from placing insurance of any kind. We are making the single exception of a small bank in the West. If the western members are against it, surely that will influence the members from the East; but I think it would be somewhat cruel to cut this bank off from that profit with one fell blow at this moment.

Hon. Mr. FOWLER: That is not the thing. If that were changed so that their agents were permitted to take insurance, it would be different.

Hon. Mr. DANDURAND: I would not agree with that at all, because I want the bank to get the profit, and not the agent, the bank having developed that insurance business as a side line.

Hon. Mr. FOWLER: But if the agent gets the profit it helps to pay his salary, just the same.

Hon Mr. DANDURAND: It does not help the bank.

Hon. Mr. FOWLER: Yes, it does, because the bank is able, or the local manager by that means is able, to get the profit on this insurance. If he does not, I object.

Hon. Mr. CROWE: In any case we permit the bank to get a profit by engaging in hail insurance. I think the banks have scope enough without engaging in insurance in any way, or taking a profit out of it.

Hon. Mr. DANDURAND: It is not the banks: it is one bank.

Hon. Mr. CROWE: But why should you except one bank? If it is right to prohibit other banks from taking profits in this way, why allow one bank to do so?

Hon. Mr. FOWLER: There may be reasons underneath.

Hon. Mr. BRADBURY: I do not agree with my colleagues from the West in this matter. I have had a good deal of experience in the West, and I know that some of the small banks there have been a great blessing to the districts in which they function. This is a case of a small bank which I understand has been doing a very creditable business in the district in which it functions, and I do not agree with my honourable friends who say it is violating a principle. I understand that the large chartered banks of this Dominion are making a concession to this smalier bank to enable it to carry on. I understand the situation to be that this bank has been making about 37 per cent of its earnings from this hail insurance work, without injuring anybody in the province, and it is simply asking for the right to carry on the business that it has been performing for years. It is not some new venture, and the larger banks have been generous enough —and God knows they are not generous very often—to waive their right in the interest of this smaller bank; consequently I feel that they ought to have that right.

The amendment of Hon. Mr. Laird was negatived.

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

THREE RIVERS HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 217, an Act respecting the Three Rivers Harbour Commissioners.

He said: The port of Three Rivers is increasing in importance, partly through the large development of water power on the St. Maurice River, and it has been suggested that the Harbour Commission should be brought up to date, and the Bill is now before us to give it the powers that we give to the large ports. I may say that this Bill is a replica of that passed in 1913 for the port of Vancouver, so that simply with these remarks I will move the second reading of the Bill.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I do not propose to take up much time in speaking of the principle of this Bill, or rather in objecting to it, because I expressed my opposition to this class of legislation when the Vancouver Harbour Bill was before this House. I venture to say that it is a vicious principle for the Government of Canada to hand over to Harbour Commissioners large sums of money and abdicate the functions of Parliament in regard to the expenditure of that money. I do not direct my remarks to this particular harbour, for it seems to me that the Three Rivers harbour is one that would appeal to the mind of almost any man who saw it, and who had confidence in the development of the shipping resources of Canada, and the commercial importance of our various ports.

But in connection with all these harbours the Parliament of Canada has been called upon from time to time to hand over very substantial sums of money, running into many millions. With the exception of the harbour of Montreal, the principal sum handed over by the Parliament of Canada has never realized a cent of interest, so far as I can recall. We give Harbour Commissioners appointed by the Government full responsability for the expenditure of those large sums of money, entirely irrespective of Parliament having any voice in the application which those commissions make of those moneys. I say it is subversive of the well—established principle of government, that Parliament should assume the responsability of saying how public money should be expended, that power should not be delegated to bodies who are not only irresponsible to the people of Canada, but frequently do not possess business responsibility to justify their being entrusted with the expenditure of substantial sums.

We have already placed upon the Statute Book many Acts of Parliament constituting Harbour Commissions for various ports throughout the length and breadth of Canada, and I have no doubt that from time to time we shall be called upon to do so; but so long as this class of legislation is placed upon the Statute Book we may be assured that the commissions so appointed by the Government of the day will from time to time come back to the Government of Canada and ask for the loan of substantial sums of money for the improvement of their harbours; and

scarcely in any case will they contemplate paying a cent of interest upon those extraordinarily large sums which we give to them. Yet we have abandoned all right and authority to have anything to say about the expenditure of the money.

In my judgment the harbours of Canada should be improved, but they should be under the supervision of the Government of the day, which should assume full responsability for the expenditure of every dollar, and they should not abdicate their functions by allowing these small harbour commissions to expend these large appropriations without our having any control over them.

Hon. Mr. DANDURAND: I may say that I have not studied the question sufficiently to state that I fully agree with my honourable friend when he lays down the principle that all those harbour commissions should be swept aside, and the work directed from Ottawa absolutely.

Hon. Sir JAMES LOUGHEED: I have not gone so far as that. There might be a consultative body, or something of that kind; but what I object to is handing over to them exclusively the public money for expenditure as they may decide.

Hon. Mr. DANDURAND: Well, my honourable friend is not interpreting the law as it is on the Statute Book, or as it is applied by the Department. We allow the Harbour Commission of Montreal or that of Vancouver a certain credit, say the privilege of issuing their bonds for a certain amount, for works which they detail in a memorandum to the Government. When Parliament has voted money to allow such a harbour commission to carry on its work, it has not finished its duties, nor do its responsibilities stop there. We will have a Bill here shortly for increasing the borrowing powers of the Harbour Commission of Montreal by $10,000,000; but this amount is based upon estimates, and that Harbour Commission will not be authorized to enter into any contract covering any part of that sum without submitting it to the Department of Marine and Fisheries, which in turn brings a recommendation to Council for approval; There is thus a direct control over the kind and quality of work, and also over the procedure to be followed in the carrying on of that work. That control may be more or less relaxed, or more or less severe; that is a question of administration. The more severe it is the better for the general interests of the country, I would say.

Where I perhaps agree with my honourable friend is in the further supervision of the expenditure of the money by these various commissions; and I may inform this Chamber that the Department of Marine and Fisheries is examining the question of a better and more uniform and more satisfactory audit system. This news will satisfy my honourable friend to a certain degree, as to a large degree it satisfied me. We must see that the expenditure is a needful and fruitful one, and these harbour commissions may be able to satisfy the country that they will be able to pay interest on their bonds. Some of the Commissions have failed to pay, but I observe by the statement of the Minister of Customs that Three Rivers has a clean bill of health on that score. I hope that Three Rivers will develop. It has three active men of substance forming its Board. There is no plan presented to the Cabinet for actual development; I suppose the plans are in course of study, but honourable members of this Chamber who have gone to Three Rivers know how enthusiastic are all the people around there for the future of that port, and quite justly so. I move, in consequence, the second reading of this Bill.

Hon. Mr. ROBERTSON: May I ask my honourable friend if it is the intention of the Government to maintain the same personnel as now exists in the Harbour Commission of Three Rivers?

Hon. Mr. DANDURAND: Well, from the eulogy passed upon them by the Minister of Customs, who is the representative of Three Rivers, I think there can be no better. He explained what the men were in the community. He said:

> They are all men of great ability. One of them is the managing director of the St. Maurice Lumber Company, which is a subsidiary of the international company wihch has mills in New Brunswick and in Nova Scotia too, if I am not mistaken. They have a paper mill in Three Rivers, which some of my friends in the House had occasion to visit a short time ago when they were in Three Rivers. It is the largest paper mill, I think, on this side of the line. Another of the gentlemen is a hardware merchant who has made a success of his business; and the other is a wholesale drygoods man. Every one of them can live without a salary as commissioner, but if we are going ta pass an act to incorporate a commission we must look ahead to the future development of the port, and I am satisfied, in view of the development of the St. Maurice region, that before many years the harbour of Three Rivers will require a staff of engineers and men who will have to devote their whole time to the interests of the harbour.

Hon. Mr. ROBERTSON: That would seem to mean, then, that it is the intention of the Government to appoint a Commission of gentlemen other than those named, whose duty it would be to give their whole time to the service. Probably a number of us in

this House hesitate to approve of the legislation proposed because of what has occurred in conection with other harbour commissions. We recall that in a harbour as important as that of Vancouver a competent man has been removed from the position of Harbour Commissioner within the last year and a half, and a gentleman who, it is recognized, has little if any qualifications by way of ability to fill that important position has been substituted. I know that in the city of Hamilton the same thing was repeated. A gentleman who was running an elevator, and was a janitor in a little building there, was recently made a member of the Hamilton Harbour Commission, though he does not know anything about harbours, and has no qualifications whatever to justify his appointment. His choice for that position has been a joke in the city of Hamilton. Likewise, in the city of Vancouver, I think a certain druggist in the centre of British Columbia, who used to dispense pills on prescription, has been appointed to administer and handle perhaps $5,000,000 of public money which has been appropriated to be spent on that harbour.

Are we going to repeat that in Three Rivers and throughout Canada? It seems to me that is the main question that stands in the way of many of us feeling free to agree to legislation of this sort, unless we know that responsible, stable, competent, qualified men are to be appointed to fill those responsible positions. If the honourable leader of the Government can assure us that the gentlemen who have heretofore acted as members of the Harbour Commission of Three Rivers are to be continued in those responsible positions I would not feel like raising objection to the proposed legislation, because that harbour is developing and is increasing in importance, and is found to be a rather important port as compared with some other ports in Canada. But if those gentlemen are to be removed from the positions they now occupy, and by reason of this legislation others similar to those who have been appointed at Hamilton and elsewhere are to be given jobs, and to devote their whole time to this work, then in my opinion Parliament is making a mistake in handing over large sums of public money to be expended and administered by irresponsible men of that kind.

Hon. Mr. DANDURAND: Of course, I would not like to make a statement that would not be confirmed by the Minister principally interested in the port of Three Rivers, and having the main responsibility. Even if I did, he may not be in office, or be even a member, in a year or two, or whenever this Parliament is dissolved. We must look at the legislation as it is. If the Cabinet has the appointment, the Cabinet has the responsibility, and will be judged by its selection. In a democracy the people every four years have a right to pronounce upon the action of the Government. I do not see any other remedy. I cannot bind the Government. I might perhaps bind this Government for a certain period. But for how long? I could not bind the successors of this Government. It is true, we may be in office for the next 15 or 20 years—

Hon. Sir JAMES LOUGHEED: Oh, no, no.

Hon. Mr. DANDURAND: Or we may not be 24 months. We do not know.

Hon. Mr. DANIEL: The Minister might have this clause changed so that one or more of the Commissioners should be appointed by the Municipal Council of Three Rivers.

Hon. Sir JAMES LOUGHEED: That might not be much better.

Hon. Mr. DANIEL: The Municipal Council, belonging to the locality itself would naturally appoint somebody living in the community of Three Rivers. There is nothing in this Bill to show that anybody from any part of Canada may not be appointed one of the Harbour Commissioners of Three Rivers.

Hon. Mr. DANDURAND: My honourable friend has been a member of the House of Commons for the city of St. John. Would he ever have thought, as member for St. John, of making a recommendation that would not reflect credit upon his own judgment. Is it not in the last analysis a question of self-preservation?

Hon. Mr. DANIEL: In regard to the Harbour Commission for St. John, one of the clauses of the Bill was that the City Council should have the appointment of one or more of the Commissioners; and I think the Board of Trade was to have the appointment of one, or some say in the appointment. The Commissioners were not to be appointed entirely by the Government of Canada.

Hon. Mr. DANDURAND: That was the old system, which prevailed at the inception of all the ports in Canada. Montreal at one time was administered by a Commission composed of delegates from the Corn Exchange, I think—

Hon. Mr. McLENNAN: The Mayor, the Board of Trade, and the Shipping Interest.

Hon. Mr. DANDURAND: The Shipping Interest and the Board of Trade and one representative of the Government. So this is the first evolution. Naturally the Government feels that it should have the complete appointment and the full responsibility.

Hon. Mr. McLENNAN: The old system produced good results.

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

The Senate adjourned until 3 p.m. this day.

SECOND SITTING

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

Routine proceedings.

ISENBERG COAL MINING LEASES

INQUIRY

On the Orders of the Day:

Hon. Mr. BRADBURY: Honourable gentlemen, I have no desire to be too persistent, but I would like to renew my question of yesterday regarding the withdrawal of the Isenberg fiat. I understand that the honourable leader of the Government practically promised to let us have an answer to-day.

Hon. Mr. DANDURAND: I am sorry I lost sight of the question, for I could have made inquiry to-day. I will try to obtain the information before we adjourn this evening.

RAILWAY CONSTRUCTION

On the Orders of the Day:

Hon. Mr. TANNER: I would like to make a suggestion to the honourable leader of the House. I understand there are coming down from the other Chamber some resolutions or a Bill in relation to the construction of railways, in some of which we in the Maritime Provinces are interested. I presume there is some report or recommendation from Sir Henry Thornton or the Board of Directors of the Canadian National Railway in regard to the railways in question, and as the time will be very short, perhaps my honourable friend could arrange to have any such report available to lay it on the Table when the matter comes up for consideration.

Hon Mr. DANDURAND: I will inquire. I feel sure that the proposed legislation is the result of deliberations and conclusions reached by the National Railway Board, but I will ascertain if there is a memorandum from the Board.

THREE RIVERS HARBOUR COMMISSIONERS BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 217, an Act respecting the Three Rivers Harbour Commissioners.

Hon. Mr. Blain in the Chair.

Sections 1 and 2 were agreed to.

On section 3—interpretation:

Right Hon. Sir GEORGE E. FOSTER: I understand these definitions are exactly the same as the definitions in the other Harbour Commission Act?

Hon. Mr. CASGRAIN: Practically.

Hon. Mr. DANDURAND: I observe that when the Bill came up in the House of Commons it was stated that it was copied from the Vancouver Act. I have asked the honourable member from De Lanaudière (Hon. Mr. Casgrain) to compare the Bill with the Vancouver Act, which he has in his hand.

Hon. Mr. CASGRAIN: So far as I have got they are the same.

Section 3 was agreed to.

Section 4 was agreed to.

On section 5—commissioners:

Hon. Mr. CROWE: May I ask the honourable leader of the Government what remuneration the Commissioners are to receive?

Hon. Mr. DANDURAND: In the Act there is no figure mentioned. That is generally arranged by the Board, which makes a recommendation—

Hon. Mr. CASGRAIN: They are not paid by the Government anyway.

Hon. Mr. DANDURAND: —and the fees that are to be paid must be approved by the Department.

Hon. Mr. CASGRAIN: They are paid out of the revenue of the harbour?

Hon. Mr. DANDURAND: Yes.

Hon. W. B. ROSS: Subsection 4 deals with that.

Hon. Mr. CROWE: If this is copied from the Vancouver Act, I hope the Commissioners will be paid as the Vancouver Commissioners were paid when the Vancouver Act came into force. They received practically nothing for a number of years. I hope the Three Rivers Commissioners will be dealt with in the same way.

Hon. Mr. WATSON: That is kind.

Hon. Mr. CROWE: In 1919 the Commissioners received something like $3,000 a year, and two years later, I think, this was increased to $4,000 or $5,000.

Hon. Mr. DANDURAND: We should urge them to begin moderately.

Hon. Mr. CROWE: I hope so.

Hon. W. B. ROSS: Subsection 4 deals with the payment of Commissioners:

For their services, the president and the other commissioners may be paid out of the revenues of the harbour such remuneration as the Governor in Council may determine.

Hon. Mr. CASGRAIN: There is no amount stated.

Hon. Mr. ROSS: No.

Section 5 was agreed to.

Sections 6 to 24, inclusive, were agreed to.

On section 25—repeal:

Hon. Mr. DANIEL: What is the nature of the Acts that are repealed?

Hon. Mr. CASGRAIN: Will you please read that section, Mr. Chairman?

The Hon. the CHAIRMAN (reading):

Chapter fifty-two of the statutes of 1882, chapter forty-one of the statutes of 1883, chapter seventy-six of the statutes of 1885, chapter ten of the statutes of 1892 and chapter twenty-six of the statutes of 1895, are hereby repealed.

Hon. Mr. DANDURAND: These are all Acts which concern the Harbour of Three Rivers. The first one, creating the Commission, was the statute of 1882, and it has been at various dates amended. We are now wiping out all that legislation, to be replaced by the present statute.

Right Hon. Sir GEORGE E. FOSTER: There is no legislation but that?

Hon. Mr. DANDURAND: No.

Section 25 was agreed to.

On section 6 (reconsidered)—officers and employees:

Hon. W. B. ROSS: I would ask the honourable leader of the Government to look at section 6 again, as I want to ask a question with regard to it. The "corporation" seems to be given absolute power to fix the salaries of all employees—Harbour Master and other officers, assistants, engineers and clerks. Has the Government reserved power anywhere to check those salaries or take any control?

Hon. Mr. CROWE.

Hon. Mr. CASGRAIN: No. The Government trusts the Commissioners for that. This is based on the Montreal provisions.

Hon. Mr. ROSS: I wanted to ascertain whether or not there was any check on that.

Section 6 was agreed to.

The preamble and the title were agreed to.

The Bill was reported.

THIRD READING

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

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

FISHERIES BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 223, an Act to amend the Fisheries Act, 1914.

He said: This Bill provides that the only fee for salmon canneries shall be $20 a year. it is the result of an inquiry which took place, the Commission recommending the change. The rate heretofore has been $500. In addition to the fee, license holders will have to pay for every case of 48 one-pound cans.

Hon. Sir JAMES LOUGHEED: Is there any tariff of that kind at present?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: I should like to have some information from my honourable friend as to the extraordinary recommendation made by the Fisheries Commission and embodied in this Bill, by which licenses have been reduced from $500 annually to $20. Canada is not sailing through such a prosperous period that we can afford to reduce the licenses of salmon canneries, which up to the present time have been amongst the prosperous industries in Canada.

Right Hon. Sir GEORGE E. FOSTER: Probably the fees that are added make it up.

Hon. Sir JAMES LOUGHEED: I have asked my honourable friend with regard to that, and I understand a charge is already made along these lines.

I observe by the Bill that a charge is imposed of four cents for each case of 48 one-pound cans, or the equivalent thereto, of sockeye salmon, or the equivalent thereto, of any other species of salmon. If there is no equivalent charge imposed at the present time, and this charge would without any uncertainty bring up the revenue to the license fee

already fixed at $500 per annum, there might be some justification for it; but I would point out that when the late Government came into office there was a loss annually of $250,000 in the administration of the British Columbia fisheries. That led to a revision of the licensees, and I think I am justified in saying that when the late Government went out of office the deficit was practically covered. Unless my honourable friend is prepared to show to the House that we derive some advantage from legislation of this kind, it were very much better that such a Commission had not been appointed.

Hon. Mr. DANDURAND: I thought I had a memorandum from the Department, but I cannot find it just now. We may postpone the second reading of the Bill, and I will furnish the information to my honourable friend.

Hon. Sir JAMES LOUGHEED: Would my honourable friend also be good enough to look into the question of whether this is the entire result of the inquiry made by the Commission, which was very pretentious not only in numbers but, in the changes that were to be brought about by its inquiry.

Hon. Mr. DANDURAND: I will.

The debate was adjourned.

INLAND REVENUE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 225, an Act to amend the Inland Revenue Act.

He said: Honourable gentlemen in perusing this Bill will see that it covers various amendments to the Inland Revenue Act. I could perhaps better give the explanation concerning each clause in Committee of the Whole. There is no special principle involved.

Hon. Sir JAMES LOUGHEED: All right.

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

CONSIDERED IN COMMITTEE

The Senate went into Committee on the Bill.

Hon. Mr. Bradbury in the Chair.

On section 1—definitions:

Hon. Mr. DANDURAND (reading):

"Departental Analyst" as at present defined in the Act means an analyst in the employment of the Department of Customs and Excise or any Department of the Government of Canada. The analyses made for the purposes of this Act are made in this Department by employees classified as Junior Chemist, Assistant Chemist or Chemist.

Section 1 was agreed to.

On section 2—certificate of analysis of Departmental or Provincial analysts to be evidence:

Hon. Mr. DANDURAND: As we are here to improve Bills, I would call the attention of honourable gentlemen to the substituted section 180:

In every prosecution under this Act the certificate of analysis of a Departmental analyst or a provincial analyst shall be accepted as conclusive evidence of the alcoholic contents of any beer, wash or spirits and the suitability of any beer or wash for the manufacture of spirits, and of the authority of the person giving or issuing such certificate, without further proof of appointment or of signature.

Hon. W. B. ROSS: Does the honourable gentleman think that the word "conclusive" is very strong?

Hon. Mr. DANDURAND: I was wondering whether the expression was not too strong.

Hon. W. B. ROSS: I should think that if it were changed to "prima facie" evidence, it would be enough; then it would throw the burden of proof upon the accused.

Hon. Mr. DANDURAND: I think that would be sufficient. That is why I draw it to the attention of the House.

Right Hon. Sir GEORGE E. FOSTER: Is there any reason given why "conclusive" was put in? There may be some Departmental reason.

Hon. Mr. DANDURAND (reading):

The provision for acceptance of certificate of analysis as evidence is now found in the Inland Revenue Act as subsection three to section 180, and only applies to prosecutions under this section. The Department has experienced considerable difficulty lately in connection with the evidence of analysis in prosecutions under sections 185 and 204. It is therefore proposed to strike this subsection out of section 180 and add a new section so as to make this provision for evidence applicable to the whole act, and in doing so to provide also that the certificate shall operate as conclusive evidence of the authority of the person giving or issuing such certificate without further proof of appointment or of signature.

It is all right, that far.

Hon. Mr. BEIQUE: Prima facie would carry that out.

Hon. Mr. DANDURAND (reading):

Heretofore, in prosecutions under sections 185 and 204,, the certificate of analysis has in several cases been refused acceptance unless produced by the analyst himself appearing as a witness. Furthermore, the Department was required in a prosecution some

time ago to file evidence to show that an employee of this Department classified as a chemist in the laboratory of this Department was really an official of the Department, and that he was the party who had signed the certificate produced. This applied even in a prosecution under section 180. If such evidence has to be produced in every case, it will mean that we will have to prove the appointment and signature of all the chemists of the laboratory, which might involve serious difficulties and delays and possibly considerable travelling expenses for the official concerned, as they might be called upon to appear in the courts from one end of the country to the order.

I am ready to accept an amendment to the word "conclusive."

Hon. W. B. ROSS: I would move that the word "conclusive" be struck out, and that the words "prima facie" be substituted therefor.

Right Hon. Sir GEORGE E. FOSTER: Is it not a little odd that my honourable friend has not the reason given for a change in the law as it is at the present time? The word "conclusive" does appear to be very strong if you are to make the analysis of any analyst that happens to be appointed conclusive. He may be a poor analyst. There may be another analyst opposing him who gives evidence quite adverse to his. You cannot say all analysts are of equal authority, and under this section, whether the analyst be poor or good, his evidence must be accepted as "conclusive," and no amount of contra evidence can be taken to upset it. If "conclusive" refers simply to the man being an analyst, it would be all right; but in the other case it seems to be very strong. Why was it put in? Was there a Departmental reason?

Hon. Mr. DANDURAND: I will accept the amendment, and if the Minister in charge of the Bill in the House of Commons has any reason in favour of maintaining the word "conclusive," he will do so.

Hon. Sir JAMES LOUGHEED: What is its application?—to the Canada Temperance Act?

Hon. Mr. DANDURAND: The Inland Revenue Act.

Hon. W. B. ROSS: I think that the honourable gentleman will find that the explanation is this. A clause has been drafted by an officer of the Department, and during the last two years they have got rather spoiled by Orders in Council and things of that kind. Outside of a Departmental officer no one would suggest making a certificate of that kind conclusive. I have had a good deal of experience with Acts containing the phrase "prima facie."

Hon. Sir JAMES LOUGHEED: That is to say, it is conclusive until it is shown to the contrary.

Hon. W. B. ROSS: Yes, the defendant gets a run for his money, anyhow.

Hon. Mr. DANDURAND: If we are all agreed I accept the words "prima facie" in substitution for "conclusive".

Section 2, so amended, was agreed to.

On section 3—deodorizing, etc., of denatured alcohol:

Hon. Mr. DANIEL: I would like to ask the Minister whether the words "methylated spirits" and "denatured alcohol" mean the same thing exactly.

Hon. Mr. CASGRAIN: The same thing.

Hon. Sir JAMES LOUGHEED: Is my honourable friend departmental analyst.

Hon. Mr. CASGRAIN: Yes, for alcohol.

Hon. Mr. DANDURAND: I am informed that denatured alcohol covers a much larger field. Methylated spirit is much more dangerous, because it is impossible to separate the wood alcohol.

Hon. Mr. CASGRAIN: That is where your analyst is all wrong.

Hon. Mr. DANDURAND: It was not the analyst who gave me the information. The reason given is that in Part X of the Act, as amended by chapter 52, 1920, which part deals with alcohol, the words "methylated spirits" do not appear, and the words "denatured alcohol" and "specially denatured alcohol" only are defined. Hence the necessity for altering section 265 as suggested.

Hon. Mr. DANIEL: Does this new section, which we are putting in after repealing the old one, include methylated spirits?

Hon. Mr. DANDURAND: I am informed it does.

Right Hon. Sir GEORGE E. FOSTER: It would if so defined in Part X, but unless Part X so defines it, methylated spirits do not seem to come into this section. What is Part X, as a definition of denatured alcohol?

Hon. Mr. DANDURAND: In Part X the words "methylated spirits" did not appear, so we are striking that off and harmonizing this clause with Part X, which describes denatured alcohol and specially denatured alcohol, which comprises methylated spirits.

Sections 3 and 4 were agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

BIOLOGICAL BOARD BILL

SECOND READING AGAIN POSTPONED

The Senate resumed from June 21 the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 206, an Act to amend the Biological Board Act.

Hon. Mr. DANDURAND: I have the following statement in explanation of the Bill:

The proposed amendment to the Biological Board Act is desired by the Board. The facts connected with it are briefly as follow:

1. Arrangements were made for a discussion with the Board at the meeting of its Executive, which was held in Ottawa on the 21st ultimo, as to the most efficient organization that could be effected to enable the Department and the Board best to assist in the development of the fisheries. A copy of the letter to the Chairman of the Board suggesting such conference is attached. The Chairman replied stating that he was sure that the members of the Board would be glad to have the conference, and stating that the suggested date and hour would be satisfactory. A copy of his letter is attached, which is dated the 16th ultimo.

2. At that conference there was unanimity of view as to the desirability of the proposed reorganization, and the Board appointed some of its members as a committee to meet the departmental officers on the following day. There were two meetings with the subcommittee. They were quite informal, and at these it was decided that the best method would be to increase the membership of the Board by the appointment of an additional departmental officer, and two members representing the industry. As the conferences were informal, no record of them was made.

When I proposed the Bill for second reading I think I read to the House the intention of the Department. It is found in the letter of the 15th May by the Deputy Minister addressed to Dr. A. P. Knight, Chairman of the Biological Board, Kingston, Ontario:

This Department has in contemplation aggressive measures looking to the betterment of our fisheries. Much of the proposed work will necessitate the assistance of scientific work. Such assistance could of course be arranged for by building up a competent scientific division in the Fisheries Branch; but as in the nature of things such a division would have to duplicate in considerable measure work which the Biological Board would likely be doing, the Department is of opinion that the end in view could be most efficiently and economically brought about by a proper reorganization of the Biological Board so as to bring it into closer relationship with the Department.

I am informed that there will be a meeting of the Executive of the Board here on the 21st instant. That date would be a suitable one to us for a discussion of the whole matter with the Board. Hence we shall be prepared to meet the Board for such purpose in the Library of this Department,(Room 473—at 3 p.m. on that date. If the same hour on the following day would be more convenient to the Board it would be equally as satisfactory to us. Kindly let me know immediately which date will be most suitable to the Board.

So the Board met and conferred with the Department, and approved of the Bill that is before us.

Hon. Mr. BRADBURY: What is the date of the meeting?

Hon. Mr. Dandurand: Apparently the Board met on the 21st May. Now, all that is altered in the Act is the constitution of the Board, and I have heard no good reason why we should object to that proposed amendment, which is accepted by the Board itself.

Hon. W. B. ROSS: Would the honourable gentleman read the letter of the Chairman of the Board giving his reason for the change?

Hon. Mr. DANDURAND: This is the Chairman's letter:

Alice Street, Kingston, May 16th, 1923.

A. Johnston, Esq.,
Deputy Minister of Fisheries,
Ottawa.

Dear Sir:

I have the honour to acknowledge receipt of yours of the 15th in which you express a desire to meet the Biological Board and discuss a closer relationship between it and the Fisheries Department.

In reply I beg to say that I am sure the members of the Board will be glad to meet you in the Library of the Fisheries Department, Room 473, at 3 p.m., on May 21st.

Yours truly,

A. P. Knight.

The statement which I read a moment ago from the Deputy Minister says that at that Conference there was unanimity of view. This is all the information that I can furnish.

Hon. Mr. BRADBURY: Is there any record of the number of members of the Board who were present at that meeting?

Hon. Mr. DANDURAND: Yes; I gave that information the last time the matter was before the Senate.

Hon. Mr. BRADBURY: I request that information, because I am informed that this subject of having additional members on the Board was not mentioned until the Board had practically dispersed, when it was brought up on May 21st. The matter was never laid before the Board till last moment, when some had left. Half the members of the Board do not know even now about this Bill. Excepting Prof. Knight, all the chief members of the Board were absent. I understand that Prof. Bailey, Prof. Prince, Prof. MacClement, Prof. Ruttan, and the Director of the Pacific Biological Station, Prof. Fraser, were absent, and were unaware of the proposed reorganization. Dr. Huntsman, who was present and ap-

proved, is not a member of the Board, but a paid employee. Not half the Board were aware of this drastic Bill. It was got up in a hurry and rushed through, passed the Commons before anyone was wise to its real character as the former Bill camouflaged. It must be rejected, or referred to a Committee, so that proper and full information, and copies of all letters, memos to the Minister, etc, can be in our hands. I understand that the information placed in the hands of the Government is entirely inaccurate.

Right Hon. Sir GEORGE E. FOSTER: Who is the author of that information?

Hon. Mr. BRADBURY: I am the author.

Right Hon. Sir GEORGE E. FOSTER: Do you vouch for it?

Hon. Mr. BRADBURY: I vouch for it being correct as far as I know.

Right Hon. Sir GEORGE E. FOSTER: Rather an extraordinary state of affairs.

Hon. Mr. BRADBURY: While I am the author of this, the information was given to me.

Hon. Mr. FARRELL: Are any members of the Board opposed to this?

Hon. Mr. BRADBURY: I am told that all scientific members of this Board who have been spoken to about it, are opposed.

Hon. Mr. DANDURAND: Will my honourable friend allow me, then, to move to discharge this order and place it on the Orders of the Day for to-morrow, so that I can obtain information from the Department? I will draw the attention of the Department to the statement of my honourable friend, and I will see if the Department will be able to give us official information as to the opinion of the Board.

Hon. W. B. ROSS: That is, of the individual members.

Hon. Mr. DANDURAND: I do not know, but I will have to be satisfied as to who were present at that conference, and whether they were representative.

Hon. W. B. ROSS: What happened at an informal meeting of the Board is not a very satisfactory thing to have in the way of a statement; but if we could get at the views of some of the leading members of the Board it would help us to know what they are doing. My objection is largely that outlined by the honourable member from Gloucester (Hon. Mr. Turgeon) the other day. The Bill is not very well expressed, either the old Bill we are amending or the new one. The Government has now the right to appoint two, and then the Bill says one by the university. It means one by each university.

Hon. Mr. DANDURAND: Yes, by each university.

Hon. W. B. ROSS: Wherever a university has a picked biologist he comes on to that Board?

Hon. Mr. DANDURAND: Yes.

Hon. W. B. ROSS: The danger about this Bill is that when you enlarge the Board from 2 to 5 you bring on to it men who are not professional or scientific; and the scientific men, whose services you are getting for nothing, and said by the fishing men in the Maritime provinces to be very satisfactory, you may lose if you ask them to sit with men who are not professionals. The honourable gentleman knows as well as I do the difficulty that he has as a lawyer in sitting on a committee and arguing with a man who never studied law, and does not know anything about it. It makes a situation sometimes almost intolerable. That is the danger you are running in opening the gate for putting men on that Board who are not scientific men.

Hon. Mr. DANDURAND: I do not want to broaden the debate on a matter which will have to be adjourned, as we have important legislation before us. The only thing I am not ready to admit is that scientists would not benefit by the information that experienced practical men in the fisheries business could bring to them. But we may discuss that when I get further information from the Department.

Hon. W. B. ROSS: Still, experience in buying and selling and exchange is of no value in biology. The two things are entirely distinct. If the Department want what might be called a business section, they might have, as suggested by the honourable member for Gloucester, two or three or five men to serve on the same principle as these scientific men, giving the Board the benefit of their services gratis.

Hon. Mr. MURPHY: As my honourable friend (Hon. Mr. Dandurand) says, there are important measures on the Order Paper. Why not take the course that we followed the last time, and refer this matter to a Special Committee? The Secretary of the Scientific Board is the Commissioner of Fisheries for Canada, Professor Prince, who must, I take it, have been present at that information meeting of the Board and is in touch with the other

scientific men, the representatives of the Universities. Why not give us a small Special Committee, so that we may call Professor Prince and the other interested persons?

Hon. Sir JAMES LOUGHEED: With authority to sit during the summer months.

Hon. Mr. MURPHY: No, we will not sit during the summer months. We will agree to report more quickly perhaps than the Committee on Soldiers' Civil Re-establishment, etc.

Hon. Mr. DANDURAND: I will ascertain from the Department if in their view the matter is of such importance that it ought to be dealt with at this Session. If so, I will give them a chance to be heard by a Special Committee. If not, we will postpone the matter until next Session.

Some Hon. SENATORS: Hear, hear.

Hon. Sir JAMES LOUGHEED: Say, next February.

The debate was adjourned.

DRY DOCK SUBSIDIES BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 220, an Act to amend the Dry Dock Subsidies Act, 1910.

Hon. Mr. McMeans in the Chair.

Sections 1 and 2 were agreed to.

On section 3—advances during construction on second-class docks.

Hon. Mr. TODD: I think the honourable leader of the Government promised that before we went into Committee on this Bill he would inform us whether there was any loss or any profit to the Government in connection with this change of subsidies, in the matter of the drawbacks.

Hon. Mr. DANDURAND: Here is a statement I have from the Department on Bill 220:

There is only one first class dry dock which is being constructed under this Act, namely, the one at Courtenay Bay, St. John, N.B., the constructing firm being the St. John Dry Dock and Shipbuilding Company, Limited. A subsidy agreement is also in existence for the construction of a second class floating dry dock in the Harbour of Vancouver with the Burrard Dry Dock Company, Limited, of Vancouver, B.C., to which this proposed amendment would also apply.

The St. John Dry Dock and Shipbuilding Company, Limited, have made very considerable progress and expect to complete the dock in the fall of this year. The cost of the dock for subsidy purposes was fixed at $5,500,000. The third progress certificate of the Government engineer shows that on the 15th of December last work to the extent of $4,409,980.55 had been done, leaving at that date the balance of the work to be completed at approximately $1,450,000.00; but since then an estimated expenditure of approximately $750,000 has been made which would leave an expenditure of apprrox mately $700,000 to complete.

Under the subsidy agreement the total bonds to be issued by the Company must not exceed $3,826,272.34, that being the sum that the subsidy of 4½ per cent on the cost of the work, $5,500,000 will in 35 years pay, both principal and interest.

The Minister can only authorize a bond issue not exceeding 75 per cent of the subsidized amount—in this case $4,125,000. As the issue bears 5½ per cent it amounts to $3,826,-272.34.

Hon. Sir JAMES LOUGHEED: That is for the bond issue?

Hon. Mr. DANDURAND: That is the bond issue. (Reading):

The following bonds have been issued with Government approval:

1st series..	$884,276 50
2nd series..	392,825 68
3rd series..	836,320.47
making a total issued to date.. ..	$2,113,422 65
Balance still to be issued..	1,712,849 69
	$3,826,272 34

The Company has been allowed subsidy only on 75 per cent of the work actually completed, the Department retaining a drawback of 25 per cent of work actually done.

The Company has still only $700,000 work to complete, whereas there is a total of $1,712,849.69 of bonds withheld which it will be entitled to issue on completion. The company have represented that the retention of this large amount of bonds makes it difficult for them to finance their operation, and have asked an amendment to the Act which would retain to the Department or Government ample security for the completion of the work, while the Company would be materially aided in its financing. The amendment suggested is that when any dock has, to the satisfaction of the Chief Engineer, been completed to 75 per cent of its cost, that thereafter the drawback or retention be limited to 10 per cent, instead of 25 per cent and that the Company be allowed, with the approval of the Minister (or preferably the Governor in Council) to issue its bonds up to 90 per cent of the subsidy actually earned. A security of 25 per cent should be maintained up to a certain stage in the progress of the work but when the undertaking has been carried on satisfactorily and is so far advanced that suspension of work would be a decided loss to the contractor the retention can reasonably and safely be reduced.

If the proposed Bill is passed a retention in the case of the St. John dock in the form of work done would be $480,000 plus floating, and other plant of the Company of an estimated value of $750,000 or a total security of $1,230,000 for the completion of $700,000 worth of work to be done.

The Department would have as security in the event of default at the present time in addition to the floating and other plant referred to valued at $750,000 the dock itself of a value of $4,800,000 a total of $5,550,000. The Government, under the provisions of the Dry Dock Subsidy Act, would take over this property, operate the dock, and the sole charge which the Government would be obligated to would be its guarantee to pay interest on the $2,068,882.76 worth of

5½ per cent bonds at present outstanding, and the additional bond issue which would follow the subsidy proposed to be authorized under this amendment, amounting to, in round figures, $480,000. The Government, therefore, would have property valued at $5,550,000 and the only liability a 5½ per cent bond issue of $2,549,000 for 35 years.

Putting the proposition another way: Up to December 15, 1922 the Company had been paid subsidy at 4½ per cent on 75 per cent of the $4,050,000 and since that time have done $750,000 worth of work, making a total now of $4,800,000 worth of work done and materials provided, on which it would be entitled under existing legislation to subsidy on (75 per cent of $4,800,000) $3,800,000.

The amount now proposed would give the Company subsidy on (90 per cent of $4,800,000) $4,320,000, or a subsidy at 4½ per cent on an additional amount of ($4,320,000 less $3,800,000) $520,000. 4½ per cent on $520,000 equals $23,400.

As the dock is expected to be completed in October, 1923, when total subsidy would be earned, the present Bill pays them $23,400 subsidy say, four months earlier thon they otherwise would receive it so all the Government is out is the cost, say, at 6 per cent on $23,400 for four months, which is $468, but with the result that the contractors are put in an absolutely easy financial position enabling them to rush the work and ensure the dock being available for receiving and repairing vessels by the date mentioned, namely, October, 1923.

I do not know whether or not that statement is sufficiently clear. I will pass it over to my honourable friend if he desires.

Hon. Mr. REID: I would like to ask the honourable gentlemen a question or two in connection with this matter. I must say that when he read over the statement so quickly I could not grasp the meaning of it.

In the first place, if I remember rightly, under the Dry Dock Subsidies Act, in connection with this and similar dry docks, the Government guaranteed a subsidy for 35 years.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. CASGRAIN: It used to be at 3½ per cent.

Hon. Mr. REID: A subsidy for 35 years 3½ per cent. That was all that the Government was liable for.

The St. John Dry Dock Company would issue bonds against the dry dock, as was done previously by other dry dock companies. I understand that other dry dock companies issued bonds and deposited them with a trust company, and transferred the subsidy as security for the interest on those bonds.

Hon. Mr. CASGRAIN: As far as it goes.

Hon. Mr. REID: The guarantee of the subsidy was all that the Government or the people of Canada were liable for. That, as I understand, is the law on the Statute Book.

Hon. Mr. DANDURAND.

Hon. Mr. DANIEL: That was passed in 1910.

Hon. Mr. REID: I never knew that the Government had any power to change that law without coming to Parliament.

Hon. Mr. DANDURAND: But there was an Act passed in 1917.

Hon. Mr. REID: Was there?

Hon. Mr. CASGRAIN: Increasing the interest.

Hon. Mr. DANIEL: There were half-a-dozen acts.

Hon. Mr. REID: I will explain what I mean, and perhaps the honourable gentleman will correct me if I am in error. I am only asking for information.

I had no idea that the Government could change that law without coming to Parliament; but it has been brought to my attention within the past month by a person selling St. John Dry Dock bonds that a St. John Dry Dock bond is just as good as a Dominion Government bond, because it has been guaranteed by the Government as to principal as well as interest.

Hon. Mr. DANDURAND: When would that guarantee have been given?

Hon. Mr. REID: It is given now—it is given all the time. The honourable gentleman can answer that question. Every time an issue of the St. John Dry Dock has been made an Order in Council has been passed authorizing the Minister to guarantee the principal as well as the interest, or there has been a general Order in Council granting such authority.

Hon. Mr. DANDURAND: It was done by Order in Council, and I am asking the honourable leader of the Governmnet what Act was passed empowering the Governor in Council to do that. That is one of the questions that I am asking.

Hon. Mr. DANDURAND: No; my honourable friend is asking another.

Hon. Mr. REID: Well, that is one.

Hon. Mr. DANDURAND: "Has a guarantee been given for the principal?"

Hon. Mr. REID: I will put it another way. Would the honourable leader of the Government tell me on what authority the endorsation is made of the bonds of the St. John Dry Dock, guaranteeing the principal as well as the interest? I do not know whether I can make the question any plainer.

Right Hon. Sir GEORGE E. FOSTER: It is a fact that that has been done, is it?

Hon. Mr. REID: I make the statement that that has been done. I will tell you why I make that statement. A person selling bonds in my constituency asked me if St. John Dry Dock bonds were as good as Dominion bonds. It was advertised in the press that these bonds were as good as Dominion bonds, because they were guaranteed. I asked the Department of Public Works, and I got the answer yes.

Right Hon. Sir GEORGE E. FOSTER: Oh!

Hon. Mr. REID: That is my authority, for what it is worth.

Hon. Mr. WATSON: What better do you want?

Hon. Mr. REID: As I understand it, the way that the Government have secured themselves is this. They have reduced the amount, or figured out that they would not guarantee the subsidy, say on five millions, or a great deal less. But what I want to know is, on what authority could the Government guarantee the principal? Will this present Bill enable the Government, if they have reduced the subsidy, to increase it or to give practically a guarantee for the principal and interest, including this increase, as they have done in the past? That in one question.

The other question is this. We have an agreement, made many years ago, where by there was granted a subsidy of say one per cent less than what we are granting now. That means nearly $50,000 a year. Will that apply for all the bonds that have been issued? In other words, will the Government pay an additional $50,000 annually for 35 years on the St. John Dry Dock or on the Vancouver Dry Dock, or on any others that are now under construction, or that may be constructed in the future? I should like to have that information.

I do not want to do anything to prevent the carrying out of these works at St. John, Vancouver,, and elsewhere; but what did strike me was this, that if you are entering into an agreement it should apply from now on, and, secondly, the Government should not guarantee bonds as to principal and interest unless an Act of Parliament has been passed authorizing that to be done. I do not think there should be any way of changing the law without the passage of a Bill by Parliament—

Right Hon. Sir GEORGE E. FOSTER: There surely cannot be.

Hon. Mr. REID: And I cannot believe that has been done. However, I remember that we passed an Act in which we only guaranteed the interest but not the principal; and, believing that an Act granting the necessary authority may have been passed within the last two or three years without my noticing it, I would like to have information on this point before the Bill passes.

Hon. Mr. DANIEL: It may be that the amendment passed in 1917 will give the information for which the honourable gentleman is looking. It says this:

> No bonds, debentures, or other securities, shall be issued with respect to and as a charge upon any dock until it has been established to the satisfaction of the Minister that not less than one million dollars have been spent on the work and the material upon or for such dock, and that there are no outstanding and unsettled liens, encombrances or claims upon or in respect of such dock, but thereafter the Minister may permit the issue of bonds, debentures, or other securities, and any subsidy mentioned by this section may, with the approval of the Minister, be assigned to a trustee for the holder of such bonds, debentures, or other securities, and the subsidy shall, in that event, be payable directly to such trustee, but, until the dock has been completed to the satisfaction of the Minister, the total amount of the bonds, debentures, or other securities issued shall not at any time exceed seventy-five per cent.

Hon. Mr. REID: That is all right. That is exactly what I stated. I remember that the clause requiring that $1,000,000 be spent was inserted as a guarantee that the parties going into the dry dock business had sufficient capital to justify them in undertaking the work. After they had invested $1,000,000 of their own money in it, the Government was justified in allowing them to issue bonds. That clause, as I understood it, was inserted for the purpose of preventing any dry dock company from issuing bonds until it was certain that they had proceeded with the work and had actually expended $1,000,000 on it. Then they were allowed 75 per cent of the value of the work done. But that was only to allow them to issue their own bonds; and as I understand it, when they issued the bonds there was a provision on them stating that the Government was paying a subsidy equal to the interest on them. Those bonds would be deposited with the trust company, and they would assign that subsidy, and it would cover the interest. I now understand that they have capitalized in some way so as to make principal and interest all come out of the subsidy.

Right Hon. Sir GEORGE E. FOSTER: There is no authorization in that for the guarantee.

Hon. Mr. REID: I do not know where it is in the Act. I have asked the leader of the Government to tell me on what authority that change has been made so that the principal is guaranteed through the subsidy; and, second, whether this really means an increase, and, if so, of how much per annum.

Hon. Mr. ROCHE: Will my honourable friend from St. John (Hon. Mr. Daniel), who is familiar with the dock, kindly inform me and the rest of the Senators who do not know, what is the size of the dock and what proportion is completed.

Hon. Mr. DANIEL: I could not say exactly. The fact is that in addition to the building of the dock itself there are other things to be done in order to enable the Company to draw the subsidy, for instance, a shipbuilding establishment must be attached to it with full equipment.

Hon. Mr. ROCHE: What is the size of the dock?

Hon. Mr. DANIEL: 1,150 feet long. When completed, it will be, I presume, one of the biggest dry docks on the continent of America. I think it is about 125 feet wide; at all events, it is to be wide enough to take in the largest vessel in the Royal Navy; and it is so arranged that it can be divided into two docks at the same time, so as to take in two ordinary sized vessels.

Hon. Mr. CASGRAIN: Is it a floating dock?

Hon. Mr. DANIEL: No, it is built out of the solid rock and so is practically indestructible. The last time I saw it it was more than half completed inside—cement sides and that sort of thing. It is expected that the dock will be completed this fall; but whether that expectation will be realized I do not know.

It is not only a dock, but a shipbuilding and equipment establishment; and the company has to keep it under way all the time, or it will not get the subsidy. The matter is complicated in that this company had also the work of building the breakwater and doing a large amount of dredging and other construction work. As a matter of fact, the building of the dry dock was forced on the original company. They did not tender for the building of the dry dock at all, but they were not permitted to have the other work unless they also undertook to build the dry dock under the Dry Dock Subsidies Act.

The original Act was passed, as the honourable gentleman says, in 1910, and it has been changed, I suppose, eight or nine times since. The dock, when it was first built, was called a first class dock; but at that time it was only 950 feet long. Since then the length and width and depth have been increased, and the value has been increased from $4,000,000 to $5,500,000, and the subsidy has been increased from 3½ per cent until it is now 4½ per cent. All those changes have been made not by Order in Council but by Act of Parliament, and anyone can find the Act in the Statutes.

As far as the present amendment is concerned, while personally I have no interest in it whatever, I cannot see any possible objection to easing up the financial strain on these people, because no doubt it is great. They are keeping two or three hundred men employed all the time, and it must take considerable money to do the financing. I think they are doing good work, and that the dock, when completed, will be one of the finest, if not the finest, on the continet.

Hon. Mr. CASGRAIN: Is the principal guaranteed also?

Hon. Mr. DANIEL: The company has to provide the money, and all that Parliament does is to pay them 4½ per cent for 35 years.

Hon. Mr. CASGRAIN: But the honourable gentleman from Grenville (Hon. Mr. Reid) says the Government is guaranteeing the principal.

Hon. Mr. DANIEL: The country guarantees nothing, so far as I know, except to pay this annual subsidy.

Hon. Mr. CASGRAIN: The ex-Minister of Railways says that when he was in the Cabinet he saw them guaranteeing the principal.

Hon. Mr. REID: No, I never said anything of the kind.

Hon. Mr. CASGRAIN: I thought you did.

Hon. Mr. REID: No.

Hon. Mr. CASGRAIN: I understood you to say that.

Hon. Mr. REID: Let me repeat again. I explained that the Subsidy Act was passed when I was a member of the Government; but I said bonds had been issued by the present Government under which they had guaranteed the principal, but that so far as I knew I did not remember it having been done. It possibly may have been.

Hon. Mr. DANDURAND: The honourable gentleman says that bonds have been issued by the present Government. They have not been issued by the present Government—by the company.

Hon. Mr. REID: What I say is this. The St. John Dry Dock Company has issued bonds, and, as I understand, the bonds would be issued without anything else but the subsidy guaranteeing the interest. The bonds of the St. John Dry Dock Company that are sold to the public to-day have an endorsation upon them by the Department of Public Works guaranteeing both principal and interest.

Hon. Mr. DANDURAND: I have just sent for the Deputy Minister of Public Works, and I will be able to answer my honourable friend in a few moments. If such a thing happened, it would mean that we varied the Sudsidies Act at some time, because the Government can only act with Parliament's authority. We have the Acts before us, and if no such authority is granted by them to the Governor in Council, then my honourable friend is in error.

Hon. Mr. REID: The Government may have protected themselves and probably have. I do not know whether there would be any serious loss. What may have happened is this. If they were issuing bonds without any guarantee from the Government, the subsidy is transferred to a trust company as security for the interest. They may have reduced the capital amount and guaranteed the principal. The point I wish to make is that I do not think the Government should have the power by Order in Council to guarantee the principal of any bonds unless there is some Act of Parliament giving that authority.

Hon. Mr. DANDURAND: My honourable friend need not have any fear on that score. It goes without saying that the Governor in Council will not guarantee bonds without power to do so; and the power can only be got from Parliament. I am quite willing to give my honourable friend all the information that he asks for; but I may inform him it has nothing whatever to do with the present Bill. The object of the present Bill is to add a clause.

Hon. Mr. REID: Let me explain whether it would have any effect. In the first place, until this Act is passed the St. John Dry Dock Company issue bonds at 3½ or 4½ per cent, whatever it may be.

Hon. Mr. DANDURAND: I find by the letter it is 5½ per cent.

Hon. Mr. REID: At any rate, it is at a certain rate. Now, this Bill increases it by one per cent.

Hon. Mr. DANDURAND: Oh, no; it does not touch the rate at all.

Hon. Sir JAMES LOUGHEED: Will my honourable friend tell us how the subsidy is fixed?

Hon. Mr. DANDURAND: I will again read the letter which I have received in explanation of this Bill from the Deputy Minister of Public Works.

Hon. Sir JAMES LOUGHEED: I have heard that read. But how is the subsidy fixed in the first place? On the cost of the dock?

Hon. Mr. DANDURAND: No. The cost has been fixed for the purpose of the subsidy at $5,500,000.

Hon. Sir JAMES LOUGHEED: The subsidy represents practically the cost of the dock. Is that the case?

Hon. Mr. DANDURAND: No, it is 75 per cent of the amount at 4½ per cent for 35 years.

Hon. Sir JAMES LOUGHEED: What is this drawback you want to reduce?

Hon. Mr. DANDURAND: The drawback is fixed at 25 per cent.

Hon. Sir JAMES LOUGHEED: Of the cost of the dock?

Hon. Mr. DANDURAND: Of the cost of the dock—that is to say on progress estimates. The contractor or the company is advanced only 75 per cent on his progress estimates. This Bill seeks to authorize the Department to pay 90 per cent when 75 per cent of the work has been done.

Hon. Sir JAMES LOUGHEED: That is, to advance to the contracting company—

Hon. Mr. DANDURAND: To allow the issue of bonds up to 90 per cent. That is all that this Act means. Of course, I realize that on hearing a letter read on a technical matter, one sometimes may not catch the point.

Hon. Mr. REID: That is the reason that I thought that the honourable leader of the Government in reading it over was stating that it was to be 5½ per cent instead of 4½.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. REID: That answers one question.

Hon. Mr. DANDURAND: The 5½ I mentioned is what they themselves are actually paying. We are only paying 4½ per cent.

Hon. Mr. REID: Now there is only the other question. Do those bonds that are issued and sold to the public at 5½ per cent bear an endorsement clause which guarantees both principal and interest?

Hon. Mr. DANDURAND: I have not the bonds before me, and I do not know. But the question before us is this: will we vary the Subsidy Act to give authority to the Department to allow the issue of bonds upon 90 per cent of the progress estimates when the dock has been 75 per cent completed?

Hon. Sir JAMES LOUGHEED: Of course, it costs the country the difference between 90 per cent and 75 per cent, inasmuch as the bonds go into circulation, That is to say, 15 per cent at 4½ per cent is what is costs the country. Has my honourable friend a computation of what that cost would be?

Hon. Mr. DANDURAND: I have. It is a negligible sum.

Hon. Sir JAMES LOUGHEED: It seems to me that is we alter the contract it should be made chargeable to the contractor.

Hon. Mr. DANDURAND: My honourable friend will see the whole letter in Hansard as I read it.

Hon. Sir JAMES LOUGHEED: I do not agree with that. That computation is entirely wrong. The difference in interest would be $23,000 for the year, as I understand it.

Hon. Mr. DANDURAND: No; I think I see it clearly.

Hon. Mr. SMITH: It will be $3,600,000, not $3,800,000.

Hon. Mr. DANDURAND: $4,800,000 worth of work done and material provided, on which they would be entitled, under existing legislation, to 75 per cent on $4,500,000, and I have here $3,800,000.

Hon. Mr. SMITH: No; $3,600,000.

Hon. Mr. TURRIFF: Why do they not apply for the subsidy?

Hon. Mr. DANDURAND: They are asking that we should allow them about 15 per cent of the drawback, so that we should retain about 10 per cent. It will make no difference in the end, except the fact that we are paying them that 15 per cent to-day, while under the Act they would only be entitled to be allowed bonds—which comes to the same thing—in October next. Now, the question is whether the country is losing by advancing them 15 per cent of that drawback now, instead of waiting till October.

Hon. Mr. REID: The honourable leader has cleared up the one question about percentage, and that is satisfactory. I do not wish it understood that I am opposing the finishing of the dry dock, but, as I understand the Bill, when summed up, it means that we are guaranteeing a subsidy of 90 per cent instead of 75 per cent, so far as the Government or the country is concerned, if the company operate the dry dock successfully.

Hon. Mr. DANDURAND: That is, finishes its work.

Hon. Mr. REID: Finishes its work and carries on its operations. Then of course there would be never any loss to the country.

Hon. Sir JAMES LOUGHEED: Yes, there would.

Hon. Mr. DANDURAND: My honourable friend need not go so far. They earn their subsidy when they finish the dock.

Hon. Mr. REID: I grant you that. We are paying a subsidy now on 75 per cent. If by any chance, after the work is completed and carried on, the company fails and the Government has to take over the dry dock, the Government would have 25 per cent invested in it, which they would have in taking it over; but in guaranteeing 90 per cent, if by any chance the dry dock company failed, of course the Government would have lost the difference between 75 per cent and 90 per cent in taking it over.

Hon. Sir JAMES LOUGHEED: More than that. The country would lose it anyway if you accelerate the payments.

Hon. Mr. DANDURAND: We are now holding 25 per cent of the dry dock, and we are asked, for what remains of the work to be done, that we relinquish 15 per cent as drawback, inasmuch as the Department feel that when the contractor has reached that point it is safe for them to reduce the drawback to 10 per cent.

Hon. Mr. REID: As I understand it, on 75 per cent of the cost of the dry-dock we pay a subsidy. Now we are going to increase it to 90 per cent.

Hon. Mr. DANDURAND: No.

Hon. Mr. DANIEL: We have to pay the whole thing when it is completed; what difference does it make?

Hon. Mr. DANDURAND: We do not increase the subsidy.

Hon. Sir JAMES LOUGHEED: You accelerate the circulation of bonds to the extent of 15 per cent four months earlier than you should; that is what it comes to.

Hon. Mr. DANDURAND: For the purpose of subsidy the amount has been fixed at $5,500,000.

Hon. Mr. REID: If it costs that.

Hon. Mr. DANDURAND: Whether it costs that or not, the Government limits itself to 4½ per cent on $5,500,000.

Hon. Mr. REID: But suppose the dock cost only $4,500,000, would we have to pay a subsidy on $5,000,000?

Hon. Mr. DANDURAND: They get subsidy on the amount mentioned in the contract—$5,500,000.

Hon. Mr. REID: As I understand, the subsidies were granted in this way. If you entered into a contract for a drydock you only paid subsidy on the cost, and if it cost more than $5,500,000 that was the outside limit to which the Government could go. But supposing this dock cost only $4,000,000 or $4,500,000, as I understand the honourable leader of the Government, we are going to pay on $5,500,000.

Hon. Mr. DANDURAND: My information is that it is a fixed amount, which does not vary whatever it costs the company or the contractor. It is a fixed amount entered in the contract, upon which the Government agrees to pay 4½ per cent for 35 years, whatever may be the cost of the work.

Hon. Sir JAMES LOUGHEED: What is the evidence of the cost of this dock?

Hon. Mr. DANDURAND: A proposition is made to the Department, and the figures are given, and the amount of the subsidy is worked upon a certain sum, and the Chief Engineer goes into those figures and reports upon them.

Hon. Sir JAMES LOUGHEED: But there must be progress certificates.

Hon. Mr. DANDURAND: That is later on. I am speaking now of the signing of the contract.

Hon Sir JAMES LOUGHEED. But we are dealing now with the handing over of the bonds.

Hon. Mr. DANDURAND: No. We have made a contract, and we have said we would pay 4½ per cent to the St. John Dry Dock Company upon $5,500,000. Previous to 1917, or 1919—my honourable friends who brought in the law will recall when they altered the law—there was no payment until the dock was completed. My honourable friends—and we have nearly a quorum of the Cabinet here—altered the law and declared that 75 per cent of the work as it was being carried on and done would be paid on progress estimates.

Hon. Sir JAMES LOUGHEED: That means the cost, if it is based on the cost.

Hon. Mr. DANDURAND: I said 75 per cent would be paid; that is, would be allowed in order that the company might issue bonds to that amount.

Hon. Sir JAMES LOUGHEED: But my honourable friend is advancing the extraordinary proposition that a maximum amount is fixed, and that it is immaterial whether the dock costs that or not, for the Government must issue subsidies accordingly. Surely that is not the law.

Hon. Mr REID: Section 8, subsection 1, paragraph 3, was repealed and the following substituted:

If of the first class, a sum not exceeding four and a half per cent per annum of the cost as fixed and determined.

Hon. Sir JAMES LOUGHEED: Consequently there must be a determination of the cost.

Hon. Mr. DANDURAND: At the time of the contract.

Hon. Sir JAMES LOUGHEED: No. because the cost cannot be determined until the work is completed.

Hon. Mr. REID: As I understand, there will be bonds issued for the total $5,500,000.

Hon. Mr. DANDURAND: No, not until the contract is completed. It is supposed to be completed in October next.

Hon. Sir JAMES LOUGHEED. What will be the cost when completed?

Hon. Mr. REID: I understand that the bonds that are being issued are guaranteed as to both principal and interest, by the Government?

Hon. Mr. DANDURAND: I am asking the Deputy Minister if those bonds are guaranteed as to principal and interest, by the country, and his answer is that the principal is not guaranteed; simply the payment of the subsidy.

Hon. Mr. REID: When the dock is completed what is the total amount of bonds the dock company would be entitled to issue?

Hon. Mr. DANDURAND: In the statement which I read the total amount of bonds they will be authorized to issue will be $3,826,272.34.

Hon. Mr. REID: But the amount fixed on which we would guarantee the subsidy was a great deal larger than that.

Hon. Mr. DANDURAND: Yes, I said $5,500,000.

Hon. Mr. REID: The bonds are sold to the public on the understanding that the principal is secured as well as the interest on account of that subsidy.

Hon. Mr. ROCHE: I think the practical question is whether the advance of this money or security will enable the contractors to complete the dock, or if the failure of that would so cripple them that the Government would have an uncompleted dock on its hands which would be an eyesore to the port of St. John.

Hon. Mr. REID: What is the endorsation on the bonds?

Hon. Mr. DANDURAND: The Government has nothing to do with the issue of the bonds; the Government contents itself by giving 4½ per cent on $5,500,000. The company issues its bonds and deposits them with a trust company, transfers its Government subsidy to that trust company, and those bonds issued are redeemable by annuities, so that arrangements are made by the trust company by which it declares that it has the Federal subsidy, and if that is not sufficient, it has further moneys that the Governement may have deposited or guaranteed. The trust company may declare that those bonds are secured by the Government subsidy, but the Government does not guarantee the bonds; it is the trust company that declares that they are secured by the subsidy for 35 years of the Federal Government, because the trust company has received the bonds. The Federal Government only binds itself to pay 4½ per cent on $5,500,000.

Right Hon. Sir GEORGE E. FOSTER: The trust company makes the statement?

Hon. Mr. DANDURAND: Yes, the trust company makes a statement that the bonds are guaranteed as to principal and interest, which means that they have in hand a sufficient amount to pay the capital and interest, according to the issue of the operation.

Hon. Mr. DANDURAND.

Hon. Sir JAMES LOUGHEED: What is the actual cost of this dock when completed?

Hon. Mr. DANDURAND: I am told that the Department does not know and will not have that figure.

Hon. Sir JAMES LOUGHEED: Do I understand that the debentures are to be issued on the basis of $5,500,000 entirely irrespective of the cost of the dock?

Hon. Mr. DANDURAND: No. As I understand, the debentures are only issued to the amount of $3,826,272.34.

Hon. Sir JAMES LOUGHEED: On what basis?

Hon. Mr. DANDURAND: What is guaranteed is the subsidy—the 4½ per cent subsidy on the $5,500,000 for the 35 years. That is all that the Government guarantees.

Hon. Sir JAMES LOUGHEED: But my honourable friend does not seem to appreciate that what the House wants to know is the cost of this dock. The subsidy, after all, is determined by the actual cost of the work.

Hon. Mr. DANDURAND: No. The Government has made a contract on a fixed amount.

Hon. Sir JAMES LOUGHEED: I know; the contract presupposes that the cost is to be $5,500,000, but if it does not reach that amount, then the subsidy must be decreased proportionately.

Hon. Mr. DANDURAND: No. Remember that my honourable friend made that contract himself; it is a contract of 1918.

Hon. Sir JAMES LOUGHEED: Here is the law of 1917 as to dry docks, chapter 27:

> If of the first class, a sum not exceeding four and a half per cent per annum of the cost as fixed and determined.

That is to be paid half-yearly during a period not exceeding 35 years from the time the Governor in Council has determined under this Act that the work has been completed. Now, the cost must be determined; it is not simply the cost mentioned in the contract. It would be senseless to use the word "determined" unless we attached a meaning to it, and the only meaning that can be attached is that the cost must be ascertained.

Hon. Mr. CASGRAIN: By the Chief Engineer of the Department.

Hon. Mr. DANDURAND: My honourable friend has just read the statute of 1917, which says that the cost is to be determined under subsection 2.

Hon. Sir JAMES LOUGHEED: Section 3 of the Act of 1917 states that the total amount shall not exceed 75 per cent of the amount actually spent for the work and the materials.

Hon. Mr. DANDURAND: That is, on the progress estimates.

Hon. Sir JAMES LOUGHEED: But it is all based upon the cost of the work.

Hon. Mr. DANDURAND: My honourable friend has read that first subsection. Will my honourable friend look at paragraph a:

(a) If of the first class a sum not exceeding four and a half per cent per annum of the cost of the work as fixed and determined under subsection 2 of this section.

Hon. Sir JAMES LOUGHEED: I have just referred to subsection 2.

Hon. Mr. DANDURAND: No. My honourable friend is in error. Subsection 2 of section 8 is to be found in the Act of 1910. It reads:

The cost on which the subsidy shall be calculated shall be fixed and determined by the Governor in Council, upon the recommendation of the Minister, based upon a report of the Chief Engineer of the Department of Public Works, accompanied by plans and specifications of the proposed works, and such cost shall include the cost of all necessary equipment, machinery and plant and any sum bona fide expended or to be expended by the company in the purchase of a site for the dry dock, but shall not include the value of any site received or to be received by the company by way of bonus or gift; and the amount of the subsidy shall be so fixed and determined before the agreement for payment of the subsidy is entered into.

Hon. Sir JAMES LOUGHEED: But then you must read the other part.

Hon. Mr. DANDURAND: No the contract is made and the amount is fixed in the contract under the conditions that I have just read; and that is all that interests the Government.

Hon. Mr. FOWLER: Where is the contract? Have you the contract?

Hon Sir JAMES LOUGHEED: Are we not to give effect to the law passed subsequent to that? That is the law of 1910.

Hon. Mr. DANDURAND: But my honourable friend is reading what shall take place regarding progress estimates.

Hon. Sir JAMES LOUGHEED: No, no.

Hon. Mr. DANDURAND: That has nothing to do with the original contract.

Hon. Sir JAMES LOUGHEED: No. I am reading as to the issue of the bonds. The next proviso is this:

Provided, however, that half yearly payments on account of the subsidy at the rate of four and one-half per cent per annum on seventy-five per cent of the cost of all work done and materials provided at the time of such payment may be made during the construction of the said dock.

Hon. Mr. DANDURAND: "During the construction of the said dock."

Hon. Sir JAMES LOUGHEED: Yet my honourable friend goes on to say that the Government has nothing to do with the cost of the work; that we must go back to the amount fixed in the original contract, entirely irrespective of the expenditure made upon the dock itself.

Hon. Mr. DANDURAND: But it depends upon the question my honourable friend is putting to me. If he asks me what is the total amount of the contract, I will tell him; but if he asks me what is the amount to be paid on the progress estimates, that is another question.

Hon. Sir JAMES LOUGHEED (reading):

No such payments on account shall be made unless the said chief engineer reports that the work of construction of the dry dock with respect to which the payment is to be made has been done to his satisfaction, and no subsidy shall be paid except payments on account as aforesaid unless the Governor in Council, in the manner prescribed in section ten of this Act, has determined that the work required by the agreement is completed.

So the amount fixed in the contract is based upon the determination of the value of the work at its completion.

Hon. Mr. DANDURAND: No.

Hon. Sir JAMES LOUGHEED: Well, that would be my construction of the Act, and I certainly should oppose any legislation that is based upon any other principle than the actual cost of the work.

Hon. Mr. DANDURAND: My honourable friend will surely not oppose nor obstruct the carrying on of his own contract. If my honourable friend in 1918 made that contract, I think he will be sufficiently business-like and honourable enough to stick by it.

Hon. Mr. FOWLER: Let us have the contract.

Hon. Sir JAMES LOUGHEED: We want to stick by the contract.

Hon. Mr. DANDURAND: All right. Let us see what variation we are making in the contract. The contract is based upon the Act. All I desire is that we should understand properly the proposition before us; and then we can say yes or no, and that will be the end of the matter. But I do not

want to have this legislation judged on a statement of fact or law which I deem to be erroneous.

Hon. Sir JAMES LOUGHEED: At the present juncture we cannot afford to spend uselessly a great deal of time in discussing academic matters.

Hon. Mr. DANDURAND: That is true.

Hon. Sir JAMES LOUGHEED: Would my honourable friend, in order to shorten up the debate, submit the plain question to the Department of Justice, whether the amount fixed in the contract is arbitrary, entirely irrespective of what the work costs?

Hon. Mr. BEIQUE: Or whether the amount of the subsidy may exceed the cost of the work.

Hon. Mr. CASGRAIN: No, no.

Hon. Sir JAMES LOUGHEED: I am not particular about that. But the logical conclusion of my honourable friend's (Hon. Mr. Dandurand's) argument would be this, that the Government might be called upon to pay a subsidy amounting to 5½ million dollars, as specified in the contract, although the work done might cost only half of that. Does my honourable friend claim that that was ever the intention of Parliament?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: Or that the Act would warrant that?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: Well, I should like to see an opinion from the Department of Justice; and if that were the case, I would have no hesitancy in saying that a colossal fraud was being perpetrated upon the Government and that any proposal to grant to such contractors any concession differing from the contract should not be entertained for one moment.

Hon. Mr. DANDURAND: I would draw my honourable friend's attention to this situation. He seems to be very much surprised at conditions that we meet with every day. Instead of a dry dock, the Public Works Department wants to put up a building, and it calls for tenders, and the lowest tender is $5,500,000. The contract is awarded. Would my honourable friend claim that, when he put his signature to that contract to pay $5,500,000 on the completion of the building, he is interested in the amount of profit that the contractor is making? That is the situation.

Hon. Sir JAMES LOUGHEED: That is an entirely different matter.

Hon. Mr. DANDURAND: No, it is exactly the situation. Let my honourable friend turn it over in his mind. He will find at all events that I am simply explaining the situation; I have not made that law; my honourable friend helped to make it. I have not made that contract; my honourable friend helped to make it.

Hon. Mr. ROBERTSON: The law was passed in 1910. You must have assisted in passing it.

Hon. Mr. DANDURAND: The contract was made under the terms of the law of 1910, subsection 2 of section 8.

Hon. Sir JAMES LOUGHEED: Your Government passed that law, but we improved it in 1917.

Hon. Mr. CASGRAIN: You did not improve it.

Hon. Mr. DANDURAND: My honourable friends opposite made it easier.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: My honourable friends altered the law in order that the contracting companies might be allowed to be paid on progress estimates. It was provided that the dry dock company might receive 75 per cent of the amount of the work done on the construction. Now, under the law passed by my honourable friends opposite and the contract they made, the company has been allowed to issue bonds to the amount of 75 per cent, and they have issued three series of bonds: the first series for $884,276.50; the second series for $392,825.68, and the third series for $836,320.47; making the total that the company has been allowed to issue under progress estimates the sum of $2,113,422.65. Under the present Bill the progress estimate facility is further enlarged, and it is for this House to declare whether it is good law or not. That is all.

Hon. Mr. BEIQUE: As I understand the matter, we are not concerned whether the law was passed by one Government or another. After having heard the honourable leader on the other side read the law, I must say that, subject to reading it for myself, I am under the same impression as the honourable gentleman, namely, that the law does not contemplate the possibility that the subsidy paid will exceed the cost of the work. If the law is to the contrary, surely we ought to know of it and repeal it as soon as possible.

Hon. Sir JAMES LOUGHEED: Precisely. It would be a reflection on the intelligence of

Parliament that we should knowingly place on the Statute Book a statute of that character.

Hon. Mr. DANDURAND: I am surprised to hear my honourable friend from De Salaberry (Hon. Mr. Béique) say that after hearing the law read he considers that the contract did not carry a fixed liability.

Hon. Mr. BEIQUE: Oh, no, I do not say that.

Hon. Sir JAMES LOUGHEED: No, no. I did not put it that way.

Hon. Mr. BEIQUE: I do not say that at all; I say that from the reading of the law by the honourable gentleman opposite—

Hon. Mr. DANDURAND: But my honourable friend was reading the progress estimates section.

Hon. Mr. BEIQUE: I did not understand it that way.

Hon. Mr. DANDURAND: I would point out that the 1917 legislation, from which my honourable friend opposite was reading, simply covers the question of progress estimates and deals with what should take place during the progress of the work; but the law upon which the contract is based is subsection 2 of section 8, which is referred to in this very amendment.

Hon. Mr. CASGRAIN: Subsection 2 of section 8 of the statute of 1910.

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: Then, if the cost has nothing to do with the matter—and that is the attitude which my honourable friend takes—

Hon. Mr. DANDURAND: That is, the total cost.

Hon. Mr. CASGRAIN: The amount expended.

Hon. Sir JAMES LOUGHEED: Then, if my honourable friend wishes to be logical, will he tell me how progress certificates in regard to the cost are to be drawn out and how he would reconcile the holding back of 25 per cent with the fact that he does not know what the cost is to be? There are the two elements. How can there be a progress certificate for 75 per cent and a holdback of 25 per cent if you do not know what the cost is going to be?

Hon. Mr. CASGRAIN: That is very simple. The 75 per cent is paid on the amount of work actually done, according to the monthly estimates. If the contractor has done $400,000 worth of work during the month, then he gets an advance of 75 per cent, that is to say, $300,000 on that particular month.

Hon. Sir JAMES LOUGHEED: But if the work cost only 50 per cent of that, the holdback would be 50 per cent, not 25 per cent.

Hon. Mr. DANIEL: What surprises me in regard to the statement of the honourable gentleman from Calgary (Hon. Sir James Lougheed) is that he expects the contractor to do work of a certain value, but not on any account to make any profit on it.

Hon. Sir JAMES LOUGHEED: No, I do not.

Hon. Mr. DANIEL: That is absolutely the issue.

Hon. Sir JAMES LOUGHEED: No. What I say is that the subsidy must be regulated by the cost of the work.

Hon. Mr. DANDURAND: I am informed that the Department never loses sight of the fact that it has guaranteed 4½ per cent upon a certain fixed amount. Keeping that fixed amount constantly in view, it proceeds to allow 75 per cent upon the work actually done, according to progress estimates, duly checked by the Engineer's Department.

Hon. Mr. CASGRAIN: Yes; and finally, when all the work is finished, the contractors get the balance. Bonds can be issued only up to 75 per cent with the permission of the Government.

Hon. Mr. REID: I would like to ask the honourable leader of the Government if he would, before the Bill passes, bring down a copy of the endorsement on the bond and explain a little more fully as to the guarantee of the principal. I make that request for this reason. The statement of the honourable leader of the Government is that the principal is not guaranteed on the bond. I know for a fact that bond houses selling those bonds make the statement that they are just as good as Dominion Government bonds, because the principal and interest are guaranteed by the Dominion Government, and that statement ought to be cleared up if it is not correct. The matter should be fully explained, for I know that bonds are being sold on that understanding.

Hon. Mr. BEIQUE: I think the honourable leader of the Government has fully explained that. What the honourable gentle-

man is losing sight of is this. The bonds are what we call serial bonds, that is, they are paid, principal and interest, yearly.

Hon. Mr. DANDURAND: By annuity.

Hon. Mr. BEIQUE: By annuity.

Hon. Mr. CASGRAIN: By amortization.

Hon. Mr. BEIQUE: And if the amount of the subsidy payable by the Government is enough to cover the principal and interest of the bond, that is, the annuity, then the trust company is justified if when issuing the bond to represent that it is guaranteed by the Government, because the subsidy is transferred to the trust company to cover it.

Hon. Mr. REID: I asked the question whether the Government is guaranteeing the subsidy, which is 4½ per cent only. It is only the interest that the Government is guaranteeing on the $5,000,000, or whatever the total is. In that case the principal is not guaranteed. Is the Government securing the interest by not carrying out what the contract stated it was going to guarantee interest on, namely, the full amount? Is it withholding a portion of the principal, which might afterwards be issued in bonds by the St. John Dry Dock Company without the subsidy?

Hon. Mr. DANDURAND: I cannot produce to my honourable friend any of the bonds, because the Department has none; but the Government does not allow any issue of bonds in excess of what the 4½ per cent subsidy would retire. The trust company is justified in saying that this issue is guaranteed by the Government, inasmuch as it is an issue of annuity. The annuity that the Government pays into the hands of the trust company is sufficient to retire the serial bonds which become due every year. My honourable friend will understand that the bond is the bond of the company itself. The trust company that understakes to pay has had transferred to it the Federal subsidy, and can with assurance declare that the Government is providing the funds. I do not know what the expression is.

Hon. Mr. REID: It gets back to what I said at first. The Government then is really guaranteeing the principal as well as the interest by prohibiting the issue of bonds for the full amount.

Hon. Mr. DANDURAND: They are providing the funds, but not guaranteeing.

Hon. Mr. REID: Did the Government not have any understanding with the St. John Dry Dock Company that they would only issue sufficient bonds to guarantee the principal as well as the interest?

Hon. Mr. DANDURAND: Yes, that is in the contract.

Hon. Mr. REID: Well, that is guaranteeing the principal.

Hon. Mr. DANDURAND: The Government only binds itself to pay 4½ per cent on 75 per cent.

Hon. Mr. FOWLER: What is the amount in the contract upon which, when completed, the Government has to pay 4½ per cent?

Hon. Mr. DANDURAND: I have not seen the contract, but I surmise that the contract is an undertaking on the part of the Company to build a dock of certain dimensions and certain standing, and so forth to the satisfaction of the Chief Engineer; and upon this undertaking to finish that dock within a certain period the Government binds itself to pay 4½ per cent on the amount mentioned in the contract.

Hon. Mr. FOWLER: What is that amount?

Hon. Mr. DANDURAND: In this case, $5,500,000.

Hon. Sir JAMES LOUGHEED: What do the progress certificates show that it is to cost?

Hon. Mr. DANDURAND: They do not show the cost. A statement of the expenditure at a certain date is produced, and under unit prices fixed by the Department 75 per cent of that amount is paid.

Hon. Sir JAMES LOUGHEED: But when the dock is completed?

Hon. Mr. DANDURAND: The value of the work done is determined by those prices.

Hon. Sir JAMES LOUGHEED: According to the estimate of the Government Engineers will it have cost $5,500,000?

Hon. Mr. DANDURAND: The unit prices that are fixed will amount to $5,500,000 when the work is finished. I am asking myself whether the real expenditure will be $5,500,000—

Hon. Sir JAMES LOUGHEED: What will the certificates of the engineers show? In section 8 of the statute of 1910 the principle is laid down as to the initial estimate which shall be prepared for the Government:

The cost on which the subsidy shall be calculated shall be fixed and determined by the Governor in Council, upon the recommendation of the Minister,

based upon a report of the chief engineer of the Department of Public Works, accompanied by plans and specifications of the proposed work, and such cost shall include the cost of all necessary equipment, machinery and plant, and any sum bona fide expended or to be expended by the company in the purchase of a site for the dry dock—

and so on. Then, in section 10 it is provided:

The work of constructing any dry dock for which a subsidy is authorized under the provisions of this Act shall be done under the supervision of the Department of Public Works, and shall be completed within the time limited by, and according to the provisions of, the agreement in that behalf, unless the time for construction is extended by the Governor in Council; and the subsidy shall be payable, during the period agreed to by the Governor in Council under section 8 of this Act, from the time the Governor in Council, upon a report from the Minister determines that the work required by the agreement has been completed, and that the reception and repairing of vessels as contemplated by this Act may forthwith be proceeded with at the dock.

That provides that the work shall be done under the supervision of the Government officials and shall be in accordance with the plans and specifications and estimates furnished the Department, upon which the contract is passed.

Then the Act of 1917 comes into play. It says:

No bonds, debentures or other securities, shall be issued with respect to and as a charge upon any dock until it has been established to the satisfaction of the Minister—

and so on.

Provided, however, that half-yearly payments on account of the subsidy at the rate of 4½ per cent per annum on 75 per cent of the cost of all work done and materials provided at the time of such payment may be made during the construction of the said dock.

Hon. Mr. DANDURAND: That is progress work.

Hon. Sir JAMES LOUGHEED: Then again:

The amount of such cost to be determined by the chief engineer of the Department of Public Works, but no such payment on account shall be made until the work done and materials provided shall have been cost the sum of at least $1,000,000. No such payments on account shall be made unless the said chief engineer reports that the work of construction of the dry dock with respect to which the payment is to be made has been done to his satisfaction, and no subsidy shall be paid except payments on account as aforesaid unless the Governor in Council, in the manner prescribed in section 10 of this Act, has determined that the work required by the agreement is completed.

It is just the same as any building: the cost must be determined. Consequently, I say that the Government must satisfy itself by these progress certificates and the supervision of its officers that the work is costing the amount which is anticipated in the contract.

Hon. Mr. DANDURAND: In order to refresh the memory of my honourable friend, I will pass him the contract which he endorsed by Order in Council on the 11th day of July, 1918. I do not suppose he will pass his night reading it, but he may peruse it. I think there must be some 40 or 50 pages of foolscap; and he will find there the obligation to which he has bound the country.

Hon. Sir JAMES LOUGHEED: I have not yet learned what is the cost of this dock. Has it cost the $5,500,000?

Hon. Mr. DANDURAND: My honourable friend will see here that the proposition submitted by that dock company to the Government in 1918 showed an estimated cost of $6,390,264; and the Government has agreed to interest upon $5,500,000. I suppose my honourable friend will have no objection to the honourable gentleman from De Salaberry (Hon. Mr. Béique) reading the contract in his stead?

Hon. Sir JAMES LOUGHEED: No. I have the greatest possible confidence in the honourable gentleman from de Salaberry.

Hon. Mr. DANDURAND: Now that we have travelled all around the question, I hope we will reach the kernel. Shall we approve or shall we not? Personally it is a matter of indifference to me; but I have to submit the proposition. Of course, under the Act 75 per cent could be paid on progress estimates. a certain amount of work having been done, now that we are moving towards the end it is suggested that, instead of a drawback of 25 per cent being retained, it should be only 10 per cent.

Hon. Sir JAMES LOUGHEED: I know what my honourable friend has in view; but, to be candid, I think Parliament should not change that contract one iota until we are satisfied to take as cost the amount evidenced by the proper progress certificates of the Department of Public Works of the Government officials.

Hon. Mr. DANDURAND: My honourable friend surely does not want to link those two questions together. The contractor has an undertaking that the Government will pay when the contract is completed 4½ per cent on $5,500,000. Surely my honourable friend would not intend to vary that, even if it had been signed by the present Cabinet. Under the law it is the law. But it is signed by his own Cabinet, which is still more serious for the view that he would entertain of that contract.

Hon. Sir JAMES LOUGHEED: That is the interpretation that I would put on the contract.

Hon. Mr. DANDURAND: My honourable friend has not read the contract recently, and perhaps did not read it in 1918. The contract entered into was signed and sealed after an Order in Council had been passed.

Hon. Sir JAMES LOUGHEED: We will not doubt the validity of the contract.

Hon. Mr. DANDURAND: If that is so, we must be governed by the contract.

Hon. Mr. FOWLER: You are trying to get out from under the contract.

Hon. Mr. DANDURAND: No. It is all very well for my honourable friend to speak that way. He just reaches here, and surely he will not ask us to begin anew a discussion that has continued for two hours.

Hon. Mr. FOWLER: That is the second time my honourable friend has spoken about me reaching here and there. I tell you there is not a man who is more regular in his attendance upon this House than I am. I have followed this discussion and have not missed any portion of it.

Hon. Mr. DANDURAND: Then I withdraw.

Hon. Mr. FOWLER: I hope you will.

Hon. Mr. DANDURAND: I withdraw the implication that the honourable gentleman has not been here during the whole sitting; but I may say that I did not see him. It is my fault, not his.

Hon. Mr. FOWLER: I accept the apology. Now, I say, that what you are trying to do is this—the contract calls for certain conditions, and you are trying to vary those conditions.

Hon. Mr. DANDURAND: I am asking this House if it is agreeable, when 75 per cent at least of the work has been completed, no longer to extract a 25 per cent draw back.

Hon. Mr. FOWLER: Which under the contract you could do?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: Then you are asking to vary the contract.

Hon. Mr. DANDURAND: It is for my honourable friend to say yes or no.

Hon. Mr. FOWLER: And recrimination with respect to the leader of this side of the House has not a thing to do with the case before this assembly.

Hon. Mr. DANDURAND: It does not bear on this very question?

Hon. Mr. FOWLER: Not at all. This is camouflage.

Hon. Mr. DANDURAND: My honourable friend tells me that we should not discuss this Bill until we have an opinion from the Department as to our obligation to pay a subsidy on $5,500,000.

Hon. Mr. FOWLER: Yes. We should not reduce the amount of drawback until we have the finding of the engineers with regard to the actual value of the work to be done. How are we to know that the contractors will carry out the contract when they have got this money? That is the only protection we have; and that term was put in the contract as a matter of protection to the people.

Hon. Mr. DANDURAND: But we have the statement of the Chief Engineer and the statement of the Deputy Minister; and the figures are to be found within the four corners of the contract.

Hon. Mr. FOWLER: The Chief Engineer and the Deputy Minister do not legislate, and are not responsible for the legislation which passes this House. We are responsible. What may be agreeable to them may not be agreeable to us. I do not think any case whatever has been made out for a reduction of this drawback.

Hon. Mr. BEIQUE: I have read the statute of 1917, and I find that paragraph a of section 8 of the Act of that year is substituted for paragraph a of section 8 of the Act of 1910. My understanding of the clause is that it provides for two things: first, that the subsidy shall not be more than 75 per cent of the cost of the work; and, next, for the payment of progress estimates.

Hon. Mr. DANDURAND: 75 per cent of the cost of the work on progress estimates.

Hon. Mr. BEIQUE: No. The cost of the work. The first paragraph does not deal at all with progress estimates—and it should be that way, too. The contract cannot override the statute. The contract must have been passed in virtue of the statute, and even if there were errors in the statute, the contract would not supersede it. As I understand it, the question before us is as to whether the adoption of section 2 of the present Bill may have the effect of amending the statutes of 1917, and obliging the Government to pay more than 75 per cent of the cost of the work. That is the question

for me, and, as I have some doubt about it, I would prefer to consider the wording.

Hon. Mr. ROBERTSON: May I try to help to clarify the situation and to bring down to a concrete figure the cost to the country that is involved in this Bill? I understand the leader of the Government to say that an issue of bonds to the extent of $2,113,000 has been authorized by the Department of Public Works, and that there is still outstanding $1,712,000 representing the value of work done which approximately and assumedly represents the amount for which bonds will be issued ultimately. Under the terms of the contract the Department at the present time is prevented from authorizing the issue of bonds for that amount. This Bill proposes that the Department authorize fifteen twenty-fifths of $1,712,000 in bonds to be issued to help the contractors to finance. That means, as I understand it, a guarantee of 4½ per cent interest on $1,027,000 which for a period of four months—it is expected that the dock will be completed in October—would amount to the sum of $13,608, in addition to what is now called for under the terms of the contract. The question is whether Parliament is prepared to pass this Bill and thereby assume that expense.

Hon. Mr. FOWLER: But unfortunately it is only a supposition that this dock will be finished in four months.

Hon. Mr. ROBERTSON: The other point is not involved in this Bill.

Hon. Sir JAMES LOUGHEED: There is no guarantee.

Hon. Mr. FOWLER: There is no guarantee that the dock will be finished in eight months or twelve months.

Hon. Mr. DANDURAND: The Deputy Minister finds that he made an error in his figures in the letter which I read. It should have been $3,600,000 instead of $3,800,000. The result of the error allows him to alter his figures as to the loss to the Government by paying four months in advance, from $468 to $650, at 6 per cent.

Hon. Mr. FOWLER: And that saves $150 interest, and is that what this company is doing all this for?

Hon. Mr. DANDURAND: The object of this Bill is to help that company to obtain money to complete the dock. We have proceeded towards that end, and a large amount has been spent by the Government and by that company. The representative of St. John is here and knows the situation, and he expects that we will do all that we can, without in the least jeopardizing the interests of Canada, to help by this Bill to finish the work. That is all there is in it—to help them to finance.

Hon. Mr. FOWLER: Has not this company the right now, without our doing anything or passing this Bill, to issue several hundred thousand dollars in bonds?

Hon. Mr. DANDURAND: No.

Hon. Mr. CASGRAIN: They are only issuing on progress certificates.

Hon. Mr. DANDURAND: They could issue bonds up to 75 per cent of $750,000 on work that has been done since December last.

Hon. Mr. FOWLER: That would amount to half a million or so.

Hon. Mr. DANDURAND: But they have to issue their bonds at 5½ per cent.

Hon. Mr. FOWLER: Suppose they do the bonds would have brought nearly half a million dollars, and that would be quite a bit of financing.

Hon. Mr. ROBERTSON: I would ask that the Deputy Minister check these figures and see if 4½ per cent on 15/25ths of $1,712,000 is not more than $650 for four months.

Hon. Mr. REID: In reference to the guarantee of the bonds, I understand it is only the trust company that buyers have as security on the bonds. I would like to ask if there was any agreements made between the trust company and the Government as to the issue of bonds, or principal, or if any Order in Council was passed, and I would like to see those documents when the House meets this evening. My object in asking for them is to see that there shall not be any doubt in the public mind, and that anyone buying the bonds will feel that the principal is absolutely secured.

Hon. Mr. DANDURAND: I am informed that there is a trust deed signed by the dock company and the trust company, which was submitted to the Government and approved by Order in Council upon the advice of the Department of Justice. So that the people are getting a splendid security.

Hon. Mr. REID: Then could I see that trust deed and the Order in Council?

Hon. Mr. DANDURAND: Yes, and the documents will speak for themselves. Now I would draw the attention of my honourable

friends to clause 6 of the contract between the St. John Dry Dock and Ship Building Company, Limited, and His Majesty:

His Majesty shall, upon the determination by the Governor in Council upon the report of the Minister of Public Works that a dry dock has been completed satisfactorily, pay to the company in half-yearly payments an annual subsidy of four and a half per cent during thirty-five years upon the sum of $5,500,000 in accordance with and in the manner prescribed by the Dry Dock Subsidies Act and said amendments thereto. No payment on account of the said subsidy shall be made prior to the conclusion of the said dry-dock except as hereinafter provided, and in no case shall the payment exceed the amount of the dry-dock so authorized.

Hon. Mr. ROBERTSON: May I make clear one point which has not been brought out yet? The $5,500,000 in this particular case is supposed to represent 75 per cent of the cost of this dock, as estimated by the Department of Public Works. I understand that was $6,000,000 odd.

Hon. Mr. DANDURAND: No, my honourable friend is in error. Clause 6 of the contract shows that the Government has obligated the country to a payment of 35 annuities of 4½ per cent on $5,500,000, independent of what the dry dock has cost.

Hon. Mr. ROBERTSON: That has nothing to do with the Bill before the House.

Hon. Mr. FOWLER: Is it true that in the original contract there was no provision for progress estimates, and that the contract was varied afterwards to provide for them?

Hon. Mr. DANDURAND: The contract was made in 1918, and the Act authorizing payment upon progress certificates was passed in the preceding year, 1917, so that under this contract the contractors would have the advantage of that preceding year.

Sections 2 and 3 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

Hon. Mr. REID: Will the honourable leader produce the agreement between this dry dock company and the trust company and the Government, and the Order in Council affirming it?

Hon. Mr. DANDURAND: The Deputy Minister will bring the whole file of documents to my honourable friend's room tomorrow morning.

Hon. Sir JAMES LOUGHEED: I would commend to my honourable friend the propriety or wisdom of moving an amendment to the Dry Dock Subsidy Act if he is of the opinion, which he has expressed to-day, that the amount of the subsidy or contract entered into has nothing to do with the actual cost of the dock. I think the law does provide for that, as it is today; but if my honourable friend is in doubt as to that, there should be a provision that the cost of the dock should represent the proposed cost as appearing in the contract.

Hon. Mr. DANDURAND: I am informed that that was the law up to 1910 and it was found that no contractor or company was willing to grope in the dark and build works and remain at the mercy of engineers representing the Government and putting a value on their work.

Hon. Sir JAMES LOUGHEED: Then they can fix the cost by arbitration, entirely irrespective of the engineer.

Hon. Mr. CASGRAIN: No; the Government fixes it before the start of the work.

Hon. Sir JAMES LOUGHEED: Then what is known as the Laurier Government must have had before them evidence of that character. It seems to me they were not justified in amending the law along the lines indicated.

Hon. Mr. DANDURAND: Does it not strike my honourable friend that this rule might work both ways?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: That if a contract was entered into for a fixed amount in 1913 and 1914, which would have led the contractor straight into a period when the cost of materials doubled and trebled, he would then have the bad end of the bargain?

Hon. Sir JAMES LOUGHEED: If it were otherwise, the Government would never get value for its bonds; the Government might eventually have to take over those dry docks.

Hon. Mr. CASGRAIN: No; in 35 years they are paid for.

Hon. Sir JAMES LOUGHEED: None of them have worked out yet, and none of them ever will.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

CHINESE IMMIGRATION BILL

CONSIDERATION OF REPORT OF SPECIAL COMMITTEE

On the Order for consideration of the report of the Special Committee to whom was re-

ferred Bill 45, an Act respecting Chinese Immigration, together with the amendments thereto:

Hon. W. B. WILLOUGHBY moved that the said Bill, with the report of the Special Committee thereon, be committed to the Committee of the Whole House for the purpose of considering a certain further amendment thereto.

The motion was agreed to.

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on the said Bill and Report.

Hon. Mr. Blain in the Chair.

Hon. A. B. WILLOUGHBY: I move that Bil 45 be amended by adding the following as subsection d of section 5:

The wife and minor children of any merchant legally resident in Canada and of any naturalized Canadian citizen.

Hon. Mr. BOSTOCK: Will the honourable gentleman kindly explain the purpose of that amendment?

Hon. W. B. WILLOUGHBY: I move that the amendment is simply to allow in Canada, or to admit to Canada if not already therein, the wife and the minor children of any Chinese merchant who is in Canada.

Hon. Mr. CASGRAIN: But what about polygamy? The Chinese have many wives.

Hon. Mr. WILLOUGHBY: We could treat them as having only one legal wife. Polygamy is not legal in China.

Hon. Mr. CASGRAIN: How are you going to pick?

Hon. Mr. WILLOUGHBY: I do not know. Polygamy is not legal in Canada, but I am afraid that even in this country, as has been discovered in the Divorce Committee, there are in some instances more than one wife, and the number is sometimes not even confined to two or three.

I am not going to discuss this subject controversially or deal with it for more than a few minutes. I have had occasion to read the address of the Prime Minister as reported in Hansard at page 2400, in the second column, and I am instructed that the Chinese authorities in Canada, relying on what they understood to be the intention of the Prime Minister, conveyed it to their superiors and were of the opinion that the condition was satisfactory. I will read a portion of what the Prime Minister said. On Monday, April 30, of this year, with reference to this very Bill:

I do think it is desirable, if we hope to trade with the Orient, that men who are in position to carry on export and import trade to an extent that is likely to be of service to both countries should come to this country and promote further trade relations by so coming. I think if we permit them to come we ought to permit their wives and children to come with them. I do not think we should take the position that we will allow a merchant, a man of high business standing, to come to our country and start up in business, and subject him to the indignity of not being permitted to bring his wife and children with him. I would stand for a very rigid guarding of that provision, to see that the law was carried out to the letter, but this should always be taken into account as respects the legislation we are now proposing; namely that those who will be permitted to come to Canada from China will be determined, not after their arrival here, but before their departure from China, and will be determined by a officer of the government itself in accordance with the regulations which the minister may think it wise to lay down.

I do not want to stretch the interpretation, but that language might be construed as undoubtedly meaning that Chinese merchants might in future come into Canada with their wives; but that is not provided for in this Bill. If the Prime Minister desired to allow Chinese merchants in future to bring their wives and children into this country, surely those Chinese merchants who are at present in Canada ought to have an equal right to bring in their wives and children. I think it is humanitarian and makes for good feeling between this country and China, with whom we are trying to develop trade relations. The privilege may be subject to some abuses. I do not profess to have the special knowledge of the matter that many honourable members have, but I think that, in the interest of the comity of nations and for the sake of preserving the moral position of the Chinamen in the country, it might be wise to grant this privilege. We all recognize that among the best Chinamen the family tie is one that is regarded sacredly. I do not say that is true of every Chinamen who comes to this country; far from it; but in the best Chinese life and amongst the best class of Chinese citizens the family tie is certainly regarded as sacred.

The Committee of this House mitigated the severity of the Bill that was introduced and passed in the other Chamber. I think it was the Committee's intention to deal charitably in this matter, and members of the Committee, who have much more knowledge than I profess to have on the subject, may have gone as far as in their judgement is wise. This amendment is submitted for the purpose of allowing the House, if they see fit, to reconsider this point. I would not oppose my judgment to the judgment of other honourable gentlemen, with better opportunities than I have had of studying this question, but I do think it is not asking too much when accord-

ing to the declaration of the Prime Minister the wife and minor children of Chinese merchants ought hereafter to be admitted to Canada, to admit also the wives and minor children of Chinese merchants already in this country. That is all I desire to say.

Hon. S. J. CROWE: Honourable gentlemen, as most honourable members realize, this Chinese Immigration Bill is of more interest to the Province of British Columbia than to any other Province in the Dominion. I was not a member of the Committee to which this measure was referred, but I attended its meetings. This question was brought up and threshed out there, and I think the consensus of opinion was that clause 9 would govern anything along the line of allowing Chinese wives into Canada. Having attended the meetings of the Committee, I know that the Committee was satisfied with the Bill as reported. I certainly am not satisfied with the amendment introduced by the honourable member from Moose Jaw (Hon. Mr. Willoughby), to admit the wives of Chinese merchants coming into this country. If you open the door for one, you open the door for many. In 1920 or 1921, 1,400 Chinamen calling themselves merchants came into this country. They were merchants for only a very few days; then they went into the labouring class.

If you are going to allow the wives of merchants to come in, where are you going to get off at? Then, as to the junior children, 1,400 and some odd came in last year, and it was proven that some of those children were born a long time after their father or supposed father had come into this country. We have allowed 1,800 students to come without paying any head tax. It has been proven beyond doubt that they were students in name only, and that they have scattered all over the country. If you are going to open the door and allow wives to come in, you might as well give British Columbia to the Chinese. We have enough Orientals in our Province now. When I say that there are 2,000 business licenses taken out in the city of Vancouver alone by Orientals, you will realize that. The Chinese have gone into every business that you can name, and I think there are even one or two lawyers. I have a list here which I would like to read to the House. There are 5 garages run by Chinese or Orientals in Vancouver; there are 40 butchers, 172 grocers, 144 candy and ice cream stores, 63 gents' clothing stores, 9 hardware stores, 30 jewellers, 89 restaurants, 38 express and dray men, 21 wholesale dealers, 154 hawkers and peddlers, 5 printing shops, 50 boot and shoe dealers, and 54 stationers.

Hon. Mr. FOWLER: They must have the whole business, then.

Hon. Mr. CROWE: They have pretty nearly got the whole business.

If you allow the merchants to bring in their wives, you will find that they never or very seldom bring their legal wives. I think the officers of the Immigration Department will bear me out when I say that they bring the best looking and the youngest and perhaps those that can best bear children to this country. As has been said, polygamy is recognized in China.

Hon. Mr. MITCHELL: Are they good citizens?

Hon. Mr. CROWE: Some of them are good citizens, but not all. I would certainly ask this House to defeat the amendment proposed by the honourable member from Moose Jaw (Hon. Mr. Willoughby).

Hon. Mr. WILLOUGHBY: Just one word. The honourable gentleman knows more of this subject than I do, and I do not intend to reply to him. He referred to section 9 of the Bill, which provides:

> The Minister may authorize the admission to Canada of any person of Chinese origin or descent without being subject to the provisions of this Act, and such admission shall be authorized for a specified period only, but may be extended or cancelled by the Minister in writing.

The Bill as it now stands contemplates the possibility of the Minister permitting any person of Chinese origin, man woman or child, coming into this country; the limitation being for a specified period only.

Hon. Mr. CROWE: For my part I do not object to that. That is up to the Government; but if they admit people who are objectionable they will certainly hear from the Province of British Columbia.

Hon. Mr. GREEN: As my colleague has said, this question is of very much more interest to the Province of British Columbia than to any other Province in Canada. The reason is that our Province is the first port of call, and the climate and other conditions lend themselves to the Chinamen staying there with the result that out of a population of less than half a million we have 30,000 Chinese. If those 30,000 Chinese were scattered over the rest of Canada, we in British Columbia would have no difficulty in persuading the people of the other parts of Canada to exclude them from our midst. They are of no use to us; we will never assimilate

them, we will never make Canadians out of them. You might far better introduce men more nearly akin to the race to which we belong.

The mind of the Chinaman is absolutely different from the mind of the ordinary white man. You cannot in any possible way find out just how the Chinese mind works. It is very true that in a way the Chinese are good citizens. They make good domestic servants and faithful workers, but they will never help us to build up a Canada of which we will be proud. Anyone who knows the Chinese knows perfectly well that our race will never intermarry with them nor assimilate them.

The Bill as it came from the Committee goes quite far enough—on some points perhaps a little too far. If you want these people in Eastern Canada, bring them here; we do not want them in British Columbia, and we will not have them there.

This opening of the door to the wives and minor children would be abused in such a way that there would be a flood of them into the country. In the old days, when the door was more or less open, it was not the minor children that were brought in, but the children of such an age that they could be put into someone's kitchen to learn how to earn money to be sent back to China. Not only that; but there is not one of those people in this country to-day who purposes when he dies to leave his bones here. They even have an arrangement under which their bones will be carried out of the country. They are coming into this country for their own good, not for our good. They practice polygamy, and when a Chinaman has several wives, how are you going to single out one and say that she may come in and the others may not? I hope, hon. gentlemen, you will protect us from this evil and let the Bill go through as it stands.

Hon. Mr. BOSTOCK: I do not intend to discuss this general question, but I may point out that the amendment moved by the honourable gentleman from Moose Jaw, as I understand it, will allow these Chinese wives very much wider latitude in coming into the country than is allowed to merchants under clause 5. This clause reads:

> The entry to or landing in Canada of persons of Chinese origin or descent, irrespective of allegiance or citizenship, is confined to the following classes, that is to say:
>
> (c) Merchants as defined by such regulations as the Minister may prescribe.

The amendment as moved by the honourable gentleman from Moose Jaw would cut out that part of the clause dealing with merchants, and would allow the wives and children to come in without being subject to regulations such as are prescribed in the case of merchants. I do not see how we could adopt such an amendment.

Hon. Mr. McMEANS: If the merchant is here and his wife is in China can he bring her over by paying a head tax?

Hon. Mr. BOSTOCK: Under clause 9 he can apply to the authorities and ask permission.

Hon. Mr. McMEANS: That is only for a certain period.

Hon. Mr. BOSTOCK: Not indefinitely.

Hon. Mr. McMEANS: From time to time.

Hon. Mr. BOSTOCK: I wanted to find out if there was any means by which a Chinese woman could be brought in if her husband were living in this country, outside of section 9.

Hon. Mr. DANDURAND: This bill was committed to one of the Standing Committees of the House to which was added, I think, two members from British Columbia. The Committee heard all the parties interested in the Bill. The various groups of Chinese in Canada were represented by counsel. We listened attentively to all their representations. The Department also was represented by men of experience in the administration of the Chinese Immigration Act. The result of the work of that Committee is contained in the modifications of the Bill which are in the form of the amendments under review by this Committee of the Whole.

This is undoubtedly a restrictive Bill. Certain sections of the Bill seemed to be quite stern, and, after deliberating upon the whole question, and knowing the desire of the Commons and of British Columbia, the Committee made certain modifications tending towards a relaxation of the stern prohibitions. In doing this, I believe that we have met the request of the Chinese representatives in Canada to a very great degree. They believe that these amendments should be considered by the Senate. One should not forget that we have in Canada between 40,000 and 50,000 Chinese among whom it is reckoned that there are 2,422 women. Some 30,000 of these Chinese are adults, and if we consented to allow them to bring in their wives and minor children it would mean an influx of thousands within the next few years.

The situation is this. Those Chinese who have been here for four or five or six years or more and have not thought fit to take ad-

vantage of the old Act under which they could bring their wives to this country seem to have been fairly indifferent. The newcomers, if they desire to marry, will return to the young lady whom they would court. We have taken care in the amendments presented to this Chamber to respect the acquired rights of the Chinaman who has been here and has acquired Canadian citizenship through being five years in the country or through naturalization. I am informed that a merchant who is in Canada and who desires to bring his wife here, and will give the proper evidence that she is his legal wife, may obtain her entry under clause 9. As has already been said, it is difficult to distinguish the wife from the concubine, and the agents or representatives of the Immigration Office are convinced, after looking at the men and the women that come into port, that it is not wife number one, but a younger woman who is brought to this country.

Hon. Mr. FOWLER: There are cases in this country of oldish men marrying young women.

Hon. Mr. DANDURAND: So I have heard. There is a danger of this facility being abused. The Department of Justice has laid down the rule that Canada will only recognize under its laws the first wife of the Chinaman as the legitimate wife; but the Department of Immigration is convinced that in very many cases it is not the legitimate wife that comes to this country, and from their ages there is a strong presumption that the younger wife has been chosen.

Hon. Mr. FOWLER: Why not?

Hon. Mr. DANDURAND: I can tell my honourable friend. Under their laws they have to choose.

Hon. Mr. FOWLER: If they have to choose, why not the youngest?

Hon. Mr. DANDURAND: I draw the attention to the fact that if a man of fifty brought a wife of fifty there would be less danger of the Chinese population increasing. Now, a number of those women who have been brought in have simply gone into service to earn money for themselves, or have really come in as bona fide wives, or they come under that cloak to obtain entry into Canada. I do not know, but I believe that for the end we have in view, the restricting of Chinese immigration, under this Act and under the amendments we have made we have travelled a long way towards the wishes of the Chinese population, and should not take that further step which may go counter to the object of this law. Furthermore, we have the statement of the Department of the Interior and its Minister that under section 9 he had and still has sufficient authority to admit the wife of a merchant when he feels justified in doing so. For that reason I support the view of the members from British Columbia, and say, let us accept the work of the Committee without adopting that amendment.

Hon. Mr. FOWLER: I do not wish to go counter to the views of the members from British Columbia, who have presented their case in a very clear and telling way; yet I am afraid that the Minister has lost sight of the moral side of the question. We must consider human nature in these matters. Here we have a population largely adult, and largely male, who are without wives, and in the interest of social purity and morality would it not be better to allow the wives to come in? Following out the honourable leader's idea, we might restrict those wives to the age of 50—I think that is a safe age—and say that wives of 50 or over should be permitted to come into the country. I think that would be a good suggestion, and would prevent the unnecessary increase of the population to which the honourable members from British Columbia object, and would also fulfil the ideas of the social uplift and moral reform element of this country, which is very strong.

Hon. Mr. WILLOUGHBY: In view of the statements made by the honourable leader of the House, the expression of opinion by members from British Columbia, and personal opinions conveyed to me privately by others whom I respect since I intimated to them my intention of introducing this amendment, I am going to ask the leader of the House to withdraw it. I think it is just, but in view of the expressions referred to, I do not think it would pass this House, and it might imperil the Bill as it has come from the other House. So, with the leave of the House and the permission of my seconder, I would ask leave to withdraw the amendment.

On leave granted, the amendment was withdrawn.

Hon. W. B. ROSS: I have a verbal amendment I was going to move on the third reading. It is an amendment to subsection 2 of the new section 27:

In the second line, that the word "admissible" be stricken out, and in the third line the words, "as defined by this Act," and that the words be added, "admissible under this Act."

The section would then read as follows:

Any person admitted under this Act, and who at any time after admission ceases to belong to any of the classes admissible under this Act.

Hon. Mr. GILLIS: What is the idea of changing the wording?

Hon. W. B. ROSS: I want to provide that if any person falls out of one class, say that of a merchant, and goes into some other class and ceases to be a merchant, he may then be arrested and deported. My amendment does not provide an opening for anyone getting in; on the contrary, it is closing it up. It is merely a verbal change.

Hon. Mr. BELCOURT: That amendment is all right.

Hon. Mr. DANDURAND: I agree that the amendment is correct.

Hon. Mr. ROBERTSON: How would this amendment apply in the case of a minor child when reaching the age of maturity, and therefore belonging to some other class? As he grew up he might become a labourer or a merchant, but he would not be in the class in which he came into the country. This amendment would not permit deportation of a child grown to manhood?

Hon. W. B. ROSS: A minor is not admitted as a merchant; he is admitted as a minor child.

Hon. Mr. ROBERTSON: But his status of a child changes into that of a merchant or a labourer.

Hon. Mr. DANDURAND: No, a child is not interfered with.

Hon. Mr. DANIEL: Would it make any difference as to the length of time a Chinaman has to live in this country? A Chinaman may have been admitted some years ago under an Act then in force, and perhaps would be living here for a number of years, and if he then changed his business from one class to another I presume he would be deported, under this amendment?

Hon. Mr. DANDURAND: No. Under the Act of 1917 a poll tax of $500 was imposed upon a Chinaman, but a merchant was exempt. If that merchant changed his status he could be made to pay the $500 tax. Under this law we decree that all those admitted since 1917 who have ceased to be merchants shall be required to pay the tax of $500, and if they refuse they may be deported.

Hon. Mr. DANIEL: It will not affect in any way those who have paid the head tax of $500?

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. BELCOURT: As I understand the amendment, it was proposed merely to make the section more intelligible; it does not change anything, does it?

Hon. W. B. ROSS: There is no change in the principle. It merely makes the section more intelligible.

The proposed amendment of Hon. W. B. Ross was agreed to.

The Bill was reported as amended.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

YUKON BILL

SECOND READING

Hon. Mr. GREEN moved the second reading of Bill 44, an Act to amend The Yukon Act.

He said: I was asked to move the second reading of this Bill though I know very little about it. The best explanation I can give of the Bill is to quote what took place in another House. This Bill was introduced on Thursday last, and Mr. Stevens said:

> I will briefly explain this bill and in doing so I wish to expressly thank the Minister of Justice for his courtesy in permitting it to come up. This is a somewhat technical and formal amendment to the Yukon Act. The Yukon Act, as originally drafted, provided for trials, and so forth, but did not include provision for jury trials in certain cases. The reason for it was this: When Yukon was first opened up and this act was originally passed it was in the days of what was known as "the stampede." Conditions there were in an exceedingly disturbed state, and it was felt that it was not desirable to place such cases as mineral claims and disputes under jury trial as was the case in all other provinces. That condition has long since passed, twenty years ago or nearly so, and to-day Yukon is just as settled and as sober—shall I say?—in its thought and in its administration as any other part of Canada. All the feverish excitement has long since passed. This is simply to give to Yukon rights which are enjoyed by the other provinces.

Hon. Mr. BELCOURT: Will the honourable gentleman read to us the first part of section 46, of the Yukon Act, because this is something to be added to that? The Yukon Act is to be found in the Revised Statutes of 1906. It is impossible to appreciate this Bill unless we know what precedes.

Hon. Mr. GREEN: I am sorry I cannot inform the honourable gentleman. All I can say is that the Minister of Justice has accepted it, and put in the amendment which appears in the Bill.

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

Hon. Mr. BELCOURT: We are going it blind.

Right Hon. Sir GEORGE E. FOSTER: Depending on the Justice Department.

COMPANIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 190, an Act to amend the Companies Act.

He said: Honourable gentlemen, this Bill contains a number of amendments, which I would rather explain in Committee. We might take the second reading now and go immediately into Committee.

Hon. Sir JAMES LOUGHEED: What is the purport of the Bill?

Hon. Mr. DANDURAND: Copies of a statement from the Department of the Secretary of State have been distributed, and my honourable friend must have one before him. So we may have an explanation clause by clause when we go into Committee. Does my honourable friend think we had better postpone this? I do not suppose he will have very much time to puruse the Bill. We might as well have the explanations immediately in Committee of the Whole.

Hon. Sir JAMES LOUGHEED: The only observation I should like to make on a Bill of this character is that when so important a statute as the Companies Act is to be amended, I cannot well appreciate the desirability of its coming down in the dying hours of the Session. A Bill so lengthy as the present one ought certainly to receive considerable attention.

Moreover, I do not approve of this constant tinkering with the Companies Act, practically every Session. Professional men and others rely upon the Companies Act as they find it in the Statute Book. Companies are organized and administered according to the statute. I think I am justified in saying that scarcely a Session of Parliament goes by that important amendments are not made to the Companies Act. So one cannot rely upon any continuity of the Act in organizing or administering a company or in any way taking advantage of the statute. I think it is very bad policy for the Government to be continually tinkering with Acts of this kind. When a measure is placed upon the Statute Book, unless the best reasons are shown for amending it, it should remain there until fully tested.

Hon. Mr. DANDURAND: No one can take exception to the remarks of my honourable friend, because they are quite general and his contention is self-evident. We should not tinker with Acts unless there are special reasons for amending them. I have not examined these amendments and cannot pass judgment upon them. Perhaps we could defer consideration of this Bill until to-morrow afternoon. In the meantime we may have an opportunity of perusing the proposed changes.

Hon. Sir JAMES LOUGHEED: But does not my honourable friend think that some good reasons should be shown by the Department administering this Act why it should be amended to such an extent as is now proposed? Has it occasioned some confusion, or does it fail to adjust itself to the necessities of business, or what is the general reason for amending it?

Hon. Mr. DANDURAND: I might perhaps give a few of the reasons that appear on the memorandum which has been distributed:

This Bill has an imposing appearance of thirty sections, but an analysis of it will show that six sections only make substantial changes in or additions to the Companies Act. The other sections merely harmonize sections, correct mistakes and clarify the wording of sections of the Act.

Nine sections, namely, 6, 10, 11, 15, 17, 18, 19, 20 and 23, are all for the purpose of unifying and simplifying the phraseology defining the vote as special meetings of shareholders in certain cases. As the Act stood, the phraseology was not uniform. For instance, section 34 provides for a vote of shareholders "representing at least two-thirds in value of the subscribed stock." Section 44 provides for a vote of "not less than two-thirds in value of the capital stock represented at a meeting." This phrase is doubtful because it is open to two constructions, whether it is two-thirds of all the subscribed capital or two-thirds of those represented at the meeting. Similar doubts arise with respect to the other sections sought to be amended.

The situation is rendered more difficult in the case of companies having shares without par value. It is then impossible to comply with the exact wording of some of these sections.

A further complication arises where preferred shares are issued without any right to vote.

It is considered advisable to make the language uniform and to provide that the resolution or by-law is to be carried by two-thirds of the votes at the meeting. The charter and by-laws define who should be entitled to vote. Everyone entitled to vote must be given notice of the meeting, and it seems preferable that the control should be placed in the hands of those present or represented at the meeting to the extent of two-thirds.

I will stop there.

Hon. Sir JAMES LOUGHEED: We will proceed with the Bill.

Hon. Mr. DANDURAND: Shall we deal with it now?

Right Hon. Sir GEORGE E. FOSTER: Yes.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Willoughby in the Chair.

Section 1 was agreed to.

On section 2—when company may be created a private company; when several considered as single shareholder:

Hon. Mr. TANNER: How long is it since these errors were discovered by the Department? This House has been in session five months. I would like to know why, if these errors were discovered months ago, the Bill has not been brought down earlier.

Hon. Mr. DANDURAND: I inquired how long the Bill had been before the other House, and I am told at least a couple of months. It was introduced two months ago.

Hon. Mr. ROBERTSON: Why not introduced here?

Hon. Mr. TANNER: There were three months prior to that.

Hon. Mr. DANDURAND: We can deal with the Bill now or defer it. I am in the hands of the Senate.

Hon. Mr. TANNER: I think that is a good reason for not passing this Bill. It should have been here long ago.

Hon. Mr. FOWLER: Here is a Bill that has been two months in the other House and two minutes in this. We are expected to pass it right off—a Bill treating of most important matters. I think it is very unfair. I move that this Bill be considered this day six months.

Hon. Mr. TANNER: I second that.

Hon. Mr. DANDURAND: I will move that the Committee rise, report progress, and ask leave to sit again. Then I will suggest that we send the Bill to the Commons on Banking and Commerce.

Hon. Mr. FOWLER: Yes, that is a good idea.

Progress was reported.

Hon. Mr. DANDURAND: Honourable gentlemen, I move that this Bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

INLAND WATER FREIGHT RATES BILL

CONSIDERED IN COMMITTEE

Hon. Mr. DANDURAND moved that the Senate go into Committee on Bill 235, an Act with respect to Freight Rates for the Carriage of Grain by Lake and River Navigation.

He said: Honourable gentlemen, we had occasion some time ago to discuss the situation which arose last autumn because of the rather steep rate that had to be paid for the carriage across the Lakes of grain that had accumulated or was accumulating at Fort William and Port Arthur. An inquiry was instituted by a Royal Commission, and it was found that in the handling of Canadian grain, there had been discrimination in favour of American ports as against Canadian ports on the Georgian bay. It was found by that Royal Commission that the rates had been increased by means of a combination and an understanding among the ship-owners. It was found, besides, that the ship-owners or their agents in Winnipeg were monopolizing the insurance business and holding up grain shippers, forcing them to place with them the insurance on cargoes. The Commission made certain recommendations, which are embodied in the present Bill.

It will be found on persuing the Bill that the services of the Board of Grain Commissioners are utilized in the operations of this Act. Clause 3 says:

> Any shipping company or any shipowner or person who carries or who offers, advertises or proposes to carry grain for hire between Fort William, or Port Arthur and any other port or place in Canada or the United States, by lake or river navigation, shall, within thirty days after the passing of this Act, or before entering into any contract for such carriage, file with the Board of Grain Commissioners for Canada a tariff of the rates which such company, owner or person charges or intends or proposes to charge for the carriage of grain as aforesaid, and thereafter from time to time if and when any such company, owner or person, changes, varies or proposes to change or vary the tariff or any item or charge thereof so filed, he shall, previously to the making of any such change or variation in the actual charges in respect of any shipment, file with the Board a copy of the tariff so changed, varied, or amended.

I have already had occasion to read the various clauses of this Bill, and we may deal with each separately when we go into Committee.

The Board may prescribe a maximum rate under certain conditions. There is a prohibition against soliciting risks, issuing policies of insurance, collecting any premiums, or inspecting any risks. I believe that this Bill meets the needs of the times, and that if a condition similar to that which prevailed last autumn ever recurs, the Act will come into play and protect the grain owners of the West.

Hon. Mr. McLENNAN: May I ask the honourable leader of the Government if the provisions of this Bill have been submitted to people in the trade? It is a trade which is done very rapidly, and the transactions of which are often completed after quick modification, and what may to the superficial observer seem reasonable may be in the opinion of those who know the inner workings of the trade unreasonable or unworkable. I am in entire sympathy with the desire to correct the evils to which the honourable gentleman has referred; but I think it very important, before legislation of this kind is passed, that those who are most deeply interested—I mean the grain-shippers quite as well or more than the vessel-owners —should know that it is a kind of traffic regulation which will help them. It would seem to me that the best way to deal with a question like this would be to have it referred to a proper Committee, before whom evidence could be heard on various points.

Hon. Mr. SCHAFFNER: There is no time for that.

Hon. Mr. DANDURAND: I will answer my honourable friend by informing him that the Committee of the Whole would perhaps be in as good a position to deal with this Bill as would a Special Committee.

Hon. Sir JAMES LOUGHEED: The proposal to refer it to a Standing Committee was voted down yesterday.

Hon. Mr. DANDURAND: Oh, yes. I did not remember in what form the question had been tested.

Hon. Sir JAMES LOUGHEED: There was a motion to refer it to the Committee on Railways, Telegraphs and Harbours.

Hon. Mr. McLENNAN: We could not hear witnesses in Committee of the Whole.

Hon. Mr. DANDURAND: The matter was tested on the second reading yesterday.

Hon. L. C. WEBSTER: May I ask the leader of the Government if there is any report from the Justice Department in regard to the Bill that is now before us?

Hon. Mr. DANDURAND: I think I may safely state that this Bill was either drafted by the Department of Justice or was submitted to that Department.

Hon. Mr. WEBSTER: It seems to me that this is a very important Bill,, and I should think that this House would look to the Department of Justice for an opinion as to its feasibility and practicability, and as to whether it could be carried out.

Hon. Mr. DANDURAND: I recall that there was a little delay in bringing this Bill before the other House, because the Minister of Justice was examining it.

Hon. W. B. ROSS: I have been told, whether truthfully or not, that there have been two opinions given by the Department of Justice to one or more of the Departments of the Government, not on this Bill, but on the subject-matter out of which it grew. There was no report made on the Bill, but there were reports made as to the powers of Parliament to pass a Bill of this kind. It would be of great advantage to us to have that information, because it is very doubtful whether this Parliament has the jurisdiction to pass the Bill at all.

I became interested in this question a long time ago. Some honourable gentlemen will remember that a Mr. Armstrong, in the other House some six or seven or perhaps eight years ago, tried to get legislation along somewhat similar lines.

Hon. Mr. WILLOUGHBY: It was packet freight.

Hon. W. B. ROSS: Yes, but he wanted to carry into lake and river navigation similar legislation to that which we had with regard to the control of railway freight rates. I remember very well a man who afterwards became a member of this House—the late Senator Richardson—who was called as a witness before the Committee of the other House. He gave a very interesting, and I thought an accurate account of the extraordinary changes in the nature of the business on the Lakes. He seemed to have the whole thing at his finger ends. On one or two occasions afterwards, when he was a member of this House, he described how conditions changed every few minutes. He was the one man in this House who I think completely understood that Lake trade.

Hon. Mr. CASGRAIN: He was the biggest operator by far.

Hon. W. B. ROSS: He was one of the most interesting speakers that I ever listened to in this House or in any other place, and I have always regretted his death and looked upon it as a very great loss to this House.

This trade on the Lakes is very important. In order not to occupy too much time, I will simply say that when the Bill came up there were still in my mind certain principles with regard to that trade. There are two things to say about it. The first is the question of whether or not we have jurisdic-

tion to deal with it. It may be said, "Oh, never mind that; go right ahead and let the parties take the matter into court." Well, honourable gentlemen, that is not, except in very rare cases, a wise way to legislate. It is quite clear that, if we have no jurisdiction to pass the whole or parts of this Bill, we should govern ourselves accordingly; and if we can get information from the Department of Justice, which I am informed is available, I would like very much to have it at one of the sessions to-morrow. If we find that the matter is doubtful it is easy enough, and I think more satisfactory, to put a clause in the Bill referring it to the Supreme Court of Canada to decide whether it is intra vires in whole or in part rather than disturb the whole business on the Lakes. You can have that opinion before the jam on the Lakes begins, which I understand will be in October or November.

Hon. Mr. SCHAFFNER: They are shipping grain right now.

Hon. W. B. ROSS: I know they are shipping grain now, but the great rush will be later.

Hon. Mr. SCHAFFNER: It is not the rush; it is the strikes.

Hon. W. B. ROSS: But the number of ships that would be required, and the price will be governed by the volume of wheat.

Hon. Mr. SCHAFFNER: No.

Hon. W. B. ROSS: I am informed, I believe correctly, that some time about November of last year there was a tremendous jam on the Lakes.

Hon. Mr. SCHAFFNER: But the price started to go up long before that.

Hon. W. B. ROSS: It starts to go up just about the time shippers from the Northwest get into full swing. It should not take more than 60 days to get the opinion of the Supreme Court.

Leaving that to one side, I would be inclined not to undertake to modify this Bill at all. It was drawn, I suppose, by capable hands, on the assumption that there was jurisdiction to deal with it. Assuming that you have jurisdiction to regulate that trade, my own opinion is that you will require a great deal more drastic legislation than is to be found in this Bill. You could give it a trial, however.

I just rose to ask the leader of the Government if he could not have whatever opinions there are in the possession of the Department placed before us; or, failing that, that we should have an opinion from them.

Hon. Mr. DANDURAND: I would suggest that we should go through the Bill, and if we get it through the Committee I will get the information for my honourable friend before we take the third reading to-morrow. I may tell my honourable friend that I now have a clear recollection that the drafting of this Bill was given to the Department of Justice, and that the Minister of Justice took a few days to examine into it with the officers of his Department. That being so, there is the presumption that they have found sufficient authority for this Parliament to proceed with this legislation, particularly inasmuch as the Bill has passed the Commons and is now before us.

I have not examined the constitutional objections that could be raised, but I would be favourably disposed to the view that we were acting within our jurisdiction unless we were told by the Department of Justice that we were going outside of our powers. Then we could perhaps add such a clause as would bring the matter rapidly before the Supreme Count for review. It is pressing that we should enact such legislation as will prevent a recurrence of the abuses of which we all know, and which have been found by the Royal Commission to exist.

The motion was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. Smith in the Chair.

On section 2—Interpretation:

Hon. Mr. WILLOUGHBY: I was unaware that this Bill had received its second reading yesterday, when I was temporarily absent. I was watching for it. I do not intend to take advantage of that fact to discuss the Bill generally, for the reason that I discussed the whole subject on the report of the Special Commissioners before the Bill was introduced.

You will notice that this section deals only with grain. I think it should deal with flour too, and that subsection 2 should be enlarged. While you are meeting the major grievance, and while I think this provision will be highly beneficial to the public, I do not think you will have cured all the evils from which the grain producers and shippers are now suffering. The grain may be ground at many points. There is a large mill at Moose Jaw, there is one at Calgary, one at Winnipeg, one at Keewatin, and doubtless there are others. The flour very frequently goes to the head of the Lakes, to go from there either by rail or by water. You are going to put into the hands of the Grain Commissioners the right to make the rate per bushel for the hauling of grain. But when you consider the grain that

is converted into flour, you still have a very large portion of the grain crop of the West that is not covered by this Bill at all. I have not any figures before me at this time, but there is a very large shipment from the mills that I have spoken of, not only to points in Canada, but to Great Britain, the continent, the West Indian Islands by way of the East, and westward to the Orient. I submit that in this legislation you do not meet all the objections of the farmers and the grain dealers. The grain dealers of Winipeg, I understand, are very much behind legislation of this character. I had the pleasure of being present at at least one sitting of the Commission in Winnipeg, and I may say that the merchants are very keen for some control of shipping on the Lakes. The farmers' point of view is so obvious that I will not dwell upon it.

Now I want to deal with the constitutional aspect of the Bill. You will see that section 9 is apparently drawn with the manifest object of taking from the operation of the Bill purely provincial matters which might be supposed to come under property and civil rights. It would have been better had it been possible to deal with grain that comes to the head of the Lakes, is ground into flour there, is then shipped to millers in Ontario, all in the same Province. It does not provide for that, perhaps for the reason that I have conjectured—that the whole operation of transport is in one Province.

I do, however, raise the fundamental question of the necessity of carrying flour.

Hon. Mr. DANDURAND: I am not sufficiently au fait of the movement of flour during the dangerous period. I would surmise that the object of this Bill is to provide for the movement of the crops that are brought in haste to the upper Lakes in order to be transhipped to ocean ports. It seems to me, and I stand to be corrected, for I have no expérience and no data, that flour is not concerned in that situation. I would surmise that what we want to cover is the movement of the grain crop of the West during the months of September, October, and November, when there is a formidable movement towards Fort William and Port Arthur. I doubt the necessity of covering the movement of flour, because I take it for granted that it is not in the same situation as the grain. I would like to hear the opinion of members of the Senate who have experience on this matter.

Hon. Mr. BENNETT: All these very large mills in the West, and for that matter the

mills in Ontario too, have large elevator accommodation; and, instead of having these elevators hold the grain for an indefinite time when the press of grain comes from the farms, the dealers hurry to get the mill elevators emptied by manufacturing the wheat into flour and getting it out of the country in order to help out the other elevators. So flour is quite an important factor. I may say that during the summer months, when there is no particular press of flour, the C. P. R. have on the Georgian Bay three vessels tied up which in the fall of the year are put into the service of handling flour.

Hon. Mr. BRADBURY: I confess frankly that I am a little skeptical as to the effect of this Bill. No doubt the Bill is intended to empower the proposed Board to regulate the rates charged by carriers. It seems to me quite possible that the ship-owners may be able to evade the provisions of this Bill in a very simple way. If I am right in that it would nullify the whole Act. For instance, what is to prevent the shippers refusing to contract for the shipment of grain from Port Arthur or Fort William to a Canadian port. They could say: "We will contract to take your wheat from Port Arthur or Fort William to Buffalo, and from Buffalo to Montreal". This Bill would not interfere with that because, it would be an international rate.

Hon. Mr. CASGRAIN: But the Bill says they have power.

Hon. Mr. BRADBURY: I admit I am very sceptical; I am almost sure they have not, and if so this Bill, which is offered as a remedy for this crying evil, means very little, because we know that those gentlemen who own the great transportation companies control this wheat. Their whole record has been that they want the last cent, or the last sixteenth of a cent, they can exact from that trade, and if they can get 8, 9 or 10 cents a bushel for carrying wheat from Port Arthur or Fort William via Buffalo to Montreal, when this Board is functioning properly we might fix a Canadian rate at 5 or 6 cents a bushel. But I think it is very plain to everybody that the ship-owners will exact the last cent they can from the shippers, and they expect to reap from these excessive rates, which are almost extortion, so that I am afraid the farmers of the West will be very much disappointed.

Now I am going to point out what I think is a means to checkmate those gentlemen. I think the Government holds the key of the situation in their own hands. The Govern-

ment to-day owns 27 first-class ships suitable for this trade, and if they were put on the market for sale they would hardly get anything for them in proportion to what they cost.

Hon. Mr. BENNETT: That is the intention.

Hon. Mr. BRADBURY: If I remember aright, those ships cost about $600,000 apiece; they were built during wartime. I venture to say they would not bring more than $20,000 to $25,000 apiece if offered for sale. Now, what is the position of the Government to-day? I am told that those vessels will hold from 75,000 to 100,000 and perhaps 150,000 bushels of wheat; consequently that fleet could move on every trip 2,500,000 bushels of wheat. I leave it to this House, and I appeal to the leader of the Government if he does not realize that by the use of those vessels the Government could force the situation and compel those carriers to do the right thing by Canadian shippers and by the farmers of the West. I submit that if the Government fails to do this, and if they dispose of those boats in face of the awful condition prevailing regarding transportation of our grain from the West, they will certainly leave themselves open to most serious condemnation not only by the farmers of the West, but by the right-thinking people of this country.

Hon. Mr. DANDURAND: Are those ships adapted for this trade?

Hon. Mr. BRADBURY: I am told they are well adapted to handle from 100,000 to 150,000 bushels of wheat. Assuming that I am correct, or nearly correct, and assuming that the fleet can carry 2,500,000 bushels of grain every trip, how long would it be before that fleet would pay for itself? Those ships would pay for themselves every year. And in addition to those ships performing their work of transportation in the fall, and thus relieving the situation, and compelling the lake carriers to accept the decisions of the Board which you propose to appoint under this Bill. I submit that if you do not use the power which is in your hand, those ship-owners will not obey the rulings of your Board, but will simply carry the wheat to Buffalo and from there to Montreal, and thus nullify what you are trying to do by this Bill.

But in addition to handling the 2,500,000 bushels of wheat on every trip in the fall of the year, those boats can go back to Port Arthur, act as store-houses for at least 2,500,000 bushels of wheat, remain there until the spring, and then sail out with their cargo.

Hon. Mr. CASGRAIN: Where are those boats now?

Hon. Mr. BRADBURY: I do not know. I submit that the Government has in its own hands the solution of this entire question, and if the Government allows those ships to pass from under its control, and leaves the western provinces at the mercy of the transportation companies on the Great Lakes, they will certainly not be discharging their duty to the wheat growers and the people of this country.

I desire to refer for a moment or two to what appears to be a rather unfair discrimination in this Bill. It is to be found at the end of the Bill, section 9, which proposes to take from under the operation of the Bill all grain that is shipped from one Canadian port to another for the purpose of being used in Ontario. I submit that that is not fair to the shipper, the wheat raiser in the West. Why should he not benefit by reduced rates on every bushel of wheat that leaves Port Arthur? Why should the Government say to the shipper, "All the wheat that you sell for export shall be protected under this Bill, and we shall regulate rates as far as we can; but any wheat that is shipped to Ontario to be ground there will not come under the operation of this Bill." The farmer will consequently suffer to the extent of the difference between the freight rates that the Board may provide under this Bill and the rates that the transport companies may choose to charge.

It does strike me that the Government has the key to the situation in its own hands to-day: it has these vessels. It cannot get rid of them unless it gives them away.

Hon. Mr. BENNETT: That is the intention.

Hon. Mr. BRADBURY: Well, I would not like to think that. I do not believe that the Government would dare to do the like of that. Public opinion, not only in the West but all over this country, is aroused on this question. The people are watching those vessels, and the Government could not escape serious condemnation, not only by the wheat growers and shippers from lake ports, but by the right-thinking people of this country, if they did not use those vessels as suggested. Surely the Government would not place itself in the position of having the

public believe that it was in league with those companies who were extorting unfair rates from the farmers of the West.

Now, I leave this question for the consideration of the House. I ask the leader of the Government to give this matter serious consideration. I do not know that any provision can be made in this Bill by which this matter could be furthered, except a declaration by the Government—and I think we ought to have it—that the 27 ships that they own are going to be put in commission on that trade to carry grain.

Hon. Mr. CASGRAIN: The honourable member for Moosejaw (Hon. Mr. Willoughby), speaking just now of the Board of Grain Commissioners, said he went to their meeting. Would he kindly tell us who are those Grain Commissioners, also whether they know anything about navigation or about lake rates, how long they have worked for transportation companies, how much money they have invested in transportation, and how much they ever made themselves out of it? Does he know anything about them at all? I think I know one of them. I think there was Alderman Boyd of Montreal: he is a lawyer, so I do not think he would be a fit and proper person to act in that capacity. I do not think he would know very much about fixing rates, or about navigation, or anything like that. I am told he belongs to that Board: I do not know, but he has been moved from Montreal to Port Arthur.

Hon. Mr. WILLOUGHBY: He is Chairman of the Board.

Hon. Mr. CASGRAIN: Well, are the others better than the Chairman? Do they know anything about it? Who are they, and what are their qualifications, if any?

Hon. Mr. WILLOUGHBY: The honourble gentleman has misunderstood me about attending a meeting of the Grain Commissioners. It was a meeting of the Commission investigating these rates.

Hon. Mr. SHARPE: I do not think it would take a very wise man to know that the rates were absolutely too high last fall. I think any person, even a grain commissioner, would know that.

Hon. Mr. CASGRAIN: We would like to get their names.

Hon. Mr. SHARPE: Mr. Boyd and Mr. Snow, of Winnipeg. Those are two, and the other is a farmer from Saskatchewan—I forget his name just now.

Hon. Mr. BRADBURY.

Hon. Mr. WILLOUGHBY: Robertson.

Hon. Mr. SHARPE: Those are the men who are going to control the rates. These gentlemen saw last fall how the farmers and the grain dealers of Western Canada were being robbed by the vessel owners, and I think if there are any men in Canada who should know what is right and fair as to freight rates it would be those men who have control of the grain trade of Western Canada.

I think the proposal made by my honourable friend from Selkirk (Hon. Mr. Bradbury) is a very good one; but apart from that, even if the Government do not see fit to use our own vessels for carrying grain, I am not very much afraid. The grain trade is carried on in the fall, and the ore trade from the States is over by that time, and the Government are taking to themselves power to suspend the coasting laws, which will give them absolute control, and assure us of a low freight rate on the lakes. The Government, having that control, if they use it, will assure us of a fair price for the carrying of our grain.

Section 9 has been referred to, and I would like the Minister to explain just what that means. If it means taking flour from under the control of this Board to assist the millers, I wish to move that we strike this clause out.

Hon. Mr. BEIQUE: That motion should not be made until clause 9 is reached.

Hon. Mr REID: I am in favour of this Bill or any other that will ensure that the rates from Port Arthur and Fort William to Montreal, or to any other port, are fair and just to those who have to use transportation. What I fear in putting this into the hands of the Grain Commissioners is that a conflict of authority may arise if there is not some clause in the Act to prevent it. As I recollect, the Railway Act provides that the Board of Railway Commissioners have power to fix freight rates between Port Arthur and Georgian Bay ports on all traffic that goes on vessels owned by or operated in connection with the railways. If I am correct, the wording of the Act is sufficiently wide to give that Board power to fix the rate between those ports, whether the freight is for export or any other purpose, if the railways themselves own the vessels.

There is a difference of opinion as to who are the proper parties to have this power. My judgment is that it should be in the hands of the Railway Commissioners, and if they do not do what is right, or give decisions making the rates higher than they should be, there is power in the hands of Parliament to bring

them before a committee to state why those rates were charged. Therefore, in my judgment, those men who are investigating rates and have full knowledge of them are the ones who should have this authority, instead of the Grain Commission. Even if this Bill passes, I fear the people of the West are not going to get the relief they expect, as there are so many ways of getting around this Act. For instance, the rates are fixed by this Board of Grain Commissioners. My own opinion as a layman is that, if a United States company sent its vessel to Port Arthur or Fort William and insisted on them fixing a rate between that port and Buffalo, there might be a question of authority. But that can be easily overcome. There is no trouble at all in the shipper making a through rate from Port Arthur and Fort William to Liverpool, and the railways and the sea-going vessels have a right to divide that up as they like, and we can never investigate it on the other side.

Hon. Mr. CASGRAIN: "Ocean" would be added to this.

Hon. Mr. REID: So, a year or two after this Act goes into force, I would like to see what happens.

Then there are other ways of overcoming it, as the honourable member has stated, by shipping from Port Arthur and Fort William to Buffalo or Ogdensburg and then putting it on an American vessel. The low rate of 3 cents or 5 cents a bushel might be charged between Port Arthur or Fort William and Buffalo or Ogdensburg, just as the Grain Commissioners had fixed; but a high rate might be charged from Buffalo to Montreal. How are they going to fix that? The two rates, added together, would give a good, high rate which would control the situation.

Hon. Mr. McMEANS: Nothing like that would be done.

Hon. Mr. REID: It was done before. Grain was shipped to Ogdensburg, and I know that that did happen. There are other reasons why I think the Bill is hardly fair. Under the best clause, as has been stated, all grain ground in the Province of Ontario, or shipped from Port Arthur or Kenora to another point within the Province of Ontario, does not come within the Act. There is a tremendous quantity of Western grain ground and shipped through in the form of flour. If I understand this Bill aright, it means that we say to the farmer in the West: "We are going to give you cheaper rates for export, so that you may get more for your grain exported; but for all of it that is going to be ground in Ontario you will not get so much, because this measure does not apply to the vessels that are going to charge higher rates down in Ontario, in order to balance up the other rates." The result will be that the farmer in the West, for what grain is going to be ground in Ontario for export, will receive less, on account of the higher freight rates, to which this statute will not apply. Why should not the farmer get the same profit from grain that is ground into flour for export as from grain that is shipped to Port Arthur and Midland for export? I cannot see how honourable members of the Senate would go so far as to declare to the farmers of the West; "We will do all we can to get you a high price for your grain for export, but we will cut you down all we can on grain that is going to be ground in Ontario."

Then there is the question which has been raised by an honourable member, as to what is a fair profit. The vessel owners are entiled to fair profit for the use of their vessels, but if the people of the West are going to get a cheap rate on their grain, or to be charged only what is fair, why should they have to pay a high rate on cargoes they get back?

Hon. Mr. CASGRAIN: Packet goods.

Hon. Mr. REID: Why should not the provisions of this Bill, if they cannot be evaded, be applied to all goods instead of grain alone? There are many other kinds of goods coming from the West. There are the by-products, and there is flour; and immense quantities of goods are shipped to the West. I think they should all be treated in the same way.

The Government have other ways of dealing with the situation. They can, if they wish, suspend the coasting laws. We did so. When I was Minister of Customs, we had not the power, but we simply told the vessel owners: "If you are going to charge exorbitant rates, we will just suspend the coasting laws." I did that as Minister of Customs, although perhaps I had not the authority. If anything was unfair or unjust, and I did take the law into my own hands, there was no doubt in my mind that Parliament would stand behind me, in view of the purpose for which the action was taken.

Hon. Mr. CASGRAIN: In what year was that?

Hon. Mr. REID: It was about 1914 or 1915.

I am afraid that the proposed law may have this effect also, that when our own vessels are obliged to charge only such rates as are approved by the Board, for shipments

between these ports, there is the possibility of two rates being granted. The effect might be to divert grain shipments from our Canadian ports to American ports, because shipments going by the United States route might evade the requirements in several ways, such as I have suggested.

Then there are other ways in which our Canadian ports might be adversely affected. The grain might be shipped to Duluth instead of to Port Arthur or Fort William. If our grain goes to Duluth, how are we going to control the rates between Duluth and Montreal? An American vessel will take it from Duluth to Port Colborne, if you like; or she will take it from Duluth to Buffalo; and a Canadian vessel could also go to Duluth and get what rates she could between Duluth and Port Colborne—

Hon. Mr. CASGRAIN: Of course they are doing it now.

Hon. Mr. REID: —and bring it from Port Colborne down.

Hon. Mr. CASGRAIN: And she could go to Chicago also.

Hon. Mr. REID: I am mentioning a few of the difficulties that I see might arise. I am not going to oppose the Bill. I am willing that every opportunity should be made available that the men in the West may get a fair profit from their grain. However, I would go further than the Bill does. If you are going to make provisions regarding one commodity, why not do so for all, in order that fair rates may be charged and also that vessels may get a fair return on the money invested in them?

I do not think this Board is the proper body to administer this measure. My opinion is that it should be administered by the Board of Railway Commissioners. I would like to know, if this Bill passes, how it will operate with regard to Georgian Bay ports. Is the Board of Railway Commissioners the body that will decide the rates, or is it to be the Board of Grain Commissioners?

Hon. Mr. ROCHE: At what point precisely does the farmer obtain the money for his grain and transfer it to some purchaser? Reference has been made to the farmer and his interest. I would like to be informed on that point—as to where the farmer ceases to be a beneficiary. Does his interest continue in all the operations until the grain is finally disposed of?

Hon. Mr. BENNETT: As I have always understood, the farmer would cease to have any interest in the grain after it was sold and delivered and he received his money at the local elevator, in any of the three Provinces, or at the head of the Lakes, if he shipped it there to be placed in storage.

Hon. Mr. BRADBURY: Large quantities are shipped that way.

Hon. L. C. WEBSTER: I have no doubt that the Department in framing this Bill, intended to be absolutely impartial to all interests; but it seems to me that when the Board of Grain Commissioners are appointed, they must undoubtedly be more sympathetic to the grain trade than they are to the steamship interests. They have not duties that bring them into close contact with the transportation people. They are at all times closely in touch with the operations of the grain trade up to Fort William and Port Arthur, but they are not in touch with vessel operations and the transportation of other classes of freight, in which these vessels are engaged. In fact, it seems to be most unnatural that this body should regulate steamship operations. I think honourable gentlemen, that the authorities charged with the administration of this Act ought to have been chosen partly from among the grain interests and partly from the shipping interests.

Then, I think that the ports of Montreal and Quebec might have been considered, and some of those who are interested in the transportation business, which means so much for our Canadian ports, should also have some say in regard to these regulations. If we are going to regulate, why not regulate everything at once? Do not let this measure be simply class legislation applicable only to certain classes of commodities, to be regulated by a certain class of Commissioners. I think that, as has been suggested, we might include rail, water, lake, and ocean transportation under this Bill.

I wish, however, to dissociate myself from some remarks that have been made in regard to the sale of Government steamers, now being offered by tender. I am satisfied that those boats are being so offered in the best interest of the country, and I am perfectly willing to leave the matter to the judgment of those who are at the head of the Department. I would be willing to leave a question of that kind to the Marine Department, the Department of Trade and Commerce, or any other Department of the Government, feeling that it would act in the best interest of the country and not from any selfish motives or for any political reasons.

I would like to repeat, what has been already pointed out, that this Bill does not

provide any control over Canadian grain shipped from Duluth. I understand that a considerable quantity of Canadian grain moves from Duluth.

Hon. Mr. WILLOUGHBY: Not at present.

Hon. Mr. WEBSTER: It has been shipped from Duluth to the Port of Montreal in the past. This grain, being in bond, is the same as if it were in Canada, and it should be subject to the same regulations as Canadian grain shipped from Fort William.

I wonder whether due consideration has been given to the effect this law will have upon the cities of Port Arthur and Fort William, so that they may not be discriminated against and grain diverted to Duluth by reason of the law not controlling shipments out of Duluth. Are you satisfied that failure to regulate grain shipped via Duluth would not give special advantages to that port and to grain-shipping firms in the United States, who can market wheat without being subject to these regulations?

As I read the whole Bill, I am somewhat doubtful and fearful as to the effect it may have upon the cities of Quebec and Montreal, especially in regard to the export trade that is being done through those cities at the present time. Last year, as you will remember, there were about 150 million bushels.

Hon. Mr. CASGRAIN: 165.

Hon. Mr. WEBSTER: I will give you the figures. The shipments of grain through the port of Montreal last year were 147,562,328 bushels; and of that quantity some 83 million odd bushels consisted of United States grain, as against only 63 million bushels of Canadian grain. There were 20 million bushels less of Canadian grain shipped out of the port of Montreal than of American grain.

Hon. Mr. SHARPE: Can my honourable friend explain why it is that our grain goes to United States ports and United States grain come to our ports?

Hon. Mr. WEBSTER: Trade always follows the cheapest route. Therefore the cheapest route is by Canadian vessels out of the Canadian port.

Hon. Mr. McMEANS: Is the honourable gentleman speaking of wheat alone?

Hon. Mr. WEBSTER: No; I am talking of grain.

Hon. Mr. BENNETT: Is it not a fact that the so-called American grain is the early American wheat or corn? Millions of bushels of it go through Midland; I know that. It is not Canadian wheat that is going to the United States ports and is being shipped from there down.

Hon. Mr. WEBSTER: No, not necessarily. A great deal of it is American wheat that comes in through Canadian channels. That is another reason why there was considerable congestion last year at the various elevators. To my mind the question of freight rates was not the only one: there was also the question of the acommodation being too small for the volume of business that was to pass through, and once the congestion occurred the steamship companies were required in self-defence to ask either for demurrage on account of the detention of their boats, or to get a higher rate on their freight.

Do you find anything discriminatory or exorbitant in the rates quoted, namely, 4.13 cents per bushel to Georgian Bay and 3.81 cents per bushel to Port Colborne and 4.49 cents per bushel to Buffalo for the year 1922?

We understand that under the rates in the fall to Buffalo demurrage was in addition to the freight rate, and was not included in the bushel rate, whereas the Canadian boats carried to Canadian ports without demurrage. It would seem to me that the preference in rate was to Canadian ports.

We realize that the cost of operation of steamships on the Great Lakes has increased from 60 to 100 per cent, as compared with pre-war cost; also that the cost of reproduction of such ships is 100 per cent above pre-war cost. We realize that the dollars earned by lake ships only purchase about 60 per cent of what they would purchase before the war, and therefore would consider that a rate to be fair now should be 60 to 100 per cent higher than pre-war rates of carriage on the Lakes.

Is it not reasonable to expect, when the end of the funnel, so to speak, from Georgian Bay and Port Colborne to Montreal has been developed to handle a certain amount of grain, that when the Americans are permitted to dump such quantities of their grain into this route on account of their own rail facilities being inadequate, that the entire machinery of moving Canadian grain would be dislocated and blocked, that the hardships and losses that last fall were placed upon certain shippers who had sold grain and not chartered their boats, and the hardships and losses suffered by Canadian boats that early in the season contracted for the carriage of grain in the fall at low rates, were all due to inaction on the part of this Government in seeing that

the American grain did not block our own route to seaboard.

I am told that when a boat is ready to load the lake shipper arranges for his spot wheat through a cash grain-broker. In doing this, he delivers up the option on the wheat, and pays a premium per bushel over the option price in order to get possession of the spot or actual wheat. When there are a great many boats ready to load, the terminal elevator companies may take advantage of the situation where possible, and put up their premiums upon the spot wheat. Do you not think that with all this information as to shipment, available to the terminal elevators, who are largely in possession of the spot wheat, they may take a greater additional toll out of the cost of marketing the wheat than anything that this Bill would ever save in freight rates?

Hon. Mr. REID: I would like to read this clause of the Railway Act, as it relates to the matter under discussion. Clause 7 reads:

7. The provision of this Act in respect of tolls, tariff and joint tariffs shall, so far as they are applicable extend to the traffic carried by any company by sea or by inland water, between any ports or places in Canada, if the company owns charters, uses, maintains or works, or is a party to any arrangement, for using, maintaining or working vessels for carrying traffic by sea or by inland water between any such ports or places.

Hon. Mr. BRADBURY: Without wishing to take up too much of the time of the House, I desire to draw the attention of the honourable leader of the Government to another point. I was referring to Government-owned vessels, and pointing out the wisdom of keeping them and using them in the lake traffic for the carrying of grain. An honourable Senator has just placed in my hand a copy of the St. John Globe, containing the names of all the vessels offered for sale, and the list is an amazing one. I would urge upon the honourable leader of the Government that, in the interest of the people of the West, the grain-growers and the shippers, and in order to control the transportation on our Great Lakes and make it safe for the Western farmers, this sale ought to be stopped, and these vessels retained by the Government and used for the carrying of grain. I would like to place it on record:

Canadian Government Merchant Marine, Limited
For sale by Tender

Sealed tenders will be received by the Undersigned at 230 St. James Street, Montreal, Canada, until noon August 1st, 1923, for the purchase of the following steamers; tenders to be based on acceptance of the respective vessels in their present condition and where now located. Any stores or bunker coal that may be on board excluded.

The names of the whole 27 steamers are given.

Hon. Mr. CASGRAIN: When does the sale take place?

Hon. Mr. BRADBURY: Tenders will be received until noon of August 1st, 1923.

Hon. Mr. BEIQUE: I am inclined to think that the point raised by the honourable gentleman from Grenville (Hon. Mr. Reid) deserves attention. If the rates of part of the vessels navigating on the lakes are fixed by the Railway Board, it seems to me that the rates on all vessels should be fixed by the same body. I think also that it would be fairer to the owners of vessels if the rates were regulated by the Railway Board. As was suggested, the Grain Board may possibly be biassed—I do not know to what extent—they may be interested in grain. Moreover, it would be inadvisable to have two different bodies determining rates of that kind, because the rates fixed by them might not agree.

I am somewhat perplexed by another point, and desire to call the attention of the leader of the House to it. It might be worth his while to bring it to the attention of the Department of Justice. Section 92 of the British North America Act, which defines the subjects of exclusive Provincial legislation contains these words in article 10:

Local works and undertakings other than such as are of the following classes:

(a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the Province with any other or others of the provinces, or extending beyond the limits of the province.

Under this any lines of railway or steamships which extend from one Province to another, or beyond one Province, are clearly excluded from the jurisdiction of the provinces.

When I refer to portions of the Bill which define "person" "shipping company," "ship owner," I think it would be easy to cover the point. For instance the Bill says:

"Shipping company" means any person, firm or company who carries, or offers, advertises or proposes to carry grain between any ports in Canada or between any ports in Canada and the United States.

It should be amended by adding after the word "Canada" in the third line the words: "from or through one province to another province." That would cover not only the vessels navigating from one port in Canada to another but also those operating to American ports.

Hon. Mr. CASGRAIN: That would not cover shipping from Port Arthur to Midland. That would be in Ontario. A large proportion of the grain from Fort William and Port Arthur goes to Midland and would be

absolutely within the regulation of the province. I would like this Bill to be made workable.

Hon. Mr. BEIQUE: The honourable gentleman from Grenville (Hon. Mr. Reid) referred to the Railway Board. It is very similar to this Board, but one must not forget that the power of Railway Board applies only to works that fall within the jurisdiction of the Parliament of Canada.

Hon. Mr. REID: Grain is shipped from Saskatchewan to Montreal via lake and rail, and if the C.P.R. or the Canadian National have vessels running between Port Arthur and Montreal the Board of Railway Commissioners would have power to fix the rates. If, as has been suggested by some honourable gentleman, we had some Government boats, the rates could be fixed. The Railway Board would have power to make sure that the rates between Port Arthur and Montreal are fair. They would be able to say: "These vessels are working in connection with your railway, and you must see that they charge a fair rate, or we will not allow you to use them."

Hon. Mr. SHARPE: It is not the boats belonging to the railway companies that are complained of.

Hon. Mr. REID: I admit that.

Hon. Mr. SHARPE: We are not so particular about them; we want some control of the independent boats.

Hon. Mr. REID: I admit that; but as I have said, the independent boats cannot run between Port Arthur and Montreal unless they get the grain from the railways. The railways bring it to Port Arthur.

Hon Mr. SHARPE: They can deliver it to independent elevators there.

Hon. Mr. REID: You may call them tramp steamers. They come to Port Arthur to the terminal elevators, if you like; but the grain must come over the railways to the elevators.

Hon. Mr. LAIRD: The railways do not control them.

Hon. Mr. REID: If the Board of Railway Commissioners have that power, I believe they could make an arrangement by which vessels carrying grain, no matter to what elevators they brought it—the elevator being only a medium through which it passes—could be made to carry it at a fair and reasonable rate, because the Act now refers to vessels working in connection with the railways.

But I am willing to go further and to enlarge this or any other Act and give more powers to have the rates fixed in the interest of the traffic. Nevertheless I believe that the Board of Railway Commissioners are the proper body.

Hon. Mr. SHARPE: Those who are vitally interested in this trade in western Canada are perfectly satisfied with the Bill at the present time.

Hon. Mr. CASGRAIN: What would the honourable member for Lisgar (Hon. Mr. Sharpe) think of the Railway Board? This Parliament cannot give these commissioners any more rights than they have given the Railway Board. I suppose that is admitted What objection can there be to the Railway Board? Why the grain commissioners are selected I do not know.

Hon. Mr. SHARPE: The Commission went into that very fully.

Hon. Mr. CASGRAIN: The Commission recommended the Railway Board.

Hon. Mr. SHARPE: I think you are mistaken.

Hon. Mr. CASGRAIN: I leave it to the honourable gentleman from Moose Jaw (Hon. Mr. Willoughby).

Hon. Mr. WILLOUGHBY: Yes, they did.

Hon. Mr. GILLIS: I think that if we are going to make the Bill at all effective, we have to keep it entirely clear of the Railway Board. We have a Board at Fort William that is familiar with every movement of our grain and everything in connection with it. If this bill is going to be made workable, we must leave it in the hands of that Commission; otherwise the West, which is not too well pleased with some of the acts of the Railway Commission, would not be satisfied.

Hon. Mr. LAIRD: The question of the Board which will control these rates and the question of the efficiency of that Board have been raised. The Chairman of this Commission is Mr. Boyd, a gentleman with whom I have come in contact on a number of occasions. I have always been very much impressed with his capacity and ability in carrying out the duties of his position.

Hon. Mr. CASGRAIN: As a lawyer?

Hon. Mr. LAIRD: My honourable friend says he is a lawyer. Apparently he is satisfied with the Chairman of the Railway Commission, who is a lawyer, and who on the very day after he was appointed began to perform the duties of Chairman of that Board; and nobody ever questioned his power or capacity to fulfil his duties.

Mr. Boyd has been performing the duties of his position for several years. He has been residing at Fort William, which is at the head of the shipping trade of Western Canada, and if by this time he has not become conversant with the details and the customs of the shipping business and the grain trade it is time that he was replaced by some other gentleman who would become conversant with his duties within a shorter space of time. Another member of the Commission is Mr. Snow, who for the past 20 years has been actively engaged at Fort William in connection with the grain shipping business. When the Government appointed Mr. Snow to that position I was satisfied in my own mind that no man who was more conversant with the shipping interests could have been appointed to the position. Since that time Mr. Robinson has been appointed as the third member of the Commission. He was one of the highest officials of the Co-operative Elevator Company of Saskatchewan. His duties in connection with that company were not confined to office work, but were along the lines of transporting its enormous output, which ran into fifty or sixty million bushels of grain a year, and getting it out of the country. I think we have in that Commission three gentlemen who are quite competent to handle this business; and if I had my choice I would certainly prefer the supervision of this Board to the supervision of the Railway Commission.

It is quite possible that it would have been better if this Bill had come down early in the Session, when we might have referred it to a Special Committee. But here we are at the close of the Session. The Bill is the only one that is offered. The people of the West look to this Government for relief from the conditions that existed last year, and they are going to hold this Government responsible for affording them that relief.

This Act will be administered by the Department of Trade and Commerce. I have not too much confidence in the present Government, but if there is one member of the present Government in whom I have confidence it is the Minister of Trade and Commerce, whom I consider to be the most level-headed business man in the administration.

As I say, the people of the West look to this Government for relief from the conditions that existed last year. This is the only Bill we have, and we have to protect it. For that reason I think we should accept the Bill now before the House, and put it through. The western people are not prepared again to be thrown to the wolves after the experience of last year.

Hon. Mr. LAIRD.

Hon. Mr. CASGRAIN: You must remember that the Board of Railway Commissioners have assessors and experts. If there is a question of engineering, it goes to the engineering branch; if it is a question of rates the Board has experts to deal with it.

Hon. Mr. SHARPE: So has this Board.

Hon. Mr. DANDURAND: I shall say only a few words and then we will carry the Bill unanimously, not because of what I say, but because of the feeling of the Senate.

What has the Royal Commission done to clarify the situation? It has simply brought the operations of these gentlemen on the Lakes into the limelight. Their operations were well known, and a case was made out. What is to be found in this Bill? We find that formidable lever, publicity. That is provided for under sections 3 and 4. Who will know the rates from day to day, and who will be in a better position to watch their operations than the Grain Board, which is not in Ottawa, but at the head of the Lakes? And when these people who watch over the operations of the Bill see the rates going up, who will they notify? They will notify the Minister of Trade and Commerce? What will be the action of the Minister of Trade and Commerce and the Government? In the suspension of the coasting laws, the Minister of Trade and Commerce and the Government will have a powerful lever in their hands in case these people want to carry on as they did last year.

Hon. L. C. WEBSTER: Will the boats be there at that time?

Hon. Mr. DANDURAND: Well, the threat of the suspension of the coasting laws will make all those people wiser, and I hope we will not have to suspend the coasting laws, and I hope the Grain Board will not have to fix a maximum. It is a very delicate matter, but by this Bill you are empowering the Government to use pressure on those steamship companies to see that they do not take from the people of the West, I was going to say the pound of flesh, but I will say the big loaf of bread.

Hon. Mr. ROBERTSON: Is there any arrangement in contemplation whereby some other official of the Government than the Minister of Trade and Commerce may invoke that remedy, in the event of the Minister being on the other side of the world, as he was last year when his service was required?

Hon. Mr. DANDURAND: The Governor in Council will be in Ottawa. In answer to the query of the ex-Minister of Railways

(Hon. Mr. Reid), I am informed that there is no through freight rate on grain carried in bulk. There is when it is in sacks; but the matter we are now looking into is the carrying of grain in bulk, and there is no such thing as a through freight rate on that.

Hon. Mr. WILLOUGHBY: I would like to have an answer from the honourable leader of the Government to my suggestion that the operations of the Act should be widened by including flour.

Hon. Mr. DANDURAND: That matter was not discussed, or if it was there was no report of the Royal Commission on it. Their recommendation is as to grain only, and I would prefer to leave the Bill as it is until next season.

Hon. Mr. SHARPE: In connection with that, might I ask the Minister to explain what section 9 is?

Hon. Mr. DANDURAND: The whole Bill has been drafted very carefully by the Department of Justice, and they felt that section 9 should be inserted in order to recognize the division of authority between the Federal and the Provincial powers. It is simply in order to conform to that division of powers.

Hon. Mr. SHARPE: On whose request was section 9 put in?

Hon. Mr. DANDURAND: I could not say, but I believe it forms part of the whole economy of the Act. I will find out if we proceed to the clause.

Hon. Mr. CASGRAIN: In the meanwhile perhaps some gentleman from the West may answer the question whether it is possible for Canadian grain dealers to sell Canadian grain in European markets if they cannot book their lake freight sufficiently in advance. Take James Carruthers, in Montreal, for instance: if he sells in Europe, he has to be sure that he will have space on the Lakes for that grain to come down.

Hon. Mr. REID: He can do it by giving it to Duluth.

Hon. Mr. CASGRAIN: Yes, he would have to take it from an American port.

Hon. Mr. DANDURAND: This clause 9 was put in, as I surmised, by the law officers of the Crown in order to ensure the legality of the Act.

Hon. Mr. SHARPE: At whose request? Was it the millers'?

Hon. Mr. DANDURAND: No; by the law officers of the Department of Justice.

Hon. Mr. SHARPE: Are you sure it was not the millers?

Hon. Mr. DANDURAND: I am informed by the Minister of Trade and Commerce that it was by the law officers.

Hon. Mr. REID: I must object to clause 9, because it will raise the price of flour in Ontario by enabling ship-owners to charge high freight rates.

Hon. Mr. DANDURAND: But I draw my honourable friend's attention to the fact that he himself argued that the Railway Commission controlled the two freight rates. They do on flour, because it is in packages.

Hon. Mr. REID: But the honourable leader has not answered my question: will the Railway Act conflict with this one?

Hon. Mr. DANDURAND: No, it will not.

Hon. Mr. WILLOUGHBY: In regard to section 9 and the proper division of power, I think it would be possible to have an interprovincial arrangement, inasmuch as we have Dominion control of the harbours. It should be necessary to take a license under this Board to carry grain or flour from one point in Ontario to another point in Ontario, using the harbours and other public utilities that are controlled by the Dominion of Canada under the B.N.A. Act. I do not speak after giving the matter consideration, but it strikes me that way very strongly.

Hon. Mr. DANDURAND: If we have to review this Act next year, I will draw the attention of the Department of Justice to the point made by my honourable friend.

Section 2 was agreed to.

On section 3—filing with Board of Grain Commissioners of tariff of rates to be charged, as well as subsequent changes in that regard; penalty for infraction:

Hon. Mr. CASGRAIN: What control would this Board have of an American vessel? The clause speaks of an American vessel coming to Port Arthur for a load. Will that American vessel be fined for not posting up in the exchange, or in the office, or wherever this posting is to be done? It is true they do not pay any taxes, or pay any wages in the country. The Canadian will be fined, and you can collect from him, but how are you going to collect from an American vessel? Let us make this Bill so that it has some fairness.

Hon. L. C. WEBSTER: Has any consideration been given to the regulation of prices at the receiving port rather than at the shipping port?

Hon. Mr. DANDURAND: No, I think that the only regulation could be at the point of departure.

Hon. Mr. WEBSTER: But would not that control the American situation? We understand that to-day the minister could take control and regulate the freight rates at the receiving port, which would apply to American as well as Canadian ships. If the law goes into force, and the rates are regulated at the shipping port, Canadian shipping is going to be at a serious disadvantage as compared with American shipping.

Hon. Mr. WILLOUGHBY: Why would that be so?

Hon. Mr. WEBSTER: Because it will not be under the control or jurisdiction of this Act. They will bring in grain to certain ports, and trade to those ports, and not be under this Act at all.

Hon. Mr. WILLOUGHBY: They will have to do it cheaper in that way.

Sections 3 and 4 were agreed to.

On section 5—when Board may prescribe a maximum rate; variations in maximum rates; receiving toll in excess of maximum rate; penalty therefor:

Hon. L. C. WEBSTER: Will there be any clause included for demurrage on a vessel that may be delayed? Will the owners be permitted to charge demurrage after 24 hours have elapsed at the port of Montreal?

Hon. Mr. CASGRAIN: Or any port.

Hon. Mr. WEBSTER: Or any port. I do not see any item in this Bill. If demurrage is permitted the steamship companies can carry the grain at a lower rate.

Hon. Mr. DANDURAND: This does not seem to be covered by the Act.

Hon. Mr. ROBERTSON: The Railway Commissioners do not determine demurrage charges on railways, therefore to be consistent this Board would not have charge of demurrage.

Hon. Mr. DANDURAND: I am informed that this matter may be dealt with by regulations.

Sections 5 to 9, inclusive, were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

CANADA SHIPPING BILL (COASTING LAWS)

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 236, an Act to amend the Canada Shipping Act.

He said: This is a consequential Act, or rather a twin brother of the Act we have just passed. It authorizes the Governor in Council to suspend the coasting laws. I move the second reading of this Bill.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Blain in the Chair.

On section 1—power to suspend coasting laws:

Hon. Mr. FOWLER: Why are these amendments required?

Hon. Mr. DANDURAND: As a result of the report of the Royal Commission, which sat on this question of freight rates on the Great Lakes. This is one of the powers which Parliament should give the Government, in order to cope with the abuses that arose last autumn.

Hon. Mr. CASGRAIN: Would it not be a great thing to have a little reciprocity in this? The powers that be are in favour of reciprocity. Why should we not abrogate the coasting laws when the United States want to do the same thing for our vessels? The United States have 7 ships and 7 tons of shipping for one vessel or one ton in Canada, and there are only a few weeks during which our vessels have very much to do. As we all know, these vessels on the American side have been carrying ore all summer, and making good money, and when the harvest comes for the Canadian vessels you invite the American vessels to come and take the very cream of the business without paying any taxes and without paying any wages in Canada. That is the position. We should suspend our coasting laws only when the United States suspend their coasting laws.

Section 1 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

CANADA SHIPPING BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 218, an Act to amend the Canada Shipping Act.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Blain in the Chair.

On section 1—"ship" to include share in a ship:

Hon. Hr. DANDURAND: This section is new. It is simply an interpretation clause for the purpose of making it clear that in the following amendments to Part I of the Canada Shipping Act (the only sections to which it shall apply) where a reference is made to a ship it shall also include a share in a ship.

Under section 5 of the Merchant Shipping Act, 1894, the property in a British ship is divided into sixty-four shares. It is difficult definitely to say why sixty-four shares were decided upon. A probable explanation is that it lends itself to a convenient subdivision of ownership.

Section 1 was agreed to.

On section 2—annual returns by surveyors:

Hon. Mr. DANDURAND: Measuring surveyors of shipping are appointed under the provisions of section 12 of the Canada Shipping Act and they are paid by fees authorized by the Governor in Council under section 13 of the Canada Shipping Act.

The Department has on two occasions received complaints that measuring surveyors were charging more for their surveys than the authorized scale of fees and travelling expenses, and the object of this amendment is to require them to make a report of their activities and the fees and travelling expenses collected by them, so that a proper check may be kept on these officials.

Section 2 was agreed to.

On section 3—registration prohibited if ship purchased from foreign subject or corporation and subject to control of foreign government; security to be given by applicant if assets in Canada not sufficient:

Hon. Sir JAMES LOUGHEED: What is the explanation of that?

Hon. Mr. DANDURAND: This section is new. Under the provisions of the United States "Merchant Marine Act," no American ship can change her flag without the approval of the United States Shipping Board. Previous to November, 1922, the Board granted clean and unconditional permits for change of flag, but since that time certain conditions and restrictions have been attached which make it undesirable that these ships should be admitted to Canadian registry. Briefly, these conditions stipulate:

(1) That the vessel shall not be used for rum-running or smuggling. and that if so used she shall be immediately subject to seizure, libel and forfeiture to the United States wherever and whenever found without compensation to any person therefor.

Hon. Sir JAMES LOUGHEED: Those are the United States regulations?

Hon. Mr. DANDURAND: Yes. That is to say, they will not allow their own ships to change the register except under certain conditions.

(2) That the conditions shall run with the title to the boat; and in some cases,

(3) That the vessel is not to be allowed to engage in trade of any kind with United States ports.

As these conditions practically amount to an assertion of continued control by the United States Government of ships which are no longer vessels of the United States, the Department is not prepared to concede to the Government of the United States the right to in any way exercise jurisdiction over ships of Canadian register beyond such control as may from time to time be applicable to all vessels of foreign registry while in United States waters.

Hon. L. C. WEBSTER: That is a recent regulation of the American Government, is it?

Hon. Mr. DANDURAND: Yes.

Section 3 was agreed to.

Sections 4, 5, and 6 were agreed to.

On section 7—regulations as to loading of grain cargoes:

Hon. L. C. WEBSTER: Would that be administered through the Port Warden's office?

Hon. Mr. DANDURAND: This section is new. It is designed to give the Department, under the regulations to be made by the Governor in Council, control of the loading of seagoing ships with grain at Canadian seaports. At present there is no Canadian law or regulation which attempts to set forth in detail how grain should be loaded for transportation in ships to Europe and from British Columbia ports to the Orient and South America. Section 716 of the Canada Shipping Act simply puts it up to the Master and owner of the ship to see that the grain cargo is properly secured from shifting:

716. No grain cargo shall be carried on board any ship registered in Canada, unless such grain cargo is contained in bags, sacks or barrels, or properly secured from shifting by board or otherwise.

The Regulations contemplated under this amendment will be in harmony with the Rules of the British Board of Trade and will enable the Department to penalize stevedores and others who may contract for loading ships with grain if they do not live up to them.

Hon. Mr. WEBSTER: Where does the Port Warden come in?

Hon. Mr. DANDURAND: This is largely at the instance of the Montreal Board of Trade.

Hon. Mr. WEBSTER: The Port Warden's jurisdiction is not interfered with, is it?

Hon. Mr. DANDURAND: No.

Hon. Mr. DANIEL: What arrangements are in force now in regard to grain cargoes? Are there any rules or regulations governing the loading of ships now?

Hon. Mr. DANDURAND: Yes, there are.

Hon. Mr. DANIEL: How does this clause amend them? This gives power to make regulations.

Hon. Mr. DANDURAND: This is simply for the purpose of reaching the stevedores and Masters who violate the regulations in force.

Hon. Mr. DANIEL: It creates penalties?

Hon. Mr. DANDURAND: Yes.

Section 7 was agreed to.

Section 8 was agreed to.

On section 9—tonnage, how calculated:

Hon. Mr. DANIEL: This section refers to the "registered tonnage" with the space occupied by the engine room deducted. Does this mean the net registered tonnage of the ship?

Hon. Mr. DANDURAND: Section 922 of the Canada Shipping Act as it stands at present states how the tonnage for purposes of limitation of liability is to be calculated:

> The tonnage for the last preceding section shall be,—
>
> (a) in the case of sailing ships, the registered tonnage; and,
>
> (b) in the case of steamships, the gross tonnage without deduction on account of engine room.

The proposed amendment makes Canadian law exactly the same as that contained in the Imperial Merchant Shipping Acts; its effect is to put steamships and sailing ships practically on the same basis.

Section 9 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

FISHERIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 223, an Act to amend the Fisheries Act, 1914.

He said: The only change section 1 makes in the existing law is the reduction of the base fee or salmon cannery license fee from $500 to $20.

The existing fee is $500 and in addition thereto four cents for each case of 48 pounds of sockeye and three cents for each case of all other species of salmon packed under the license.

The existing fee was adopted in 1919. Prior to that time the fee on a salmon cannery license was only $50. At the time the fee was raised the industry was in the most paying period of its history. Conditions have greatly changed in the meantime, and the past two years have been very difficult ones for the industry, and the special commission consisting of Members of Parliament which investigated the fisheries of British Columbia last year unanimously recommended that the fee be reduced as provided by the Bill. The reduction in the fee will involve an annual reduction in revenue of from $30,000 to $35,000, as the number of canneries operated is usually from 70 to 75.

Section 2 of the Bill merely corrects an error that in some way was made when the Bill to amend the Fisheries Act last year prohibiting salmon or lobster fishing boats to leave port without a license was being printed. In the second last line of paragraph (b) of section 1 it is stated that the illegal gear, etc, shall be confiscated as provided by section "sixty" of the Fisheries Act. It should have read section "eighty" of the Fisheries Act. I have here a copy of the Fisheries Act.

The existing cannery license fee is provided by section 18 of the Act, and a copy of 12-13 George V, to which section 2 refers is also attached.

There is also attached a copy of the British Columbia Commission's final report. The recommendation for the reduction in the cannery fee will be found at Pages 18 and 19 of the report, which I think has already been tabled.

Hon. Sir JAMES LOUGHEED: I desire to repeat what I said this afternoon, that it is incomprehensible to me that the license fee of $500 for a cannery should be reduced to $20.

Hon. Mr. DANDURAND: It was $50 in 1919.

Hon. Sir JAMES LOUGHEED: Yes, it was $50 in 1919, and the deficit, I am credibly informed, was no less than $250,000 per annum.

Hon. Mr. DANDURAND: The deficit in what?

Hon. Sir JAMES LOUGHEED: The deficit in administration of the Fisheries of British Columbia. The increase of the license, I am further informed, wiped out this deficit annually. Now my honourable friend proposes, according to this Bill, to reduce the license fee to $20 per annum. I understand that the deficit is to be—what? Forty thousand dollars?

Hon. Mr. DANDURAND: From $30,000 to $35,000.

Hon. Sir JAMES LOUGHEED: How can that possibly be? When the license fee was $50 the deficit was $250,000. Now you reduce the license fee to $20 and the deficit is to be only $35,000?

Hon. Mr. FOWLER: Because of more licenses.

Hon. Mr. DANDURAND: No; it is the revenue that will be reduced by $30,000 or $35,000. The deficit is somewhat large.

Hon. Sir JAMES LOUGHEED: That is, the deficit in the administration of these fisheries? It seems to me that if we cannot get sufficient revenue out of the fisheries which we are administering, or which we authorize to be carried on, notwithstanding that fishing has been regarded as one of the most lucrative industries upon the Pacific Coast, the situation presented to Parliament is extraordinary. I cannot for one moment appreciate the Government of Canada allowing the canneries to carry on a business in those fisheries for the paltry sum of $20 per annum. It seems to me to be trifling with the resources of Canada. Certainly the administration should be on a self-supporting basis. I am informed from a communication which I hold in my hand that during the term of office of the late Minister of Marine and Fisheries he held a conference with the canners, and when the fee was placed at $500 they accepted the increase of the license fee without any difficulty at all.

Furthermore, I should like to ask my honourable friend what is represented by this:

> Four cents for each case of forty-eight one pound cans, or the equivalent thereto, of any other species of three cents for each case of forty-eight one pound cans, or the equivalent thereto, of any other species of salmon.

Is there a similar charge made at the present time, or is this something absolutely new?

Hon. Mr. DANDURAND: There is a charge now.

Hon. Sir JAMES LOUGHEED: Is it greater or less than this? This, to be on a parity with the license fee, would be a reduction of present charges, I presume.

Hon. Mr. FOWLER: Honourable gentlemen, I protest against business being carried on in this way. I do not think we have a quorum.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: Even if it is a bare quorum, there is some very important business going on.

Hon. Sir JAMES LOUGHEED: If we are going to sacrifice $500 licenses—

Hon. Mr. DANDURAND: The existing fee is $500 and in addition thereto 4 cents for each case of 48 pounds of sockeye and 3 cents for each case of all other species of salmon packed under the license.

Hon. Sir JAMES LOUGHEED: Yes; I have read that. That is in the Bill. But what I desire is an explanation as to how we are to overcome the deficit, which will certainly pile up to an infinitely greater extent than during the time of the late Government.

Hon. Mr. DANDURAND: Sometimes there is a danger of killing the goose that lays the golden eggs. Five hundred dollars as a license fee for those canneries in a time of real depression may be a cruel charge indeeed. The fee was $50 up to 1919. Suddenly it occurred to the Department that it ought to try to reduce the deficit. But, I am informed, the deficit has been always with us and it is really impracticable to eliminate it completely. There will be a loss in this operation, of $25,000 to $30,000.

Hon. Sir JAMES LOUGHEED: Will my honourable friend permit me to read an extract from a letter received from Mr. Ballantyne, late Minister of Marine and Fisheries, written only a few days ago? He said:

> I found that the administration of B. C. Fisheries was causing a loss each year of about $250,000. I had

this matter up with the officials in the Department and after most careful consideration it was decided to advance the cannery licenses from $50 per year to $500 and also so much on the catch.

In addition.

This would mean that each canner would pay the Government about $1,000 per year which is not too much considering their volume of business. I met nearly all the canners at the time and explained why we were raising the fee and it was unanimously agreed upon. Now a Bill is brought in to reduce the canners from $500 a year to $20. The only reason for doing so is because the foolish Duff report recommended it.

In regard to other licenses in B.C. I had all these graded up but not too high. The increase in canners and other fishery licenses took care of the entire deficit of $250,000 per year.

What I cannot reason out satisfactorily is how, if under a $50 fee there was a deficit of $250,000 a year, there will be a deficit of only $35,000 per annum with a $20 fee. This method of calculating is most extraordinary. I should say to my honourable friend that before we do anything as radical as this, a statement should be presented to the House showing what the revenue would be. I think my honourable friend had better let the present system stand until next year, and see how we come off in the meantime.

Hon. Mr. DANDURAND: Has my honourable friend read the report of the Parliamentary Commission?

Hon. Sir JAMES LOUGHEED: No, I have not. I must say that I have not the greatest confidence in reports of Parliamentary Commissions.

Hon. Mr. DANDURAND: Just the same, we sometimes act on reports.

Hon. Sir JAMES LOUGHEED: Sometimes we do.

Hon. Mr. DANDURAND: I shall postpone the second reading of this Bill in order that my honourable friend may acquaint himself with the reasons contained in the report.

Hon. Sir JAMES LOUGHEED: How would it be for my honourable friend likewise to acquaint himself with the reasons?

Hon. Mr. DANDURAND: I intend to act upon my own preaching. For this reason I would postpone the second reading of the Bill until to-morrow.

Hon. Sir JAMES LOUGHEED: We can handle it with equal advantage then.

Hon. Mr. DANDURAND: If the Senate thought that a jump from $500 to $20 was too large—

Hon. Sir JAMES LOUGHEED.

Hon. Mr. FOWLER: That is not a jump; that is a drop.

Hon. Mr. DANDURAND: —we could perhaps examine into a half-way measure.

I move that the second reading be postponed.

The Hon. the SPEAKER: I would point out to the honourable gentleman that he has already moved the second reading.

Hon. Mr. BEIQUE: I move the adjournment of the debate.

The motion was agreed to and the debate was adjourned.

INSURANCE BILL

FIRST READING

Bill 184, an Act to amend the Insurance Act, 1917.—Hon. Mr. Dandurand.

MANILA FIBRE BOUNTIES BILL

FIRST READING

Bill 188, an Act to repeal the Acts respecting Bounties on Manufactures of Manila Fibre in Canada.—Hon. Mr. Dandurand.

COPPER BOUNTIES BILL

FIRST READING

Bill 189, an Act respecting the payment of bounties on Copper Bars or Rods.—Hon. Mr. Dandurand.

DOMINION LANDS BILL

FIRST READING

Bill 222, an Act to amend the Dominion Lands Act.—Hon. Mr. Dandurand.

BOARD OF AUDIT BILL

FIRST READING

Bill 243, an Act to constitute a Board of Audit.—Hon. Mr. Dandurand.

SUSPENSION OF RULES

Hon. Mr. DANDURAND moved to suspend rules 23 (f), 24 (a), (b), (d), (e), (h); 63, 119, 129, 130, and 131, in so far as they relate to public or private Bills.

The motion was agreed to.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Wednesday, June 27, 1923.

FIRST SITTING

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

DRY DOCK SUBSIDIES BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 220, an Act to amend the Dry Dock Subsidies Act, 1910.

Hon. Mr. REID: Honourable gentlemen, I asked that this Bill be held over until to-day in order that I might have an opportunity of seeing the Deputy Minister and understanding thoroughly the situation as to the issue of bonds. I saw the Deputy Minister this morning and went over the matter with him, and I find the situation to be this. During construction the Government only agreed to pay an annual subsidy of 75 per cent of the actual money expended. The Bill increases that to 90 per cent. I do not see that there is very great objection to that, as the work is supposed to be completed in a few months.

As to the securities, the Government has agreed to pay the annual subsidy, divided into two half-yearly payments, on the amount expended in connection with the dry dock. The Government has entered into an agreement with the Dry Dock Company and the Trust Company to pay this annual subsidy for 35 years on a series of bonds that are issued each year. While the Government has not actually endorsed on the bonds a guarantee of both principal and interest, it has limited the issue of the bonds to a certain amount, so that the subsidies will in the end pay both principal and interest.

After hearing the explanation of the Deputy Minister, and upon looking into the document, I am satisfied that both principal and interest will be paid by the Government through the payment of the subsidy each year. I am therefore perfectly satisfied that the Bill should pass in its present form.

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

INLAND WATER FREIGHT RATES BILL

THIRD READING POSTPONED

Hon. Mr. DANDURAND moved the third reading of Bill 235, an Act with respect to Freight Rates for the Carriage of Grain by Lake and River Navigation.

Hon. W. B. ROSS: Would the honourable leader of the Government be kind enough to let us have the information I asked for yesterday as to what communications any member of the Government has had from the Department of Justice by way of either memorandum or opinion with regard to the powers of the Parliament of Canada to pass this legislation. I understood the honourable gentleman to say that he would let me have that to-day.

Hon. Mr. DANDURAND: After the honourable gentleman put the question I referred to the Minister of Trade and Commerce, and he confirmed the impression that I had, and which I had conveyed to this Chamber, that the Bill was prepared by the Department of Justice under the very close supervision of the Minister of Justice himself. So, as it emanates from the department, there would be no memorandum criticizing or approving the Bill which is their own child.

Hon. W. B. ROSS: That is giving me information which I had before, but is not giving me the information I want as to whether or not the Department of Justice or any officer thereof has given any memorandum or any opinion to the Government or any member of the Government with regard to the powers of Parliament respecting this Bill. I am perfectly aware of the fact that the Department drafted it; but prior to the drafting of the Bill, memoranda or opinions were given by the Department of Justice to members of the Government in regard to the powers of Paliament, and that is the information which I want, and to which I think we are entitled.

Hon. Mr. DANDURAND: I doubt very much that any officer of the Department of Justice would of his own initiative write a memorandum to the Minister of Justice if his opinion was not sought. Does it not suffice to say that this Bill has been framed by the Department of Justice, has the stamp of the Department of Justice upon it, and went to the House of Commons? I know there is a wide range of opinion as to the exercise of the power which is contained in this Bill, but we have to meet a certain situation, and we feel that it ought to be met. Twice within the last ten years the Government of the day has suspended the coasting laws. Apparently there was considerable doubt as to its right to do so, since we are now giving to the Governor in Council the right to suspend those

laws; yet we have had a statement from the ex-Minister of Railways that in order to meet the situation it had been done in 1913 or 1914. It was done again last autumn. I participated in the discussion as to the right of the Government to excercise that power. It was exercised under special conditions of stress, in the conviction that if the right were challenged Parliament would support the action of its executive. Now we are settling the point by delegating power to the Governor in Council in the matter of coasting laws. I know that with regard to the other Bill there may be considerable divergence of opinion; but as I see no other way of coping with the difficulty, I say let us exercise our power to the fullest extent, and if it is challenged the court will have occasion to pronounce.

Hon. W. B. ROSS: I have entire sympathy with all that the honourable gentleman has said, and no fault at all to find with it, except this, that it is all beside the question that is in my mind. What I would like to know is, what expressions of opinion have come from the Department of Justice to the Government, or any member, Department, or official of the Government, with regard to our power to pass this legislation.

Hon. Mr. DANDURAND: If my honourable friend insists, we will suspend the third reading until I have had time to turn to the Minister of Justice for that information. I will ask that these two Bills be put down for this afternoon.

On motion of Hon. Mr. Dandurand, the Order was suspended until the second sitting this day.

LAKE OF THE WOODS BILL

MOTION FOR SECOND READING—BILL REJECTED

Hon. Mr. DANDURAND moved the second reading of Bill 175, an Act to repeal the Lake of the Woods Regulation Act, 1921.

He said: Honourable gentlemen, the Senate is fairly familiar with the question which is dealt with in this Bill. I would have liked to have a little time to refresh my memory as to the events which preceded the legislation of last Session, but perhaps I may summarize it in this way. The Dominion of Canada is in the rights of Manitoba, in so far as Manitoba has rights, to the waters that have their source in the Lake of the Woods and Lac Seul. Concurrent legislation was agreed upon by the Dominion of Canada and the Province of Ontario.

Hon. W. B. ROSS: And Manitoba too?

Hon. Mr. DANDURAND: I am speaking of the early legislation. The Dominion of Canada passed an Act in accordance with an agreement reached with the Province of Ontario at the time. The Legislature of Ontario did not at its following Session implement its obligation by similar legislation, and the Dominion Parliament during the same Session took power to establish a Control Board and declared that the works were for the general advantage of Canada. In so declaring the Dominion of Canada was able to legislate. The statute has been on our Statute Book ever since.

The Legislature of Ontario at its next Session, did do its part, implementing its obligation to legislate.

When the Dominion Parliament passed that second Act, assuming power to deal with the matter as one declared to be for the general advantage of Canada, the Prime Minister of the day stated to the House of Commons that the Act would be repealed when Ontario carried out its agreement by enacting the promised legislation. The Prime Minister who made that statement and his Cabinet went out of office, and the succeeding Government last Session proceeded to implement the undertaking of its predecessor by bringing in legislation for the repeal of the Federal Act. But the proposed legislation met in this Chamber with some opposition; it was opposed also in the other Chamber; and the Bill of last year was rejected. The difficulty grew out of the statement that the works had been declared by a Dominion Statute to be for the general advantage of Canada. The other House, and perhaps this House, would have approved unanimously of the proposed Bill if the Government had not insisted upon repealing the Act absolutely. The divergence of opinion was as to the propriety of retaining the works under the jurisdiction of the Federal Parliament. The late Prime Minister felt that, although the agreement between the Dominion of Canada and the Province of Ontario could be carried out according to its terms, yet for the future the works should remain under Federal jurisdiction, and the clause stating that those works were for the general advantage of Canada should not be repealed. The House of Commons, in response to the urgent insistence of the Ontario Government that the rights and jurisdiction of the Province, which had been absorbed by the Federal power—through that Act, should be restored to it; but this Senate, by a very large majority, refused that request. I do not know whether or not it refused the request

solely on the ground that the Federal jurisdiction should continue, but at any rate it did refuse the request.

Now, I think I have fairly stated the situation which confronted us when the vote was taken last Session. The Government this Session moves in the same direction, namely, for the withdrawal of the temporary legislation that was placed on the Statute Book, which was admitted by the Prime Minister of the time to be provisional and intended to remain in force only so long as Ontario failed to pass the necessary legislation. In view of the large vote which was given against the Bill of last year, I should not be justified in bringing this matter again before this Chamber were it not that new conditions had arisen. The new conditions are these.

Hon. Mr. BENNETT: A new Government in Ontario.

Hon. Mr. DANDURAND: That leaves me perfectly indifferent.

Hon. Sir JAMES LOUGHEED: It should be a matter of interest to you.

Hon. Mr. MURPHY: Leaves you paralyzed.

Hon. Mr. DANDURAND: And I am somewhat surprised to hear in this Chamber that a change of Government in Ontario would alter the principles that are under consideration. I have heard within the last twenty-four hours that this Bill, the object of which is to restore the provinces jurisdiction over its property, should perhaps be suspended because it would give, not to a Farmers' Government, but to a Tory Government, powers that might be retained by a Liberal Government here. I have consulted nobody; but I would consider it beneath my dignity to decline to proceed with this Bill, and I would not remain five minutes in my seat as Government leader in this House if I were asked not to present to you this Bill, even though the Conservative Government may by it acquire privileges and full jurisdiction over its own works in the Province. That is why I am so surprised to hear it suggested in this Chamber that the course which we intended the day before yesterday to follow should be altered because political conditions in the Province of Ontario have changed. Without consulting anybody, I proceed as I would have proceeded three days ago with the Bill now before us for second reading.

Honourable gentlemen, there was held in Ottawa last autumn a meeting of the Prime Ministers of Manitoba, Ontario, and the Dominion of Canada. I have not the precise date of the meeting before me. The purpose was to discuss the relations which might be established with regard to the Lake of the Woods and the works that have been constructed in the rivers flowing from the Lake of the Woods and Lac Seul. I have in my hand the agreement, which reads as follows:

This agreement, as a working basis for the regulation of the English and Winnipeg rivers, is entered into on the understanding that all parties are agreeable to the repeal of the Lake of the Woods Regulation Act, 1920, but Ontario does not bind itself to the terms of this agreement in the event of that Act not being repealed.

That is the Act which we are seeking to repeal by the Bill now before us.

The Government representatives agreed that the general advantage legislation could be rescinded on the following basis (Mr. Bracken undertaking to urge the acceptance thereof by the Manitoba power interests):—

1. Control of Lake of the Woods

The recommendation of the Lake of the Woods Control Board that the Norman dam be expropriated, was agreed to in principle.

It was further understood that the Board should immediately investigate and report to the three Governments concerned, whether,

(1) There is some alternative method of securing control by construction of a new structure above the present dam or otherwise;

(2) Failing such an alternative being found, under what procedure and whether under Federal or provincial auspices, should the dam be expropriated.

The cost of securing the results contemplated under either (1) or (2) above should be borne on the following basis:—

One third of the total cost to be attributable to navigation and borne by the Federal Government;

The remaining two-thirds to be considered chargeable to power, to be borne in the first instance by the expropriating Government, but

(*a*) Ontario to be responsible for the share chargeable to the undeveloped power site at White Dog Falls;

(*b*) The Federal Government (as proprietors of the water powers on the Winnipeg river in Manitoba) to be responsible in the first instance for the amount chargeable to the remaining fall of the Winnipeg river in the province of Manitoba; the Department of the Interior to recover cost of same from the present power developments on the river and from prospective power developments on such basis as that department may consider advisable.

So far as the amount chargeable to power is concerned, the basis of settlement between the Dominion Government and the province of Ontario should be that of the ratio of potential head in Ontario and Manitoba.

2. Regulation under Concurrent Legislation

It was agreed that the Lake of the Woods Control Board should be instructed to immediately canvass the necessities of the situation and make appropriate recommendations to the Governments of Canada and Ontario with a view to having approved and authorized whatever operating regulations are considered necessary to make practically effective the existing concurrent legislation.

3. Lac Seul

With regard to storage on Lac Seul, it is agreed that if the power interests in Manitoba or their administrative agency desire storage on Lac Seul, they shall immediately notify the Government of Ontario to this effect. In the event of such notification the Government of Ontario shall undertake not to permit the construction of any development which would later

be destroyed, wholly or in part, by the creation of this storage, and shall agree to grant flooding rights, on Crown lands affected, under the customary conditions, including recompense for timber destroyed, and the usual rental for water powers which may be wholly or partially destroyed incidental to the construction of the said works. Further the power interests benefited shall be prepared, when required by the Government of Ontario, to pay the said Government an amount to be ascertained by the Control Board, sufficient to pay the difference between the cost of power feasible of development at Pelican Falls and the cost of a similar amount of power to be developed at some other possible site designated by the Government of Ontario and delivered at Sioux Lookout at a distribution voltage.

It is agreed that whatever storage scheme may be worked out covering Lac Seul shall be under the jurisdiction of the Lake of the Woods Control Board, the cost of the same to be borne by the power interests as and when benefited.

4. International Questions

With regard to the international issues it was unanimously agreed that there was not sufficient data to enable a commitment at the present stage with regard to storage and regulation on Rainy and upper international lakes, and that in any case all the interests concerned, governmental, municipal, corporate and private, on both sides of the boundary, should be afforded the opportunity and the advantage of presenting their views, and of hearing the views of others presented, to the International Joint Commission.

It as further agreed that the basis for an international arrangement between the two countries arrived at by the technical advisers of the United States and Canada at Washington in December, should be adhered to, namely:—

(*a*) An immediate settlement by treaty of the Lake of the Woods issues; and

(*b*) Concurrent with the ratification of such a treaty an appropriate reference to the International Joint Commission respecting Rainy and upper lakes matters.

It was further agreed that once a reference of the upper lakes matter has been agreed to, the Canadian Governments, Dominion and provincial, should facilitate in every possible way, a thorough investigation and an early report by the International Joint Commission, but that pending such a report, the Dominion Government could not make any commitment as to policy.

With regard to financial obligation arising under settlement of the Lake of the Woods issues it was agreed that the same should be borne by the respective Governments on the same basis as that set out above for the acquirement of the Norman dam.

(Sgd.) E. C. Drury,
for the Government of Ontario.

(Sgd.) John Bracken,
for the Government of Manitoba.

(Sgd.) W. L. Mackenzie King,
for the Government of Canada.

Ottawa, November 15, 1922.

It will be noticed that Ontario agreed to this document under the express reservation that it does not bind itself to the terms of this agreement in the event of the Act of 1921 not being repealed, and to this reservation the three parties agreed.

Hon. Mr. SHARPE: Did not Mr. Drury agree at that time to go on with the preliminary arrangement and get ready to carry out this agreement?

Hon. Mr. DANDURAND.

Hon. Mr. DANDURAND: I have an Order in Council from the Ontario Government which may cover the question of my honourable friend:

Ontario

Executive Council Office

Copy of an Order in Council, approved by His Honour the Lieutenant Governor, dated the 18th day of May A.D. 1923.

The Committee of Council have had under consideration the report of the Honourable the Prime Minister, dated May 18, 1923, wherein he states that an agreement (copy of which is hereto annexed) was reached at Ottawa on November 15, 1922, between representatives of the Governments of Canada and the provinces of Ontario and Manitoba, as a working basis for the regulation of the English and Winnipeg rivers, and looking to the repeal of The Lake of the Woods Regulation Act, 1921; and whereas such agreement was executed by the Right Honourable W. L. Mackenzie King for the Dominion Government, by Honourable E. C. Drury for the Government of the province of Ontario, and by the Honourable John Brackin for the Government of the Province of Manitoba.

And whereas an application for the right to store water in Lac Seul as provided by paragraph 3 of the said agreement has been received by the Prime Minister from W. W. Cory, Deputy Minister of the Department of the Interior, on behalf of the power interests on the Winnipeg river in the province of Manitoba.

The Prime Minister recommends that the said agreement be approved by Your Honour, and that the Minister of Lands and Forests be authorized on behalf of the Government of the province of Ontario to enter into an agreement with the applicants for the right to store water in Lac Seul under and in conformity with the provisions of paragraph 3 of the said agreement and that this Order shall not come into force or take effect until the repeal of The Lake of the Woods Regulation Act, 1921, by the Parliament of Canada.

The Committee concur in the recommendation of the Honourable the Prime Minister and advise that the same be acted on.

Certified,

(Sgd.) C. F. Bulmer,
Clerk, Executive Council.

Now, the situation is this. The agreement of the three Governments was conditional on the withdrawal of that Act of 1921, and the Ontario Government has by Order in Council supported the view of its delegate at that conference.

Hon. Mr. SHARPE: Has it gone any further than that, was what I was asking.

Hon. Mr. DANDURAND: I could not say. My information is limited to the documents and what I will now lay before the Senate.

Hon. Mr. McMEANS: I would like to draw the honourable gentleman's attention to one question. I am sure he does not want to leave the House under any mistaken opinion. There was no agreement between the three Governments as to what you say. The Government of Ontario may have made it a con-

dition that it would not carry out the agreement unless the Bill was repealed, but the other Governments did not do that.

Hon. Mr. DANDURAND: The documents speak for themselves, and my honourable friend is welcome to peruse them and comment upon them. Now we are in what I would call a vicious circle. The Ontario Government says: "I can agree to that, but on the condition that my rights, which were absorbed by the Federal authority under the Act of 1921, be restored. This is a condition precedent."

Hon. Mr. FOWLER: Why should you restore—

Hon. Mr. DANDURAND: I am not discussing that at all.

Hon. Mr. FOWLER: Why do you not discuss it?

Hon. Mr. DANDURAND: I do not intend to. I intend to lay the facts purely and simply before this House, and the Senate will decide. That is the stand of the Province of Ontario. Now, the Province of Manitoba comes and says: "We object to the withdrawal of this Act of 1921, which makes these works for the general advantage of Canada and leaves them within the jurisdiction of the Dominion of Canada, which represents Manitoba, until certain conditions have been complied with." So Ontario says: "We will not proceed to implement this agreement till this Act is withdrawn;" and Manitoba says: "We want the conditions to be carried out before this Act is withdrawn." I think that I am stating fairly the conflict between Manitoba and Ontario.

The Dominion of Canada stands as an arbiter. The Dominion has no interest to favour one Province as against another. We stand here as free and disinterested arbitrators holding the scales of justice between those two Provinces. Of course, there is this fact, that in these discussions Ontario is shorn of powers that it had, and it says: "We agree to all that, but before we start to execute this agreement you will put us back in the status quo ante."

Hon. Mr. FOWLER: How had it those powers? The power was latent, all the time, in the Parliament of Canada to declare these works for the general benefit of Canada; therefore Ontario did not have an undisputed power; it had power so long as the Parliament of Canada did not make a declaration with regard to its own power.

Hon. Mr. DANDURAND: I agree to that.

Hon. Sir JAMES LOUGHEED: Precisely.

Hon. Mr. FOWLER: Then I do not see why Ontario should demand anything of the kind.

Hon. Mr. DANDURAND: I am not judging Ontario; I am stating facts.

Hon. Mr. FOWLER: I do not think this Parliament is called upon to give up any of its rights to any province.

Hon. Mr. DANDURAND: But my honourable friend is bound by his own legislation. When the first Act of the Session of 1921 was passed through this House my honourable friend was here as well as I, and we agreed to a working agreement, to the establishment of a joint board, and we passed an Act—I am speaking not of the one we are now repealing, but of one that had been passed a month or two before, in the same Session, if I am not mistaken. We agreed to that without disturbing or invading the jurisdiction of Ontario over its land. We could have done so, but we did not do it. We had the power. It was only when the Legislature of Ontario failed to pass concurrent legislation with the Dominion of Canada that the Cabinet of the time took up the matter, and my honourable friend opposite (Hon. Sir James Lougheed) was quite an active agent in all those pourparlers at the time, and the documents before me show that many of those conferences took place at his office. When the Legislature of Ontario failed to implement that agreement, this second Act was passed, to give power to the Federal Government to carry on that agreement, and declare that those works were for the general advantage of Canada. The present Bill purposes repealing that last Act.

Hon. Mr. FOWLER: And saying that these works are not for the general benefit of Canada?

Hon. Mr. DANDURAND: That is, we are withdrawing the whole Act. If this Bill passes we are establishing the situation as it existed before the second Act was passed, the status quo ante.

Hon. Mr. FOWLER: I think you are doing more than that.

Hon. Mr. DANDURAND: No; my honourable friend may say that in a moment. The Prime Minister, in introducing that second Act, and stating the facts as I am now stating them summarily, said: "This is a provisional Act; it will be withdrawn when Ontario proceeds to pass its concurrent legislation"—

because the Prime Minister of Ontario had said: "I cannot proceed at this Session, but I will proceed next Session." The Prime Minister of Canada said that this was provisional legislation, which was to be withdrawn. I do not remember whether at that time he made a reservation in favour of retaining the clause which declared the works for the general advantage of Canada. I have not had time to review that discussion, but it does not matter very much.

Now, I have reached the point when, after the agreement which I have read had been signed, there came a conflict of opinion between Manitoba and Ontario. Ontario says: "I put down in my agreement, as a condition anterior to my carrying out the conditions contained in it, that this Act of 1921, which withdraws these works and these properties from my jurisdiction, shall be restored." Manitoba says, on the other hand: "We want those conditions to be carried out before we consent to this Bill being withdrawn."

I have said that we stand as judges, as arbiters; and that situation appears on the face of the Bill itself which is before us. I will read it, and I have made my case. It is in 5 lines:

1. The Lake of the Woods Regulation Act, 1921, chapter thirty-eight of the statutes of 1921, is hereby repealed, and the works mentioned or described in the said Act shall no longer be or be deemed to be works for the general advantage of Canada.

That is clear. I draw the attention of my honourable friend to this second clause:

2. This Act shall come into operation on such day as may be prescribed by the Governor General by proclamation.

That means that the Act, if sanctioned by Parliament, becomes the law of this country, but the executive of this Parliament will only bring it into effect by proclamation when the conditions contained in this agreement are carried out. I do not see any other way to get out of the impasse.

Hon. Mr. FOWLER: Do you say that you will make proclamation when the terms are carried out?

Hon. Mr. DANDURAND: When the terms are carried out.

Hon. Mr. FOWLER: Do you say you will make proclamation? Because to say that the Act shall only come into force on proclamation, without adding the further condition that that proclamation shall be made when the conditions are carried out, is vastly different from a positive promise to proclaim the Act.

Hon. Mr. McMEANS: Vastly different.

Hon. Mr. DANDURAND: I am only taking the statement of the Prime Minister of Canada, as it comes from the House of Commons, that the intention is for the Governor in Council not to bring this Act into effect until the conditions have been implemented.

Hon. Mr. FOWLER: But does he say that he will make proclamation when the conditions are implemented?—because if he does not, the proclamation is at the whim of the Government.

Hon. Mr. McMEANS: Sure; that is the whole thing.

Hon. Mr. FOWLER: But if he himself says that on the conditions being carried out, then the proclamation will follow a matter of course, we know there is a definite time when it will come.

Hon. Mr. DANDURAND: But of course there are questions of fact; there are reports by engineers. I have prefaced my conclusion with this affirmation: that the Dominion of Canada had to maintain even justice between those two provinces; that the Dominion of Canada is interested in seeing that this agreement is carried out, and assumes the responsibility of not bringing into effect this Act until those conditions have been carried out.

Now, if my honourable friend will allow me for one moment—because I do not want to repeat myself two or three times—if this Bill passes, the Ontario Government will then have the satisfaction of knowing that it can go on carrying out those conditions, and that thereby it will be re-established in its rights. The condition precedent to the implementing of the agreement which Ontario has affirmed is carried out by us. We have our part in that agreement. The Prime Minister of this country has signed it. He has taken note of the fact that the Government of Ontario insists upon the restoration of its rights as a condition precedent to the carrying out of the agreement; and the representative of the Dominion of Canada proceeds to embody in this Bill that anterior condition. But in order to satisfy and meet the point of view of Manitoba he says: "I take power; I satisfy Ontario, but I do not proclaim until Ontario has proceeded to carry out its obligation."

Hon. Mr. McMEANS: Supposing all that is done and there is a dispute between Manitoba and Ontario, who is going to be judge whether Ontario or Manitoba has carried out the contract?

Hon. Mr DANDURAND: I would say the Governor in Council—the Dominion authority.

Hon. Mr. McMEANS: That is to say, the Government that is in power?

Hon. Mr. DANDURAND: The Government of Canada.

Hon. Mr. McMEANS: The Government of Canada in power for the time being.

Hon. Mr. DANDURAND: The Government of Canada, by its Prime Minister, has signed an agreement. Authority has been given to say when this Act shall be proclaimed. If any honourable gentleman can find another way by which we can get out of that impasse, he is welcome to suggest it.

Hon. Mr FOWLER: The only difficulty that I see is that you are not bound ever to make the proclamation, if you state it to be a condition of the Act. You say you bind yourself not to make a proclamation until the conditions are fulfilled by the two Provinces; but you do not bind yourself then to make the proclamation.

Hon. Mr. DANDURAND: I say yes, morally, by a public statement made in Parliament by the Prime Minister of Canada.

Hon. Mr. FOWLER: Did he say that?

Hon. Mr. DANDURAND: If my honourable friend will refer to the Debates, he will find that he stated that he would see that this Act was not proclaimed until the conditions in the agreement had been fulfilled.

Hon. Mr. FOWLER: I admit that.

Hon. Sir JAMES LOUGHEED: That is not part of the Act.

Hon. Mr. FOWLER: But my point is this Under the agreement he cannot make it until the conditions are fulfilled; but there is nothing which says he will make it then. Do you not see my point?

Hon. Mr. DANDURAND: I see.

Hon. Mr. FOWLER: Moral and spiritual obligations are all very well; but with Governments written obligations are much better.

Hon. Mr. DANDURAND: That argument would have considerable weight if my honourable friend were drafting a contract between private parties; but when we are in the full light of day carrying out an agreement subscribed to by three Governments, and in which the Federal Government has no special interest, but stands as an arbiter, as a judge, to mete out even justice to these provinces, that is a different matter.

I have been somewhat longer in my explanations that I had intended. I express the hope that there will not be a long debate on this question. We have considerable work to do. If the Senate is of the same opinion as it was last Session, I suppose the debate will not be long.

The Hon. The SPEAKER: Honourable Mr. Dandurand moves the second reading of the Bill, seconded by Honourable Mr Watson.

Hon. Mr. WATSON: No.

Hon. Mr DANDURAND: Seconded by Honourable Mr. Ross of Regina.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, my honourable friend has just occupied almost an hour in presenting this Bill to the consideration of the House, and has closed his observations by expressing the devout hope that very much time will not be occupied in dealing with it. I suggested to my honourable friend yesterday what I thought to be a very happy solution of this very complex problem. I directed his attention to a certain event which had taken place in Ontario, of which he may not have taken official notice, and suggested that it would opportune for the Government, in view of the negotiations which had taken place between this Government and the Government of Ontario, to open negotiations with the new Government upon this subject. But my honourable friend did not see his way clear to do that.

Hon. Mr. DANDURAND: Do you really think any Government of Ontario would alter the situation as to claiming jurisdiction?

Hon. Sir JAMES LOUGHEED: I think that, when the new Government reviews the facts as to the action taken by what was known as the Dury Government, there will not be any approval, but, on the contrary, most emphatic disapproval.

Hon. Mr. DANDURAND: My honourable friend is side-stepping the question. The question is, will the present Government of Ontario, or the Government of to-morrow, ever relinquish its claim to this jurisdiction?

Hon. Sir JAMES LOUGHEED: Under the British North America Act, section 92, paragraph 10, the Province has exclusive jurisdiction in—

Local works and undertakings other than such as are of the following classes:—

(c) Such works as, although wholly situate within the Province are before or after their execution declared by the Parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the Provinces.

These works are wholly situate within the Province of Ontario, but they are manifestly for the advantage of the two Provinces, the Province of Ontario and the Province of Manitoba, and the exercise of the authority which has been placed upon the Statute Book by the Federal Parliament is clearly within the exclusive jurisdiction of the Federal Parliament. My honourable friend will not for a moment controvert this position. Consequently, entirely apart from the local conditions which have to do with this subject, constitutionally we are sound in the legislation which has been placed upon the Statute Book.

Now, to deal with a few of the facts which have led up to the passage of that legislation, which the present Government now seeks to repeal, I may remind the House that this matter came before us for consideration at the last session of Parliament. The Government brought in a repealing measure in respect of this particular Statute, and by a vote of 52 to 12 this Chamber pronounced in favour of the retention of this legislation upon the Statute Book.

The facts that led up to this have been mentioned by my honourable friend, but he has not emphasized, as he might have done, the breach of faith on the part of the Ontario Government, to fulfil the promise made to the Government of Canada in 1921 touching concurrent legislation. Hon. Mr. Drury, then Premier of the Province, entered into an arrangement with the Federal Government of that day touching concurent legislation to be passed by the Legislature of Ontario and by the Federal Parliament concerning the joint control of the waters in question. There was a definite and emphatic agreement to that effect. Legislation was prepared; similar Acts were drafted; Mr. Drury was to pass the legislation through the Ontario House; this Parliament was to pass its Bill, as it did, during that session. When Mr. Drury was in Ottawa there was no question not only as to his willingness but his anxiety to place upon the Statute Book concurent legislation dealing with this subject. But when he returned to Toronto some mysterious influence was thrown about him, to which for a few minutes I may refer, with the consequence that he took the position that it was impossible for him to place upon the Statute Book the particular legislation which had been agreed upon, and which we in the meantime had placed upon our Statute Book.

As to the influences and the apprehensions which not only have been expressed, but have deeply exercised the Province of Manitoba, I may say that there is a gentleman whom I may term the prince of pulp manufacturers, known as Mr. Backus, a citizen of the great Republic to the South of us. By some means or other he induced Mr. Drury, through the Provincial Government of Ontario, to convey to him a very large slice of that Province. Recently, in addition to his having been the owner of 1,860 miles of pulpwood, under the Drury regime he became the owner of 3,046 square miles of territory situated in the district of Kenora in the northwestern part of Ontario. This territory is equal to an area of 85 nine-mile townships, or geographically equal to the counties of Simcoe, Middlesex, Oxford, Elgin and Lambton, in Ontario, all put together.

Hon. Mr. FOWLER: About the size of England.

Hon. Sir JAMES LOUGHEED: To give you an idea of what a potentate this gentleman has become in controlling territory of the Province of Ontario, I may say that the land that I have described would make a strip one mile wide extending across Canada from the Atlantic to the Pacific; or it would make a seven-and-a-half-mile strip extending from Montreal to Windsor. This area which has been given to him by Mr. Drury, namely, 3,046 square miles, is worth, it is estimated, at least $25,000,000.

Hon. Mr. DANDURAND: What effect will all this statement have on this legislation?

Hon. Sir JAMES LOUGHEED: If I occupy the length of time my honourable friend occupied, I think I shall be able to convince the House that it has a very direct bearing upon the subject.

Mr. Backus apparently secured this enormous area, this empire within an empire, as I may call it, for the small consideration of $50,100. When you contrast what he has paid for this enormous area of land with the fact that the lands in Ontario sold in 1913 realized over $1,000,000 in bonuses, you can imagine the very generous treatment this gentleman has received.

Hon. Mr. TURRIFF: It was by public competition.

Hon. Sir JAMES LOUGHEED: Has my honourable friend implicit confidence in the kind of public competition that has recently taken place in the Province of Ontario?

Hon. Mr. TURRIFF: No.

Hon. Sir JAMES LOUGHEED: If my honourable friend says no, that is satisfactory.

Hon. Mr. TURRIFF: I think in cases of this kind, where there is a large extent of land and a moderate amount of pulp on it, only very few big pulp and paper people can tender on it.

Hon. Mr. McMEANS: In the trial of the libel suit against the Toronto Telegram, the engineer testified that it was impossible for any man to tender if the White Dog Rapids could not be acquired. Mr. Backus, long before this land was put up, or was proposed to be put up, had acquired the White Dog Rapids from the Province of Ontario. There were three bids put in, and the evidence showed that Mr. Backus was behind all three.

Hon. Mr. TURRIFF: He was paying double the stumpage.

Hon. Sir JAMES LOUGHEED: So that I may impress upon honourable gentlemen to some greater extent the magnitude of the concession which this gentleman has obtained from the Province of Ontario, may I say that according to the sworn evidence taken before the Commission in Ontario this represents: in spruce, at least ten million cords; in red and white pine, 250 million feet board measure; in jackpine, one billion feet board measure; in other words, 25 million cords. That was not sufficient.

Hon. Mr. TURRIFF: I think it is only fair that my honourable friend should state that Mr. Backus, besides paying $50,100, also paid double the amount of stumpage previously charged in Ontario.

Hon. Sir JAMES LOUGHEED: We know that in addition to the bonus he complied with the regulations, whatever they are.

Hon. Mr. FOWLER: He paid the price everybody does.

Hon. Sir JAMES LOUGHEED: Mr. Backus having become possessed of these enormous possessions, it was desirable that he should also become the owner of other possessions by which he might develop this empire. He therefore became the owner of the Norman Dam and became, by gift of Mr. Drury, the owner of the White Dog Rapids, thus commanding practically all the water-powers in that enormous territory, over which he was the potentate and almost exclusive ruler.

This, honourable gentlemen, is not only a Provincial matter; it is not only an interprovincial matter; but it is an International matter. A treaty was entered into in 1909 between the United States and Canada touching these particular waters. They are international waters. They are navigable waters; and, as I have said, they are within the compass of international and interprovincial authority. The control of the Norman Dam had to do with the international question, namely, the regulation of these waters as between Canada and the United States. That is in the regulation of the Lake of the Woods. The Province of Manitoba depends almost entirely, I may say, upon these waters for the water-powers which they have generated within that Province. I am informed that 80 per cent of the power of the Winnipeg river has been generated within the Province of Manitoba, and that some $20,000,000 have been expended within the district tributary to Winnipeg in developing the water-powers which flow from the Winnipeg river. Practically the whole of the power enjoyed by the great city of Winnipeg—

Hon. Mr. WATSON: And the Province of Manitoba.

Hon. Sir JAMES LOUGHEED: And the Province of Manitoba, comes from this particular source. The peculiar commanding position occupied by Mr. Backus as the owner of the Norman Dam and the White Dog Rapids gives him practically the control of this enormous water-power. That has been established over and over again before Commissions which have sat, not only in the Province of Ontario, but, I understand, in the Province of Manitoba, and it is conceded to be the case.

What was the Government of Canada to do, in view of the fact that the concurrent legislation which had been agreed upon in 1921 was refused by the Ontario Legislature? Was the Government of Canada going to sit idly by, notwithstanding the demand for protection which had been made by the Province of Manitoba? Was it going to fold its arms and remain silent and helpless because Mr. Drury, owing to the mysterious influences which had been brought to bear upon him when he returned to Toronto from Ottawa, refused to place the legislation upon the Statute Book? Why, honourable gentlemen, the only thing to do, after the non-fulfilment of the promise he had made, was for the Dominion Parliament to exercise, as my honourable friend from Sussex (Hon. Mr. Fowler) has said this morning, the power which was vested in this Parliament to declare the work to be one for the general advantage of Canada.

It was necessary to invoke and exercise this power not only on account of any disagreement between the Province of Ontario and the Federal Government, but also as a matter of guarantee

to the people of Manitoba and to those who had invested their 20 millions of money. It was only reasonable, entirely apart from all mutual or concurrent legislation by the two Provinces, that there should be on the Statute Book a guarantee that this was a work for the general advantage of Canada—and I say that within the boundaries of this enormous country in which we live there has been no exercise of power more salutary or more necessary than the exercise of this exclusive jurisdiction of the Federal Parliament. It is a guarantee to the people of Manitoba that they shall have the power which they have generated, that they shall have security for the money which they have expended, and that they may utilize the water-powers upon which they absolutely depend. To the investing public at large—to the world at large—it is necessary that this guarantee should remain upon the Statute Book, no matter what may be the agreement between the Province of Manitoba and the Province of Ontario, or what assurance may have been given by the Prime Minister or anybody else.

Hon. Mr. FOWLER: Hear, hear. That is the situation.

Hon. Sir JAMES LOUGHEED: May I refer to this bearing of the case, to show the angle from which the investor views a subject of this kind? When this subject was discussed on the floor of this Chamber last Session, I read to the House a letter from Mr. Julien Smith, Supervising Engineer of the Manitoba Power Company, Limited, dealing with the financial situation which presented itself, not only to his mind, but to the mind of the investing public. He said:

> I feel it my duty to protest against the passing of the proposed Bill which is now before the Parliament of Canada, by which the former Act concerning the control of the Lake of the Woods is to be altered.
>
> The banking interests who have financed the seven and a half million dollars of bonds of the Manitoba Power Co. appointed me as supervising engineer to represent their interests in the Manitoba Power Company.
>
> These seven million and a half dollars (7,500,000) of bonds were sold to a syndicate of American and Canadian bankers and have been distributed all over Canada and the United States.
>
> Water-power bonds in Canada have always had a good reputation, and this is the first time to my knowledge that any Act of the Dominion of Canada has been suggested which would in any way affect injuriously the investments which people have made in good faith in the water-power propositions of this country.
>
> The taking away of the control of the Lake of the Woods from the Dominion Government is a serious matter to all of the water powers on the Winnipeg river, and particularly to the plant now under construction at Great Falls, Manitoba.
>
> This plant is one of the great water powers of Canada, and when completed will have a capacity of over 150,000 horsepower.

Entirely apart from those local circumstances which have been mentioned or the local conditions which come within the compass of our consideration, will any honourable gentleman controvert the wisdom and soundness of the policy of the placing upon the Statute Book the declaration that the works in these waters are for the general advantage of Canada? I would point out this fact, that political conditions in those two Provinces are always changing; that any agreement which they may arrive at to-day regarding legislation, concurrent or otherwise, may be abrogated to-morrow. Is there any assurance that the legislation which Mr. Drury placed upon the Statute Book of Ontario will not be repealed next month, when the new Government comes into office? Is there any assurance that the legislation which the Province of Manitoba now enacts will not be repealed a year hence, when a new Provincial Government will probably come into office? I say there is no assurance at all, and to ask that important interests of this character, involving millions and millions of money and the rights of the Province of Manitoba to its water-powers, should be dependent upon the capriciousness of political feeling or political action in those two Provinces is to ask something extremely unreasonable and equally unreliable.

What astonishes me, honourable gentlemen, is that the Prime Minister of Canada has asked those two Provinces to consent to the repeal of this legislation upon that basis. The Canadian Prime Minister wants Manitoba to accept an assurance from him that the repealing Act will not be proclaimed except on conditions satisfactory to Manitoba. How long will this assurance continue? The present Prime Minister of Canada has no certainty of occupying for a prolonged period the high office which he holds to-day.

Hon. Mr. FOWLER: In other words, he has a most precarious tenure.

Hon. Sir JAMES LOUGHEED: Yes. And what about his successor? Is this undertaking to devolve upon his successor? If his successor should say, "I refuse to be bound by any verbal assurance given to the Province of Manitoba by my predecessor," what then? I venture to say, honourable gentlemen, that, with reference to important legislation such as we are considering to-day, you will find no parallel to this so-called assurance which the Prime Minister of Canada wants the Province of Manitoba to accept.

The reasonableness of the Province of Manitoba is shown in the answer which they

gave. They have said: "After the most careful consideration on our part we are prepared to intimate to you that we still feel that our interests could only be adequately protected by making the proclamation repealing the Act contingent upon the formal request of both the Provinces to that effect." But the Prime Minister would not agree to that. I wonder at the reasonableness of the Province of Manitoba. If I were speaking for that Province I should say: "Nothing less than the retention of this Act upon the Statute Book will satisfy the requirements of the Province of Manitoba." And I think that will be the view of this House.

Honourable gentlemen I have occupied only half the time that my honourable friend (Hon. Mr. Dandurand) occupied in presenting this case. It is unnecessary for me to deal further with the matter. I feel satisfied that the Senate has not changed the views which it so emphatically expressed last Session and demonstrated by a vote of 52 to 12. I simply ask the Senate to give to this measure the same consideration that they gave to the Bill of last Session, and to express their opinion in the same emphatic way.

I therefore move that this Bill be not now read the second time, but that it be read this day six months.

Some Hon. SENATORS: Question.

Hon. L. McMEANS: Honourable gentlemen, I am going to comply with the request made by the honourable leader of the Government, and will not occupy your time at any great length.

The address that has been made by the honourable leader on this side covers the situation pretty fully; but there are one or two points to which I would direct the attention of the honourable leader of the Government.

In the first place, the Dominion of Canada erected a dam at the mouth of the Lake of the Woods. It has been replaced by the present Norman Dam. They appointed an International Joint Commission at the request of Ontario and Minnesota. They appointed a Commission to regulate the flow of the waters. So the Federal Government has exercised jurisdiction on three different occasions in connection with these waters.

It surprised me to hear the honourable gentleman make the statement that the exercise of the Federal power infringes upon the rights of the Province of Ontario. This is merely a matter of regulation. It takes nothing from the Province, which is still the owner of everything within its own boundaries. However, if any precedent is wanted for the action taken by the Federal Parliament, let me point out to the honourable gentleman that works on the Ottawa River, which flows between the Provinces of Ontario and Quebec, have been declared to be works for the general advantage of Canada.

The navigation of the river Ottawa is declared subject to exclusive legislative authority of the Parliament of Canada, and all canals, dams, slides, piers, booms, embankments, and other works in the channel or waters of said river, and whether constructed or to be constructed by Canada, by either province or by private party, shall be held to be works for the general advantage of Canada, and all works of like character.

That is pretty clear. If you want further precedent you can take the Niagara Power Company, the Hamilton and Erie Power Company, and all the other power companies that have built upon the Niagara river. Each and every one of them has been declared to be a work for the general advantage of Canada.

There is just one thing more that I would like to point out. It was in the year 1904 that the Winnipeg Electric Company first determined that electricity could be transmitted a considerable distance with advantage. They started in 1904 to erect their works on the Winnipeg river. The money invested in those works, when the work that is now going on shall have been completed will amount to over $25,000,000. The city of Winnipeg began about the year 1912 to secure electricity for the people, and in that connection I would like to give you these facts. The electric lighting rates have been as follows:—

1906..	20	cents	per	kw.	hour
1907..	10	"	"	"	"
1911..	7½	"	"	"	"
1912..	3⅓	"	"	"	"
1922..	2½	"	"	"	"

The maximum rate to-day is 3⅓ cents, and the minimum rate one-half cent.

The city of Winnipeg has invested in the neighbourhood of $17,000,000 in these electric works. Furthermore, the Manitoba Government takes a certain amount of this electricity from the city of Winnipeg and transmits it to various parts of the province. Therefore, honourable gentlemen, the very life of the entire Province depends upon the Lake of the Woods Regulation Act remaining in its present state. If those works were not declared to be for the general advantage of Canada, the Province of Manitoba would be left at the mercy of any private individual; and I have no hesitation in saying that that is the great fear of the people of Manitoba at the present time. If we were in such a position we might as well give up. Our investments would become useless and the man who would have the whole

Province at his mercy could dictate terms and exact such powers as he might think fit.

Hon. Mr. CASGRAIN: Can Mr. Backus hold back the water or send it into another river?

Hon. Mr. McMEANS: Yes, he can. Perhaps the honourable gentleman from Portage la Prairie (Hon. Mr. Watson) will be able to give you a better explanation regarding the Norman dam than I can. Mr. Backus paid $100,000 for the Norman dam and all the other property of the Keewatin Lumber Company. He went to Winnipeg, as has been stated by the honourable gentleman from Portage la Prairie, and wanted over $1,000,000 from the city for that power.

Let me tell my honourable friend (Hon. Mr. Casgrain) another thing. I may be a little too fearful in this matter, but to my mind it is a very serious one for the Dominion of Canada. Mr. Backus, in acquiring certain rights, has acquired water-powers from the use of which he may shut off the Province of Manitoba. He may dictate terms. He may say to the people of Canada. "I purchased that power with my good money from the Province of Ontario, and the Dominion Parliament has repealed the Act whereby it held jurisdiction." What position would he be in? We have had some experience of that.

Hon. Mr. CASGRAIN: Would that prevent the water from coming down the river?

Hon. Mr. McMEANS: He could hold it back, could he not?

Hon. Mr. CASGRAIN: No, he could not. It must come down.

Hon. Mr. McMEANS: Does the honourable gentleman seriously mean to tell me that Mr. Backus cannot regulate the power?

Hon. Mr. CASGRAIN: He cannot prevent the water from coming down.

Hon. Mr. McMEANS: In what quantity?

Hon. Mr. CASGRAIN: It must come down.

Hon. Mr. McMEANS: He can affect the power. Otherwise, when he had bought the Dam for $100,000, he would not have offered to sell it for over a million.

What position does he occupy? We had a little illustration of that a short time ago in connection with the Hoppe leases. They were cancelled, and the American Consul entered a protest. Surely the people of Canada are not going to hand over to a private individual the rights that have been outlined by the honourable leader on this side of the House.

The people of the entire Province of Manitoba look to this Parliament to protect them in their rights. They appeal to you not to allow the investments which they have made to be interfered with. I think my honourable friend from De Lanaudière (Hon. Mr. Casgrain) will agree with me in this, that if the Senate of Canada has been created for any purpose it is for the protection of the rights of the different Provinces, I think this is a good oportunity for the Senate to carry out the purpose for which it was created.

Some Hon SENATORS: Question.

Hon. N. A. BELCOURT: Just two minutes. The presentation of this important Bill in the Senate at this time is a striking illustration of the treatment that is meted out to this House every year. We have had not half-a-dozen, but dozens of Bills of the greatest importance thrown at our heads during the last ten days, and have been told we must pass these Bills.

Hon. Mr. ROBERTSON: Twenty-nine of them.

Hon. Mr. DANDURAND: I beg to enter a protest. I never said that the Senate must pass this Bill.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BELCOURT: I withdraw the word "must."

Hon. Sir JAMES LOUGHEED: My honourable friend may remain easy on that point.

Hon. Mr. BELCOURT: I withdraw the word "must," and I shall avail myself of the opportunity of doing the other thing, on the invitation of my honourable friend. But what I want to point out is that, with regard not only to this particular Bill, but also the Companies Bill, which was introduced last night, and a dozen other Bills, I for my part shall not feel that I have discharged my duty if within the time left at our disposal these Bills are passed.

Hon. Mr. DANDURAND: But there is no time limit. We have the whole summer.

Hon. Mr. BELCOURT: But we are pressed every day and in a few days we shall be urged to finish our work, as the gentlemen who sit in another place have decided that they must go home this week and we must enable them to do so. I protest against that, as I have protested before. I ask how in common sense and reason it is possible for us to determine that the time has now arrived when the control which was given to the Dominion Parliament only two years ago over this whole

situation must be abandoned. I cannot make up my mind whether the declaration that these works are for the general advantage of Canada should be repealed or not, unless we have an opportunity of inquiring into all the facts—unless we have an opportunity of inquiring as to what has been done by the different governments, and particularly what has been done by Mr. Backus in performing the obligations imposed upon him. We do not know about that, and yet we must go it blind and pass this Bill.

Some Hon. SENATORS: Oh, no.

Hon. Mr. BELCOURT: Well, we must deal with it; we must either pass it or reject it; and I say that either one of those things is impossible. At all events, it would be impossible to my conscience.

Hon. Mr DANDURAND: But my honourable friend has already voted against it. He had his judgment then.

Hon. Mr. BELCOURT: And I am going to vote against it now.

Hon. Mr. DANDRAND: I do not object.

Hon. Mr. BELCOURT: My honourable friend was accusing the leader of the Opposition a moment ago of side-stepping. This is manifestly another case of side-stepping. I am not discussing the Bill at all, because I do not know enough about it; but I protest against being asked to pronounce on this Bill when we have dozens of other Bills to attend to. Some of us have been sitting on a subcommittee almost for the last 48 hours, and have been able to give very little attention to what has been going on in this House. That kind of thing is not conducive to proper legislation. It is unfair treatment by the Government and by the other House, so far as we are concerned. I think we ought to insist upon having these matters submitted to us in such time as will afford us an opportunity to inquire into them fully and properly, and make proper decisions. We cannot do that under these circumstances. I was going to protest last night when the Bill to amend the Companies Act came before us.

The Senate divided on the amendment of Hon. Sir James Lougheed, and the same was agreed to on the following division:

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YUKON BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Green, the Senate went into Committee on Bill 44, an Act to amend The Yukon Act.

Hon. Mr. Blain in the Chair.

Sections 1 and 2 were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Green, the Bill was read the third time and passed.

LITTLE BRAS D'OR GOVERNMENT TELEGRAPH OPERATOR

FURTHER ANSWER TO INQUIRY

Hon. Mr. DANDURAND: Before moving the adjournment of the Senate, I would like to give further information I have obtained, at the request of the honourable Senator from Cape Breton (Hon. Mr. McCormick), concerning the removal of Mrs. Richard as telegraph operator at Little Bras d'Or. I have received the following letter from the honourable the Minister of Public Works:

Ottawa, June 26, 1923.

My Dear Colleague,—

With reference to the answer to question asked in the Senate, re telegraph operator at Little Bras d'Or, I beg to advise you that the removal of Mrs. Richard was requested by the late member for the county, the former Solicitor General, for the reason given in the answer to the question which you already have.

I further beg to advise you that since the date of answering this question, Mr. Benjamin Young has been appointed in her stead.

Yours sincerely,
J. H. King.

The Senate adjourned until 3 p.m. this day.

SECOND SITTING

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

Routine proceedings.

INLAND REVENUE BILL

FIRST READING

Bill 187, an Act to amend the Inland Revenue Act.—Hon. Mr. Dandurand.

PETROLEUM BOUNTIES BILL

FIRST READING

Bill 214, an Act respecting the payment of bounties on Petroleum.—Hon. Mr. Dandurand

Hon. Sir JAMES LOUGHEED: For the purpose of facilitating the discussion of this Bill without losing time, would my honourable friend acquaint himself with the relation of the Bill to the production of oil in the West. Heretofore the bounties on oil have been worked out in such a way as to be applicable only to Ontario oils. A great deal of dissatisfaction prevails by reason of that fact, and there has for some time been a movement to make them applicable to the particular class of oils produced in the West. My honourable friend might furnish himself with that information so that he in turn can furnish it to the House.

Hon. Mr. DANDURAND: I will try to obtain the information. I have not yet read the Bill.

Hon. Sir JAMES LOUGHEED: It is a matter of very great interest to the West.

HEMP BOUNTIES BILL

FIRST READING

Bill 215, an Act respecting the payment of Bounties on certain manufactures of Hemp.—Hon. Mr. Dandurand.

CUSTOMS TARIFF BILL

FIRST READING

Bill 216, an Act to amend the Customs Tariff, 1907.—Hon. Mr. Dandurand.

SPECIAL WAR REVENUE BILL

FIRST READING

Bill 230, an Act to amend the Special War Revenue Act, 1915.—Hon. Mr. Dandurand.

QUEBEC SAVINGS BANKS BILL

FIRST READING

Bill 231, an Act to amend the Quebec Savings Banks Act, 1913.—Hon. Mr. Dandurand.

EXPORT BILL (PULPWOOD)

FIRST READING

Bill 242, an Act to amend the Export Act.—Hon. Mr. Dandurand.

FINANCE BILL

FIRST READING

Bill 245, an Act to supplement the Finance Act, 1914.—Hon. Mr. Dandurand.

DOCTORS BROOK POST OFFICE

INQUIRY FOR RETURN

Hon. Mr. GIRROIR: May I ask the leader of the Government when the papers in connection with the dismissal of the Postmaster at Doctors Brook, Nova Scotia, will be brought down?

Hon. Mr. DANDURAND: When was that?

Hon. Mr. GIRROIR: About a week ago.

CANADIAN NATIONAL RAILWAYS

ADMINISTRATION IN PRINCE EDWARD ISLAND

On the Orders of the Day:

Hon. Mr. MURPHY: I want to call the attention of this House to a matter that to my mind is one of urgent public importance. As you are aware, it has been stated by Sir Henry Thornton, with a great flourish of trumpets, that politics are not to enter into the administration of the Canadian National Railways, and that a man's employment will not be affected one way or the other by his politics. In my Province, which is the smallest Province, some of the people are comparatively poor, and I want to call attention to the fact that in my district employment on the Canadian National Railways is governed altogether by the local Liberal political club. The Government is broadgauging the railway in the County of Prince, and this is a matter which affects every district from one end of the county to the other. It began last year. The custodian of the employment bureau is the secretary of the local Liberal club in the town of Tignish. The trackmaster, to whom I presume authority flitted from his superintendent and from the present superintendent, Mr. L. S. Brown, who is under the aegis, I understand, of the Minister of Militia, whom they are afraid to send back to his own county of Pictou, has direct orders to take instructions from the gentlemen who

control in the different polling divisions. There is considerable work going on in connection with this broadgauging, and not only in my own polling division, but in the one adjacent to it—

Hon. Mr. DANDURAND: I beg my honcurable friend's pardon. I would suggest that my honourable friend will find an occasion—

Hon. Mr. MURPHY: This is an occasion.

Hon. Mr. DANDURAND: No. I do not believe this is a question of privilege.

Hon. Mr. MURPHY: It is not a question of privilege: it is a question of urgent public importance.

Hon. Mr. DANDURAND: We have a Bill coming down concerning the railways.

Hon. Mr. MURPHY: You might as well let me finish now: you will only be wasting more time later on.

Hon. Mr. DANDURAND: There is nothing before the Chair.

The Hon. the SPEAKER: I call the honcurable gentleman's attention to the fact that he has not placed any motion before the House.

Hon. Mr. MURPHY: Then I move the adjournment of the House.

Hon. Mr. CASGRAIN: You cannot do that.

Hon. Mr. MURPHY: I cannot do it? I will not take your ipsi dixit.

Hon. Mr. DANDURAND: If my honourable friend is nearly through, I will not object.

Hon. Mr. MURPHY: I did not say I was nearly through. If the Speaker rules against me, I will take more time later.

I have related the circumstances. If we are to have Civil Service reform, if we are to have the words of Sir Henry Thornton implemented, this thing should be stopped, and I draw the attention of the leader of the Government to it.

I will give an example. There were butchers who supplied the steamer Prince Edward Island from Mulgrave and the other steamer which replaces her when she is in dry dock. They were men who had been in that business at Borden—very good men, you will admit. This year the superintendent of the railway, probably taking his orders from headquarters, cut off those men and put in another man who was not in the business and not capable of supplying anything. There was no call for tenders or anything of that kind. There might not be a necessity for calling for tenders, because the amount is small; but the principle is the same. This man was put in as a figurehead to furnish the supplies and to send to Charlottetown for them every day, taking them from the President of the Liberal Association of the County of Queen's, thus cutting out a man because he was a Liberal-Conservative. If that condition is to obtain, if that is to be the principle of the exemplification of the effort of Sir Henry Thornton, we want to know. I draw the attention of the Senate and the Government to the condition of affairs that exists in so far as this broadgauging business in Prince Edward Island is concerned. Boys can go to work at $2.50 to $3 a day. It is a very good way of seduction from the path of rectitude, as I would call it. My honourable friend may not agree with that term. The purpose is to get them to vote, as a local election is coming on in the near future.

ISENBERG COAL MINING LEASES

FIAT WITHDRAWN

On the Orders of the Day:

Hon. Mr. BRADBURY: I do not desire to trouble the honourable leader too much, but I would like to know if he has any information to give to the House regarding the Isenberg leases.

Hon. Mr. DANDURAND: I may inform my honourable friend and the Senate that an Order in Council has been passed withdrawing that fiat.

INLAND WATER FREIGHT RATES BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 235, an Act with respect to Freight Rates for the Carriage of Grain by Lake and River Navigation.

He said: In moving the third reading of this Bill I desire to inform my honourable friend from Middleton (Hon. Mr. Ross) that I have sought the information which he seemed to be desirous of having, and that there is no memorandum written nor any letters which could be brought before Parliament. The only thing approaching what my honourable friend thinks may exist would be alternative propositions made to the Minister by Departmental officials during the preparation of Bills, to indicate the preference of one form of Bill over another, or to indicate the weak points and the strong points of the legislation. For instance, as my honourable friend will understand, there would be a suggestion that a certain Act now on the Statute Book had better be amended; or

there might be another suggestion to the effect that perhaps the Criminal Code might be amended. My honourable friend will see what ground would be covered. There is discussion on the general application of the Act and its constitutionality, which is crystallized in the Bill as it is before us.

Hon. J. P. B. CASGRAIN: Honourable gentlemen, I have been asked to say a few words on behalf of the owners of shipyards regarding a point that has not been touched at all during the discussion of this measure. I have no illusion as to the effect that anything I say may have upon this House, but I think I am only fulfilling my duty in telling the House that in the opinion of those who own the shipyards this measure will have a serious result. Remember, honourable gentlemen, that the shipyards extend all the way from Halifax, along the St. Lawrence and west to the Great Lakes, not to speak of those in British Columbia, which I suppose would not be affected by this legislation. You have shipyards at Halifax; you have shipyards opposite Quebec at Levis; you have the tidewater shipyards at Three Rivers; and there are at Montreal some small shipyards and a big one, that of the Canadian Vickers. Then, proceeding up the St. Lawrence you find a large shipyard at Kingston, one at Toronto and one at Collingwood. The Collingwood shipyard, I may say, is one of the oldest in Canada, having been in business for many years; and, I may say, it is very much at their instance that I put this matter before the House. Collingwood also has built the most luxurious and best Canadian steamers on the Great Lakes—boats like the Hamonic. Then, at Port Arthur you find the largest freight boat on the Great Lakes, and also passenger steamers constructed in this yard.

The shipyard-owners say that, ever since there has been talk of regulating rates or of this proposed legislation, they have not been able to obtain any orders, and that the yards are now idle. So, incidentally, these two measures—the Bill to regulate the freight rates for the carriage of grain on the Great Lakes, and the Bill to authorize the Government to abrogate the coasting laws—have had the effect that people who were to have given orders to the shipyards this spring have decided not to do so. Millions and millions of dollars have been invested in the shipbuilding industry, and that money will be practically lost. Furthermore, hundreds of men who have been engaged in shipbuilding have left and gone to the adjoining Republic, and some of them have sent for their families, and their houses are empty.

I thought it well to place these facts before this honourable House in order that honourable gentlemen may realize more fully perhaps than they have done that by the enactment of these two Bills a very old industry representing an immense amount of capital and providing plenty of employment will be injuriously affected. I am surprised that the honourable the ex-Minister of Labour (Hon. Mr. Robertson) has not taken a hand in this, because a great many people will be thrown out of work because of this legislation. You cannot build ships in Canada to be sold in the United States, because you cannot get American registry for ships not actually built in the United States. No country in the world can sell a ship to the United States; the ship must be built in that country. On the other hand, it is easy for an American boat, on payment of 25 per cent duty, to do a coastwise trade in Canada. It is not necessary that the vessel be owned by British subjects. A small company can be organized. But in the United States, while you may have all the companies you like, 75 per cent of the real owners must be American citizens. Now, the coastal laws, the only protection that the Canadian ship-owners have, are to be abrogated, and American boats will be allowed to come in whenever they choose. There will be, the owners say, no more shipyards. There will be no more Canadian bottoms built after a few years. At present only one in seven now on the Great Lakes is a Canadian boat. In a few years those ships will have disappeared, and no one will attempt to build, because of the Americans having the right to trade on both sides of the Lakes. No one will want to own a boat that can trade on only one side. Little by little the Canadian ships will disappear, and we shall be at the mercy of American boats for the transportation of Canadian grain. That is all I have to say.

Hon. W. H. BENNETT: For fear the melting eloquence of the honourable gentleman might prevail on some honourable members, let me give an example, taken from one of the papers last winter, of the zeal of Canadian vessel-owners, or of those interested in Canadian vessels, in patronizing shipyards in Canada. If the honourable gentleman will make inquiries he will find that there have been only one boat built in Collingwood for a long time, and it was built for a trade on which a number of other vessels have gone, namely, the trade between Buffalo and Montreal, or perhaps Port Colborne. I do not think there has been one built at Port Arthur. This talk about the vessel-owners hav-

ing a bit of sentiment in their composition is utterly unfounded.

Hon. Mr. CASGRAIN I was talking about the shipyards only—not about the other question. That is settled.

Hon. Mr. BENNETT: We hear talk about the sympathy of the Canadian vessel-owner and his desire to patronize these shipyards. How much sympathy is there on the part of those companies for the men employed on the vessels? I will read an article for the honourable gentleman, and perhaps, as he is a director, he may take it to some of his fellow directors. It is from the Globe of December 16th, 1922:

The winter perils of the Great Lakes are recurring. "Many big carriers are being risked," says a Sault Ste. Marie despatch, "in the attempt to make the last possible trip while insurance rates allow, and many sailors' lives are being jeopardized as the great vessels make their toilsome progress through the rapidly accumulating and thickening ice fields."

Every year sees the same gamble in sailors' lives. Every ship that leaves the Head of the Lakes after the ice begins to form runs the hazard of destruction. Vessel owners act as if it were a moral duty to continue to carry cargoes so long as the property risks are covered. What of the human element? Is life not of more account than profits and the movement of wheat and oats?

The autumn rush of grain carriers from Port Arthur and Fort William to the unloading ports in the East before the close of navigation is an essential, part of the national economy. It is a wonderful achievement, and every year sees the Canadian Lake marine better equipped to do its share of the work of marketing the Western crop. But there ought to be some limit in the interest of safety beyond the very dubious one set by the insurance companies. The lapsing of insurance on December 15 is no reason why the lives of sailors should be staked on the weather up to that date. There is a great temptation to vessel owners to enter this annual race against time. They are assured of full cargoes, high profits, and protection against loss. But there is no corresponding protection for sailors.

At any season danger is at the helm on too many Lake vessels. There is no Plimsoll line on the Lakes, no legislative safeguards approaching those which the seamen of nearly all nations enjoy in ocean navigation. There is need for radical reform so as to raise the standard of safety all round, but even the staunchest of Lake ships cannot be sure of winning the battle against the ice king and the storm king in December.

Yet the honourable gentleman, with a lump in his throat, pleads to-day for the vessel-owners. The honourable gentleman could name companies that let old tubs by the dozen, on Lake Superior and the other lakes, go to the bottom during the last few years. I have known of cases where a whole crew have gone off one of these vessels—I am not naming any of the companies—and the men were driven out like sheep to the shambles late in the fall. If they do not go, they understand that they cannot get back their positions on the vessels the next year. Let us have done with this talk of those gentlemen the ship-owners, being such patriots. They are only longing for the day when they can get an opportunity to build a vessel in Canada.

I have here a quotation which I desire to read—and I could quote half-a-dozen such items that appeared in the papers this spring:

Six of a fleet of ten vessels which have been built in British yards for the recently-formed Eastern Steamship Co., Limited, are due to arrive at Montreal, shortly to be placed in service on the grain-carrying route between Buffalo and Montreal. The remaining four are expected to leave the other side within the next ten days.

And it goes on to say who are the people connected with this.

Any person who knows anything about the shipping trade knows that since the end of the war a large number of such vessels have been brought over to Canada—probably thirty or forty, if not more. These patriots and philanthropists, anxious for the welfare of the poor labouring man who works in the shipyards, would not build in Canada, because they could go to the British or the French Government and buy these rattletraps and bring them here. In the United States they are being put on inland waters from Buffalo down.

As to this Bill, I am going to support it. I have read the report of the Commission from beginning to end. The newspapers of this country have cried aloud that there should be some criminal action taken against those companies who have entered into a conspiracy to defraud the public. It was a conspiracy pure and simple. Now, the Government has it within its power to make it unnecessary ever to enforce this law. The Government can any day, if they will only raise their hand, make the enforcement of this proposed law unnecessary, because they have 20 vessels, every one of which can be placed on the Great Lakes and put into the trade, so as to give the farmer a decent rate on the Upper Lakes instead of allowing those companies to make 100 per cent profit and gamble with the lives of men every fall, as the Globe states. A resolution was passed only recently by a convention of women in Toronto, begging the Government to put into force some rule regarding the reliability of ships and the operation of them in the fall and also in the spring. Will the Government rise to the occasion and, instead of selling these 20 odd vessels, let them be used on the Upper Lakes to do the trade of the country? Why does not the Government give them a chance to do business instead of leasing them to party friends? I want to tell the honourable leader of the House, and the House too, that this Government

have leased certain of these boats at a figure so low that they cannot bear to tell it to the House. If it were generally known, the Government would be a laughing-stock.

Hon. Mr. DANDURAND: Will my honourable friend allow me?

Hon. Mr. BENNETT: Yes.

Hon. Mr. DANDURAND: The Government has not leased those boats.

Hon. Mr. BENNETT: Oh, for Heaven's sake, have we the old story again, that this Government is wholly in the hands of the National Railways Management and it cannot move hand or foot?

Hon. Mr. DANDURAND: That is the policy.

Hon. Mr. BENNETT: Very well, then. If the National Railways sell those boats at one dollar apiece, the Government are going to stand by and see them sold, are they? If the Canadian National Railways want to take the largest locomotive they have and sell it in the United States for a song, the Government are going to stand by and say: "We have nothing to do with that: we are only putty molded by the Canadian National Railways." The public does not understand this, and the public cannot understand it. It is not the position at all.

Hon. Mr. McMEANS: What about the hotel building in Paris.

Hon. Mr. BENNETT: As my honourable friend suggests, the Government are powerless even though they advance $2,000,000 or $1,000,000, whichever it was, on that hotel building in the city of Paris.

I beg the honourable leader of the Government to go to his colleagues and insist that not one of those vessels be sold. Everybody knows that if they are sold they will go for a mere bagatelle. They were never built for less than $300,000 or $400,000 apiece, and at the prices at which vessels have been selling they would not to-day sell for over $30,000 or $40,000 apiece, if they sold for that.

Furthermore, let me tell the honourable leader of the Government what the National Railways are doing, so that he may know the high-handed manner in which they are acting. They now have vessels tied up which they are not using, and at the same time they are hiring American vessels to carry coal for the National Railways. If anybody disputes that statement, I can tell him that he is mistaken, for I can refer to the town of Midland, where the Canadian Nationl Railways, under contract, will put in about 250,000 tons of coal for the railways this year; and that coal is actually being carried by American boats while the Governments's own boats are tied up. What is the answer to that? The answer will be this, that the Government, knowing that they had these boats, knowing that they were lying tied up, a certain number of them, gave a contract for the carrying of their coal to some of their friends, and without competition either.

Hon. Mr. DANDURAND: Is that the Railway Board?

Hon. Mr. BENNETT: Your National Railways.

Hon. Mr. DANDURAND: Our National Railways?

Hon. Mr. BENNETT: Well, I think we on this side of the House have a better claim to say that they are ours, because we may be able to frighten the Board into doing something; but that side of the House apparently does not care what the National Railways do. Now, those vessels could be placed in the grain trade, and they would keep the rates down; they would give a chance to the Canadian sailor; they would afford an opportunity of promotion for the men; they would be able to cary this coal; and the country would make money out of them. If those companies that run the vessels by friendly contracts make money out of them, why cannot the Government do so? Give the boats a chance; let them go into this trade of 250,000 tons of coal that you had to ship.

Let me tell the country something more. To-day the country owns at Midland two large elevators that have not between them carried enough Canadian grain to have occupied one of them for two weeks. I do not blame the Government for that; I blame these Canadian vessel-owners, who are not at all anxious to carry grain on the Upper Lakes, because they prefer to go over to England and buy small boats to carry grain from Buffalo or Port Colborne down to Montreal. The Government cannot stop that, but what the Government can do, having this fleet of vessels, having three lines of railway from the Georgian Bay, and having half-a-dozen elevators, is to use those Government boats to carry grain at decent prices for the benefit of the farmers of the Northwest, and thus keep down prices for the carrying of grain. Then they would not have to invoke the conditions of this summary law, and would not have to abrogate the coasting privileges. You have thousands of cars lying around the country to-day unused, and you could have had those at different points on the Georgian Bay

carrying thousands of bushels of grain. Your elevators are empty, your cars are unused, and your vessels tied up at the dock; yet the Government stands idly by and says, "We are willing to do something, but Sir Henry Thornton will not let us." If that is the position of the Government to-day, it had better be admitted once for all, and the general public would say, "Put an end to the contract with Sir Henry Thornton"—which I understand is to pay him one or two years' salary in advance—"and let us try to handle the railway business ourselves, without the Board at all."

I am going to vote for the Bill if it comes to a vote, but, in the first place, I ask that the Government give their railways and their cars and their vessels a chance to carry grain. The result of that would be to give the farmer of the Northwest relief from the persecution that he has endured at the hands of those grasping, greedy vessel-owners of Canada, who are combined in one mighty octopus to press the life out of anybody, and are prepared in the fall of the year, as the Toronto Globe and other papers say, to make the almighty dollar, at the risk of men's lives, no matter who is drowned or who is not drowned.

Hon. Mr. DANDURAND: I will have occasion before we separate to lay before the Senate a list of the steamers that belong to the Canadian people, and their location. We have so often heard of those steamers, and asked ourselves individually and collectively what they were doing, that I have succeeded in getting from the National Railway Board their location. I do not think their location last week will be their location this week; but before the end of this week I will lay before the Senate a complete list of the steamers with their present movements.

I believe this discussion has gone somewhat wide of the Bill that is under review, but I simply desire to remind the Senate of this situation. I have heard nowhere any statement as to the policy that should be pursued in the administration of Canadian railways other than this, that we must have state ownership, and we must give it a fair trial, and we have bound ourselves to do our utmost to keep politics out of it. I understand that we can only keep politics out by keeping politicians out of it. The door must be either closed or open. We are trying just now to administer the state-owned railways through a non-political board, giving a free hand to that administration, with as little interference as possible. It has been said that this is the only policy by which we can obtain fair results. We may change that policy, but it seems to have been decided that we should give it a fair trial.

Hon. L. C. WEBSTER: May I ask the honourable leader of the Government if, when he is presenting the statement to which he has referred, he will not also endeavour to give us whatever fragments or crumbs there may be in the Justice Department in regard to the legal side of this Bill, that is, whether the Justice Department consider that this Bill can be enforced in its present form? Last night the leader of the Government was asked if any report from the Justice Department in regard to this Bill could be laid before the Senate, and he replied:

> I think I may safely state that this Bill was either drafted by the Department of Justice or was submitted to the Department.

I feel that this is a very important Bill, not only for the grain-growers of the West; but I am sure there is no one in this House who is not sympathetic towards the farmers. The success of our country depends upon the success of the farmer, and I am satisfied that there can be co-operation for the benefit of all concerned. Yet I have some doubt as to whether this Bill is ever going to be carried out in the way in which it has been proposed and drafted, and whether 12 months from now the relief expected from this Bill will be realized, or whether the farmers will be any further advanced by it than they are to-day. Before the shipping interests of this country get a ruling from the Supreme Court of Canada or elsewhere, I think it would be fair, and it is only our duty, to know what opinion the Department of Justice has in relation to this Bill.

Hon. Mr. DANDURAND: My honourable friend was perhaps not in his seat a moment ago when I stated that my information from the Department itself was that these Bills were prepared by the Department of Justice after being very carefully studied; so that the Bills have the endorsation of the Department of Justice. That is all the information I can give.

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

CANADA SHIPPING BILL (COASTING LAWS)

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 236, an Act to amend the Canada Shipping Act.

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

CANADA TEMPERANCE BILL

CONSIDERED IN COMMITTEE

The Senate again went into Committee on Bill 43, an Act to amend the Canada Temperance Act.—Hon. Mr. Dandurand.

Hon. Mr. McMEANS: I voted for this Bill when it was first introduced into this House, but conditions have so much changed since that I think it would be well to leave the Bill over for some time. The province of Manitoba has declared for Government control. In the light of affairs as they exist at the present time, no one can tell whether private importation into Manitoba is legal or not, and in fact the Canada Temperance Act will have to be remodelled to meet the circumstances as they may arise. I am no prophet, but I can confidently say that without question a referendum will be taken in Saskatchewan and Alberta, and all the Western Provinces will probably change their policy. Then we will be met by a condition of affairs for which no statutory provisions have been made. I think the honourable leader of the Government will agree with me when I say that the province of Manitoba does not know where it stands especially as to importation. When this Bill was first brought in it provided that importation could be stopped by an Order in Council of the Provincial Government if a vote had been taken in the Legislative Assembly asking for the prevention of the importation of liquor. Since then it has been changed so that a plebiscite must be taken. Personally I think it would be very much better if this Bill were left over till after this Session because nothing can be done in Manitoba for at least three or four months and by that time we would begin to think about holding another Session here. Nothing can be done in British Columbia in the way of taking a plebiscite before this House meets again. I think it would be better to drop this Bill altogether so that next year when we will have changed conditions, we can deal with it in a way that will be intelligible to all the provinces concerned.

Hon. Mr. DANDURAND: I realize the value of the suggestion, if the Senate does not retrace its steps in relation to the plebiscite amendment which was voted in this House, and which will be reviewed in Committee if my motion is adopted. It has been agreed that some new form of plebiscite should be examined into, and I believe that the honourable gentleman from British Columbia who moved the amendment which was adopted intends to reconsider that amendment, and propose another form of amendment. Then I will strongly urge my honourable friend from British Columbia, and those of his friends who shared his view when the vote was taken, to abandon the idea of adding the obligation to take a plebiscite, and leave the Bill to pass practically without this addition. I intend to do that. If I fail, and my honourable friends persist in their determination to have the people of British Columbia pass upon this legislation before the Federal Government could by Order in Council prohibit importation, then I will readily believe that there is very much in the statement that my honourable friend makes. But once the Bill is passed with that provision for a plebiscite added to it, we can leave the House of Commons to decide whether to accept the Bill as it is or to refuse to concur in aur amendments.

Hon. Mr. McMEANS: What about withdrawing it altogether?

Hon. Mr. DANDURAND: Well, I have no mandate.

Hon. Sir JAMES LOUGHEED: Neither has the British Columbia Government.

The motion was agreed to, and the House went into Committee on the Bill.

Hon. Mr. Blain in the Chair.

On section 1—importation of intoxicating liquor; prohibited:

Hon. Mr. McMEANS: I move that the Committee rise.

Hon. Mr. DANDURAND: Honourable gentlemen. I suppose we can explain the effect of the motion, which will be simply to kill the Bill; that is to say, this Bill will disappear from the Order Paper, and we will be absolutely refusing the legislation which is asked for by the provinces that have voted government control. I know the fear that my honourable friend entertains in connection with this legislation being put on the Statute Book. I will not make the argument that he could better make himself, and I do not intend to detain the atention of the House very long.

We have given to provinces that have voted prohibition, Federal authority to prohibit importation. As to the provinces that have voted Government control, we are now seeking to give them effective control, and in those provinces by this legislation we are limiting the importation to the Government or its agency, to a public carrier, and to distillers for flavouring or blending purposes.

Now, if we have done the most, we can do the least. But it is objected that in the case of total prohibition of importation, a province has pronounced itself; and it is also alleged that in the case of one province—and perhaps the same thing could be said also of the province of Quebec—the people have not been questioned on that point, and their will has not been ascertained as to their denying themselves the constitutional right that a private citizen has, of importing from abroad. With regard to British Columbia, the province from which the opposition to this Bill appears most clearly in this Chamber, my answer has been that the people of British Columbia have voted for complete Government control as against prohibition, which was on the Statute Book; that when the people went to the poll they had not in mind that the people generally could, in spite of Government control, buy wherever they pleased, which meant simply and purely the negation of Government control. If the Government controls, then it is complete, or it is not. If the people can buy where they please without the consent or the authority of the Government, and outside its control, then it is not Government control.

Hon. W. B. ROSS: But is there not a difference between importing for personal use and importing for trade and sale?

Hon. Mr. DANDURAND: The importation to sell is prohibited under Government control, and the only exception in favour of the trader is that he can say: "I am not importing to sell in the province; I am importing to sell outside." This class we are doing away with by agreeing to lend our authority to whatever province asks for it. The other class is that which has the general right of every private citizen in a Province where there is Government control. By this Bill we are denying to the private citizen the right to buy outside.

I said that 99 per cent of the people of British Columbia went to the poll without any thought of depriving themselves of any right that they had utilized. When they voted for Government control they could not have had in their minds any idea that they were retaining a constitutional right. I said that 99 per cent of the people of British Columbia went to the poll with a single thought: prohibition or Government control? I added that it seemed to me that, when 99 per cent of the population were in that state of mind, we were not depriving any considerable group when we said to British Columbia: "You shall have complete Government control." It occurred to me that I could test the statement that not one per cent cared a fig for the retention of the right to buy outside. I looked around this very Chamber, which I take to be about the average in the community, and with a few questions I sounded some of my colleagues; and I venture to say that there are not 15 members of the Senate who have ever taken the trouble to go beyond the boundaries of their Province in order to buy in Scotland or in France. One per cent of British Columbia's 500,000 population would be 500 people.

Hon. Sir JAMES LOUGHEED: Would my honourable friend be good enough to tell us how those of us living in the dry Provinces would have an opportunity of purchasing liquor abroad and bringing it into those Provinces?

Hon. Mr. DANDURAND: Of course, my honourable friend is far more virtuous than the people of British Columbia or of Quebec. He has deprived himself of the right to buy.

Hon. Sir JAMES LOUGHEED: No, I am as big a sinner as any; but I would like my honourable friend to tell me how we can get liquor into those Provinces.

Hon. Mr. DANDURAND: He has not the right to import.

Hon. Sir JAMES LOUGHEED: Then what is the good of speaking of the 15 members here?

Hon. Mr. DANDURAND: I am speaking of the last 25 years. We are asked to impose upon the Province of British Columbia the necessity of spending from $75,000 to $85,000 for a plebiscite for that infinitesimal part of the population.

Hon. Sir JAMES LOUGHEED: I dispute my honourable friend's figures when he says that only one per cent of the people of British Columbia are in a position to take advantage of the importation powers. British Columbia, in proportion to its population, is a very wealthy Province; and a great many more than one per cent have been able to import.

Hon. Mr. DANDURAND: I am glad my honourable friend makes that observation. It is not simply a question of being able to do so, but whether they have ever thought of doing so, because in the minds of nine-tenths of the people who buy liquor for their homes there is the idea that when the liquor is to be had at hand it is easier to get it there, because there is some trouble in writing to Glasgow to get it direct, and there is more

trouble in writing to Bordeaux to get a cask of wine; because, first, you must know the agency, then you must be assured of the quality of the wine, and then you must take the risk of the transportation. There are very many conditions that make for the purchase at home.

It struck me that I could probably find out how many people there are in British Columbia who buy outside, and I have written to the Department of Customs for that information. After I have read these letters we will see what is the proportion of British Columbians for whom we are asked to add a clause to this Bill providing for a plebiscite.

Hon. Mr. FOWLER: You must figure only on the adult population.

Hon. Mr. DANDURAND: Last week I asked the Department of Customs to give me the number of people in British Columbia who had imported last year for private use. This is the first letter I received. It is dated June 25:

As instructed, the officers of this branch have looked into import entries entered for consumption in the Province of British Columbia since April 1st, the beginning of the current fiscal year, with a view to ascertaining the amount imported by private individuals.

Up to this date our records show 104,239 gallons entered for consumption in that Province. Of this amount, 50,500 gallons were entered by the Liquor Control Board and practically all of the remainder by the Consolidated Export Company, the Pacific Coast Storage Company, the Canadian Export Corporation and similar firms. We found imports to the amount of about 130 gallons by private individuals. This investigation covered about 1,500 entries taken since the fiscal year.

Robert Telford,
Chief Statistical Clerk.

Hon. Mr. FOWLER: I submit that you should cover a period of at least a year. It might not be the particular season for it.

Hon. Mr. DANDURAND: The Department is working backwards.

Hon. Mr. FOWLER: That is the way Departments usually work. I think they are following the usual course.

Hon. Mr. DANDURAND: I have the figures for the three months which precede it:

The entries of liquor in the Province of British Columbia during the months of January, February and March, 1923, have been examined, and during those months the total imports entered for consumption in that Province were 140,658 gallons. Of this amount, 70,331 gallons were entered by the Liquor Control Board, and, as in the succeeding months, most of the remaining entries were by firms such as those mentioned in my memorandum of the 25th instant. We found about 25 entries which appeared to be by private individuals covering importations of 392 gallons. In addition to these, there were 19 entries by Chinese or Japanese parties amounting to 2,684 gallons. We are unable to determine whether these importers are private individuals or business firms but the entries are large, averaging over 125 gallons each, which might possibly indicate that the parties are not importing for private use. The total number of entries in the three months was about 1,900.

I have made a summary analysis of this statement, which I will read:

Total imports entered for consumption in British Columbia during January, February and March: 140,658 gallons, of which 70,331 gallons entered by the Liquor Control Board and most of balance, to wit: 70,327 gallons, by the Consolidated Export Co., the Pacific Coast Storage Co., the Canadian Export Corporation and similar firms. Some 25 entries appear to be by private individuals covering importations of 392 gallons. 19 entries by Chinese or Japanese parties amounting to 2,684 gallons. Impossible to say if latter are private individuals or business firms as entries are large, averaging over 125 gallons each.

Since 1st of April, 104,239 gallons entered for consumption. Of this amount, 50,500 gallons entered by the Liquor Control Board and practically balance by the same firms as above, with 130 gallons by private individuals, so that in six months, private individuals imported 522 gallons. At most, 35 private citizens have imported from outside the province. If you double that number for the year, this would mean 70 entries, or 1-6th of one per cent. This stands to reason: Natural to buy at home as most people buy small quantities at a time and have the goods under their eye and can taste them; beside, difficult to buy abroad as it needs knowledge of the firm and in the case of wines, it implies a risk in the quality, in the flavour and strength with the risk of deterioration in transit.

The public in general would never think of going to the trouble and taking the risk.

Now we have a verification of my statement.

Hon. Mr. FOWLER: Who is that letter from?

Hon. Mr. DANDURAND: The two letters I read are from Robert Telford, Chief Statistical Clerk. So it appears quite clearly that very few white men in British Columbia go to the trouble of writing to Montreal or Glasgow or Bordeaux to get their favourite brands. We were told by the honourable gentleman from New Westminster (Hon. Mr. Taylor) that there were as many as 79 brands of Scotch whiskey on the lists of the Government agency. Surely that is enough to satisfy the most varied tastes in the Province.

I have indicated the difficulties, and it is because there are difficulties and risks in importing directly that so little is imported into British Columbia directly by private importers. Now, I put to my honourable friends from British Columbia the question: will they insist on forcing their Province to take a plebiscite at a cost of from $75,000 to $85,000, to deny the private importers the right to import? There are not 100 citizens, I venture to say, who during the last year were

importing from outside the Province. Before the House prorogues I will endeavour to get the figures for the other six months. I ask honourable gentlemen not to insist upon the plebiscite, and to allow full play and a fair trial to the system of Government control. Those who prefer Government control— and I know that some honourable gentlemen from British Columbia are of that mind—should, it seems to me, allow a fair trial of that system. If the Government in British Columbia is changed at the next electoral contest, the new Government will not be bound by this law. It will have the privilege of recalling this Order in Council; so I do not see why my honourable friends from British Columbia should insist upon maintaining the privilege of less than one-sixth of one per cent of the whole population.

No other Province has registered its opinion against this law; on the contrary, the Attorneys General of all the Provinces have said that they are in favour of the law, and I think it would be showing a fair spirit if my honourable friends from British Columbia were to say: "We will not stand in the way; we have registered our votes, and we can easily retrace our steps." When I was looking at the returns from the Customs Department, it struck me that there was very little in the objections that came from the Western Provinces; and I suggest that it is not yet too late to abandon this amendment.

My honourable friend from Manitoba (Hon. Mr. McMeans) moves that the Committee rise. That, of course, would deny the Province having Government control the right to obtain absolute effective Government control.

Hon. Mr. McMEANS: My only desire is to make sure that the Province of Manitoba under the present unsettled condition of the law should not be put in the position of having to take a plebiscite. If the Bill were withdrawn altogether we would know in what position we were. I only moved the motion in order to give the honourable gentleman an opportunity of withdrawing the Bill, so as not to complicate the legislation as it exists at the present time. If it is the desire to continue the debate, I will withdraw my motion.

The motion of Hon. Mr. McMeans was withdrawn.

Hon. Mr. TAYLOR: Honourable gentlemen, having heard the leader of the House just now, I am in a position, and I am sure the House generally will be in a position, to know what all this legislation is about. It seems that there have been imported into the Province of British Columbia by private importers during the last six months an average of 80 gallons a month.

Hon. Mr. DANDURAND: Outside of Chinese and Japanese.

Hon. Mr. TAYLOR: Yes. I presume we do not have to mix that subject with this one just at present.

Hon. Mr. DANDURAND: Well, it comes in.

Hon. Mr. TAYLOR: If the honourable gentleman wants to discuss the Chinese question first of all, I have no objection to discussing it, and I will say that this virtuous Attorney General of British Columbia, who has no idea except to promote the highest grade of morality and propriety and temperance in British Columbia, has been so keen after the almighty and dirty dollar that he has made a special drive for months on the Chinese Sam Suey and the Japanese Saki in order that he might offer the oriental peoples of British Columbia the greatest possible inducements to buy from his Government stores. That is the attitude of the Attorney General of British Columbia —a special drive to induce these people to buy and debauch themselves—if these things do debauch—from the stores of the Province of British Columbia.

As to private importation, on the word of the honourable gentleman himself (Hon. Mr. Dandurand), there have been 80 gallons a month imported; and yet we have the representation of the Attorney General of British Columbia that the administration of the law in that Province is paralyzed by that importation.

Hon. Mr. DANDURAND: Plus the importation of the exportation houses.

Hon. Mr. TAYLOR: The figures themselves have only to be stated to show the absurdity of the whole contention. There must be something behind the contention other than the desire expressed on the surface.

When you come to the export warehouses, let it be recalled that the request of the Attorney General of British Columbia to this Parliament did not include the suppression of the export houses—that his request to this Parliament specifically exempted export houses. Knowing that they were the only people importing into British Columbia, he came to this Parliament with a Bill—as you will see by referring to the measure as passed last year by the Commons and as introduced in the Commons this year—with a special

exception in favour of export houses, which were to be interfered with only if at some future date he saw fit to make special recommendation in that behalf.

Hon. Mr. DANDURAND: Then he could, by a demand on Ottawa, have the export houses closed?

Hon. Mr. TAYLOR: Yes, if in the meantime he had not made his peace with them, or they had not made their peace with him.

Let us be plain about this. The Attorney General did not ask for the suppression of the export houses. The provision to that effect was inserted in the House of Commons without any request from him, or from anybody in British Columbia in his behalf, that that should be done.

The very figures given here to-day show his insincerity. The day after we took the vote here I read in an Ottawa newspaper, a message from the Attorney General of British Columbia, which is confirmed by the press of British Columbia. I would like the honourable leader of the House to note these facts. The sole request for this legislation is from the Attorney General of British Columbia. The honourable gentleman read a most insulting letter from that gentleman respecting the Parliament of Canada and the Senate, and when the Attorney General's attention was called to it he sent a very questionable withdrawal, with the extraordinary statement in it that the long paragraphs of his first letter meant nothing and he intended no reflection upon this Parliament, particularly upon the Senate. Yet, after the Senate had taken the vote the other night—the vote of the free men who constitute this House, which was not extraordinary, but was in accordance with precedent—we find it referred to by the Attorney General of British Columbia in these words:

> I appreciated from the outset that bootlegging interests were powerful. I am now quite convinced that I did not over-estimate their power.

That is, the Attorney General of British Columbia broadcasts over Canada that the majority of this Senate were purchased last week by bootlegging interests to vote as they did vote.

I do not know what attitude the honourable leader of the House takes—whether he thinks that it is proper to allow such an imputation to be passed upon the House which he controls, or should control, without any notice being taken of it; but as one member of the Senate of Canada, I resent an imputation of that kind. When I heard the honourable gentleman from Manitoba move a little while ago that the Committee rise, although he moved it with an entirely different object, having regard to circumstances in his own Province, it did seem to me that that would be the most fitting answer to make to a person who continues to heap insults upon the Parliament of Canada because he cannot achieve his purpose in the dubious application which he has made.

The honourable gentleman's second argument was that it would cost $75,000 to take a plebiscite in British Columbia. What do the Liquor Board and the Attorney General of British Columbia care for an expenditure of $75,000?

Hon. Mr. DANDURAND: But the honourable gentleman himself should care.

Hon. Mr. TAYLOR: True, I should care, and do care; but I know from sorry experience that the Attorney General of British Columbia does not care, and that when he puts $75,000 as the obstacle to prevent a reference to the people of British Columbia, that is only another evidence of his insincerity. I will tell you why I say this. I have in mind a concrete case. This, again, is from the records of the Province of British Columbia; it is not rumour, or fiction, or imagination. The Liquor Control Board—that is, the Board controlled by this Attorney General of British Columbia—had under lease in the city of Vancouver a substantial liquor warehouse. There was no necessity for their dealing particularly with that warehouse at all, because the lease extended over the ordinary term of office of the Board. There was suddenly registered in the Registry Office the announcement of the transfer of that property to the possession of the Liquor Control Board. We found on inquiry that while this property was valued on the city assessment at $58,000, and while it was listed for sale with every realty office in Vancouver and the valuations in connection with those listing ran from $60,000 to $70,000, yet the Liquor Control Board—that is, the Attorney General of British Columbia—had bought these premises privately for $150,000. That is $80,000 more than the highest valuation placed upon that property, and $92,000 more than the municipal assessment upon it; and we have no redress.

Hon. Mr. BOSTOCK: Will the honourable gentleman excuse me He knows that the Attorney General who was responsible for that has since resigned his position.

Hon. Mr. TAYLOR: Yes, as the honourable gentleman says, the Attorney General who was responsible for that has since resigned his position; and he is in greater favour than

ever with the Government of British Columbia. He is receiving far more than his former official salary in commissions from the Government of British Columbia, and his attitude in connection with the purchase of these Liquor Board premises was confirmed publicly by his colleagues, and especially by the Prime Minister of British Columbia. So the fact that he has disappeared from the scene makes no difference, inasmuch as his colleagues were a unit in sanctioning or approving this scandalous waste of the money of the people of British Columbia, who have no redress except to wait for the next general election, whenever it may be.

As to the cost of taking a plebiscite, the Government of British Columbia have had it in their power at any time within the past two years to take, without any cost whatever, a plebiscite of one-fourth of the population of British Columbia on this subject. The city of Vancouver, returns six members to the Legislature from the city at large, and these represent one-fourth of the population of British Columbia. Since the fall of 1921 a seat for the city of Vancouver has been vacant. Two sessions of the Legislature have passed without that seat being filled. At any time the Government of British Columbia could have called for an election and made this an issue there, but they have not done so—why? The answer is that they know that the sentiment of the people of British Columbia is against their administration of the liquor law, and that sentiment would be made plain at any time a constituency like Vancouver had an opportunity to pronounce upon the subject. It is because of a knowledge of these facts, possessed by every citizen of British Columbia, that we are averse to enlarging the powers of a Board who scandalously abuse the powers already conferred upon them. We say that if this Board came to Parliament with clean hands and showed that they were hampered in a clean administration, they would be entitled to special consideration. But they do not come to Parliament clean; they some to Parliament smirched in every possible way, showing a disregard of public sentiment, a disregard of all their pledges, and they say, "Confirm our monopoly."

With the exception of the message from the Attorney General of British Columbia protesting against the action taken by this House last year, the only messages I have had commended the action of the Senate. The only reference I have seen in the British Columbia press—that is the informed and interested press—has been in commendation of the action of this House. The people out there know what this means. They do not wish any extraordinary powers to be conferred on the Liquor Control Board of British Columbia.

I would suggest to the honourable gentleman that he is most unfair in his argument as to one per cent.

Hon. Mr. DANDURAND: One-sixth of one per cent.

Hon. Sir JAMES LOUGHEED: Oh, make it one per cent. Allow us one per cent.

Hon. Mr. TAYLOR: Even make it two per cent. We had two per cent, and we abolished it because we were not satisfied with two per cent.

The question is not, how many people in British Columbia use any right we have? How many people in British Columbia use the right to appeal to the Exchequer Court to sue the Crown? It would be one-thousandth part of one per cent. Would the honourable gentleman say that he would destroy that right or take it away from them because only one-thousandth part of one per cent of the people ever use a right of that kind. We do not have to use every day every right which we possess in order to appreciate or value that right. The fact that we do not use it is no reason why the powers that have granted it to us should arbitrarily take it away.

Hon. Mr. DANDURAND: Will my honourable friend allow me a question?

Hon. Mr. TAYLOR: Yes, certainly.

Hon. Mr. DANDURAND: Under the Prohibition Act you allow 51 per cent of the population to impose its will on 49 per cent, saying, "You shall not drink this, or you shall not drink that." Now we say to one-sixth of one per cent of the population of British Columbia, "Kindly buy from your own Government stores."

Hon. Mr. TAYLOR: I do not think that is a very powerful answer. The proposition of the amendment now before this Committee is to allow 51 per cent of the voting people of British Columbia to say that they are satisfied to give the Government this exclusive control. The majority must rule. When the majority has expressed itself, if 51 per cent of the people, or any majority, vote by the plebiscite to give the Government the complete monopoly which they ask, so as to put all this extra money into their pockets, I for my part, as a representative of British Columbia, shall have nothing further to say.

Another point, as to the question of cost to the Government. We have in the litera-

ture from the Attorney General, broadcasted in Canada recently, the statement that the bootleggers were making from one to two millions a year in profits. A very simple calculation will show that if bootlegging is to be ended by this legislation the Attorney General of British Columbia will very soon recoup the $75,000 that he says it will take to hold a plebiscite. Why, one month's extra profits would more than recoup him for it. So, as a business man, he is absolutely foolish in throwing away the chance to get an extra million or two millions a year for the sake of a $75,000 preliminary investment.

Hon. Mr. DANDURAND: He may take advantage of it.

Hon. Mr. TAYLOR: I doubt it. Our message is that he hopes that the King Government—that is his expression—will find means to induce the Senate to reverse its action of last week. I for one hope that they will not, but that he will be sent before the people of British Columbia; and if he be sent before the people of British Coumbia, I am quite satisfied, as I have said, to take their verdict on this legislation.

Hon. Mr. DANDURAND: Question.

Hon. Sir JAMES LOUGHEED: What is the question before us?

Hon. J. H. ROSS: What do you move?

Hon. Mr. BARNARD: Honourable gentlemen, the honourable leader of the House appears to be of the opinion that I am desirous of substituting for the amendment which was inserted in the Bill when it was in Committee before, a fresh section providing for a plebiscite. Personally, I am not particularly worried about the form that the amendment took the other day, but when the honourable gentleman suggested that there should be no doubt about the cost of the plebiscite being placed upon the province, and that there should be no difficulty about the machinery for taking the vote, I agreed that an amendment might be drawn by the Clerk of the House embodying the principle which I advocated, and that, should such an amendment be drawn and be satisfactory, I would have no objection to it being substituted.

I would like to understand, before moving to make any change, just what is going to be the situation in this respect. I do not intend asking for a change, but if my honourable friend will accept what I suggest might be inserted to embody the ideas mentioned by him the other day, I shall have no objection to it.

Hon. Mr. TAYLOR.

Hon. Mr. DANDURAND: I have simply drawn my honourable friend's attention to the difficulty in which the Government of British Columbia would be placed in using the machinery that my honourable friend proposed to add to this Bill, because that machinery, which at first was based on the Doherty Act, had been at the last moment altered in part by the honourable gentleman, by the insertion of the word "Lieutenant" before the word "Governor." When later I read the proposed amendment in the minutes of the Senate it occurred to me that we were getting nowhere; that this legislation would be unworkable. I pointed this out to my honourable friend and I think that either he or the honourable gentleman opposite said: "We had seen the difficulty, and we intended revising this amendment which we passed last evening, and which had been very hurriedly drawn".

Now, my honourable friend may do just as he pleases. This is his amendment. I voted against it. I will vote against all amendments embodying the principle of the plebiscite; but the majority in this House is free to add such a provision to the Bill if it pleases. When I rose it was simply to suggest that the amendment was in my opinion unworkable. My honourable friend felt that same way. The Law Clerk has prepared an amendment, but I do not intend to vote for that amendment. I will vote against all amendments that carry the idea of a referendum.

Hon. Mr. BARNARD: In that event I see no particular object in making the change. We have the authority of the honourable gentleman from De Salaberry (Hon. Mr. Béique) that the machinery that was provided could be made workable; therefor there is no object in changing.

Hon. Mr. DANDURAND: Will my honourable friend give me his opinion on this point? According to the Act as it is, will it be the Federal authorities who will be called upon to demand a plebiscite in British Columbia?

Hon. Mr. BARNARD: No, it would be the Provincial authorities who would call for the plebiscite. The machinery is provided in the Canada Temperance Act for the taking of an ordinary plebiscite. In order to answer one or two points made by the honourable gentleman in his speech a few moments ago, and to show that there is more interest being taken in this question in the province of British Columbia than he appears to think, I

would like to read a telegram I received the day before yesterday from Vancouver, dated the 25th June:

Honourable G. H. Barnard, Ottawa, Ontario.

Kindly inform Sir James Lougheed and the British Columbia Senators that the Moderation League of British Columbia are now and always have been strongly opposed to any restriction on rights of private citizens to import liquor solely for their own use (Stop) We appreciate very much the effort to preserve the rights of citizens of the province, and urge that they be continued. Executive Moderation League, by H. O. Bell Irving, Chairman.

I may say that the Moderation League is a body that is numerically pretty strong in the province of British Columbia, as was evidenced by the result of their efforts when the plebiscite was taken there on the last occasion that this question was before the people.

In addition to that, I propose to quote from an editorial in the Victoria Daily Colonist of 21st June, as follows:

An Issue for Plebiscite.

The Senate has chosen the logical course in dealing with the attempt to put an end to the right of the private importation of liquor into provinces where Government control laws are in force. It is a question for the people to decide. The whole issue of prohibition, in any shape or form, has been thrown into the melting pot of a fluctuating public opinion, and there it seems destined to remain, chopping and changing with the years. Since the principle has been laid down that in Canada each province shall decide for itself on the issue of prohibition, that principle, if it is to be observed in its entirety, involves a plebscite on any such radical course as a departure from a right laid down in the British North America Act. It is true a plebiscite in a province like British Columbia is a costly performance. If there is an overwhelming demand on the part of public opinion to make the provincial Government's monopoly of the liquor traffic airtight, the expense incidental to a plebiscite will not be objected to by the people.

One of the gravest dangers involved in a Government's airtight monopoly of the liquor business has been drawn attention to by Senator Taylor of New Westminster. He points out that the legislation designed to put a period to private importation would, if adopted, "create a number of mushroom distilleries in British Columbia and provide an immense corruption fund." It is idle to deny the possibility of this, no matter what protestations of pure-hearted innocence our legislators might make. In the Senate debate on the Bill to amend the Canada Temperance Act, the same old perennial discussion on what the people of this province meant by their decision in favour of Moderation was again aired. Senator Barnard of this city said they did not mean to deprive themselves of the right of private importation. As to whether they did or did not we are unaware, but what we know is that the people did not intend to put into the hands of the Government any authority, or inclination or temptation, to use the control of liquor for the purposes of creating a party campaign fund. The possibilities of this are to be deprecated in every possible way.

It is now a matter for the Provincial Legislation to decide if there will be a plebiscite on the right of private importation of liquor. There is no real need for such a plebiscite before a general election is held. In conjunction with a general election the expense involved would be greatly lessened as compared with what would be incurred were a plebiscite held at another time. The fact is that a plebiscite would probably cost the people of British Columbia $100,000 if held at any time other than when a general election was in progress. The Legislature will decide if it believes the people should be involved in such expense at this time. The state of public opinion in the Dominion on this whole question of further prohibitory legislation of any character is distinctly one of unrest.

I would call my honourable friend's attention to the last few lines of this editorial:

Governments are showing a tendency to exhaust the patience of the people by harassing legislation and sumptuary laws which are proving disturbing factors in the social, economic and political life of the nation.

I would suggest that the honourable gentleman allow the amendment to stand as it is, and let the people of that Province decide what they want on this particular question.

The Bill was reported as amended.

The Senate proceeded to consider the amendments to the Bill made in the Committee.

Hon. Mr. DANDURAND: I move that all the amendments be concurred in except the one contained in clause 5, which carries the obligation of a plebiscite being taken.

The motion was agreed to.

Hon. Mr. DANDURAND: I now move that the amendment contained in clause 5, which imposes the obligations on a province of a plebiscite, be not concurred in.

The motion was negatived on the following division:

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Robertson,	Webster (Stadacona),
Ross (Middleton),	White (Pembroke),
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The amendment was agreed to on the same division reversed.

THIRD READING

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

Right Hon. Sir GEORGE E. FOSTER: Before the Bill is read a third time, I have an amendment to propose. It is one of the amendments that I moved the other evening when business was somewhat congested, and when honourable members were perhaps somewhat in a hurry to get through. I therefore move:

That the Bill be not now read a third time, but that it be referred back to Committee of the Whole to insert the following amendment:

163B. (1) Any person holding a license to carry on the business or trade of a distiller or brewer issued under the provisions of any Act of the Parliament of the Dominion of Canada who is convicted more than twice within any period of five years of any violation of any law whether of the Parliament of the Dominion of Canada or of the legislature of any Province relating to the prohibition or control of the use, manufacture, sale, transportation, importation or exporting of intoxicating liquors shall forfeit his license and shall thereafter be ineligible to hold such a license.

I gave some reasons before with reference to the amendment, and I am not going to repeat the arguments which I made in support of it. In addition to what I have already said, I wish to read a letter from the Chairman of the Board of License Commissioners for Ontario in reference to shipments that are made in violation of the law, and about which they have had a great deal of trouble and difficulty:

These shipments have been kept up for a good while, and they have given our officers endless trouble.

Under the pretence of shipping liquor to Mexico, Cuba or some other foreign place, a brewer or distiller goes through the form of making out export papers which it is pretended are to accompany the shipment. The liquor is then loaded upon a small boat, and Provincial Officers are warned that they must not interfere, because the liquor is for export, and only Dominion Officers can interfere. The boat, loaded with liquor, then sails away and the liquor is regularly smuggled into the United States, against the laws of that country, or under cover of darkness is landed somewhere in Ontario to be resold by bootleggers.

The smuggling into the United States is very distasteful to many of our people, and is strongly resented by many of the best people in the United States. The distribution in Ontario is wrong and indefensible, yet the conditions which make it possible, and I may say easily possible, are sanctioned by the laws of the Dominion. We have made many unsuccessful efforts to reduce this evil to a minimum, but generally without much success, and we feel very strongly that the Dominion Parliament should apply a speedy remedy. Surely the people of this Province who voted with such large majorities for prohibition are entitled to something better than the present law, which tolerates such a condition of affairs, under the sanction of Dominion laws.

The offending brewers and distillers quite openly admit that so far as violation of the laws of the United States are concerned, they are without conscientious scruples. They pretend that they will obey the laws of the Dominion and the Province. In spite of their profession, however, they are continually violating the prohibition laws of their own province.

For instance, during the past year, and up to the present in this year, three brewers alone have been convicted of more than eighteen distinct offences against The Ontario Temperance Act, yet they are still allowed to carry on under licenses obtained from the Dominion authorities. Some of these concerns are nothing better than outlaws. Where eighteen convictions have been obtained, doubtless twenty times eighteen offences have been committed by these same companies.

That this is going on and has been going on my honourable friend can easily ascertain by inquiring of the Customs Department. What I contend is that it is not for the good order and good government of a country that brewers and distillers living in the Province of Ontario, for instance, which has over and over again and by very large majorities expressed its wishes that this traffic shall not be carried on, should be allowed to countervail and contravene the laws of the Province—do it repeatedly, be brought up for it, and convicted for it, and yet be sustained by the Dominion Government in holding a continuous license The lawbreaker is a lawbreaker, and to my mind it is not healthy, orderly or in the interests of good government that lawbreakers under such circumstances should be countenanced to the extent of having their licenses continued. If they have not obeyed the law and have been brought up and punished by a fine or some other punishment, and if they do it again and again the time should come when their licenses should be taken away from them That is the object of my amendment.

Hon. Mr. DANDURAND: Honourable gentleman, I am trying to find the statute of 1907 or 1909 which I cited when my right honourable friend made his motion before. I have a recollection that there is already in the Statute Book a provision which gives the magistrate the right to order the cancellation of a license in the case of a third violation of the law by a distiller or brewer. I do not know whether honourable gentlemen remember that I made that statement. If that is true—

Right Hon. Sir GEORGE E. FOSTER: I do not think it is true.

Hon. W. B. ROSS: I think it is.

Hon. Mr. DANDURAND: I think that is so, on the third offence. So my honourable friend could at all events alter the words of his motion and make it conform with the Act protanto.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, this comes peculiarly within the administration of the Internal Revenue Branch of the Customs Department. The Federal Government assumes full responsibility for the issuance of licenses to brewers and distillers, and it seems to me that it is not sound policy to introduce into this Bill what I might term a sumptuary provision which might work a great injustice to interests that would in no way be personally responsible for the infraction of the law.

The Bill before us deals only with three parties: the Government—and this would not apply to the Provincial Government, although it might be the worst sinner of all—the common carrier and the distiller. This provision would not apply to the common carrier, and it would be idle to apply any such law to the carrier of this kind of goods. He has the right by statute to carry the liquor, and a license does not issue to him. The only other party mentioned in the Bill is the distiller. The brewer has been stricken out. The distiller cannot secure his license for the manufacture of spirits within the Province or within any part of Canada unless that license be issued to him by the Federal Government; and the license is issued to him, I fancy, after very much investigation into his qualifications to carry on the business which he presumes to carry on.

Cannot we rely upon the Dominion Government to say that if there is an infraction of the law, the right issued by the Dominion Government to the distiller will not at a future time be renewed? This is simply piling up sumptuary legislation, it seems to me, to prevent the proper administration of the Department chargeable with this particular class of business.

I do not think honourable gentlemen will accuse me of being in sympathy with the distillers; I do not think I have a personal acquaintance with any of those gentlemen in the Dominion of Canada. At the same time we know very well that the business which the distiller carries on is carried on throughout the length and breadth of this Dominion. If he is a large distiller he probably has branches from the Atlantic to the Pacific; his operations extend throughout the whole of the Dominion. He may have in his employ thousands of men. If any one of the men in his employ should violate the provisions which we have been considering, his license would be in jeopardy. Is it a reasonable thing to say that, because some informer should lay information that there has been an infraction by the distiller on the part of one of his employees, which would be entirely foreign to his knowledge, his license, which is his authority for carrying on a business which runs perhaps into millions, should be cancelled? Surely we have not reached that stage of puritanical insistance upon an academic law, so to speak, where we are prepared to place in jeopardy milions of dollars of property because some employee of a distiller may violate the law. That, in the final analysis, is what is proposed.

Hon. Mr. BELCOURT: Has my honourable friend looked at the section which empowers the granting of the licenses? And, next, is not the power or the authority absolutely discretionary?

Hon. Sir JAMES LOUGHEED: The authority is discretionary with the Government, and I was particularly impressed, when my honourable friend read the Act the other day, that it was discretionary on the part of the Government; and if there is any infraction of the law, all the Government has to do is to refuse to issue the license, or refuse a renewal of the license. Much as I sympathize with a due observance of law, I think there is a limit beyond which we should not pass. It seems to me that this proposal would result in confusion, and for that reason we would not be warranted in placing such legislation upon the Statute Book. I think we should rely upon the Government authorities to exercise proper discretion in issuing licenses, when there have been infractions of the law.

Hon. Mr. DANDURAND: I am somewhat dubious as to what is the right thing to do with regard to a distiller who has convictions recorded against him. I hardly know to what extent the distiller operates by his agents throughout the country; and, as I have not studied the question, and my right honourable friend's proposed amendment did not seem to meet with favour when I consulted the Minister of Customs, I feel that I am treading on uncertain ground. I am not fully acquainted with the whole situation. I would therefore suggest that my right honourable friend do not insist on his proposed amendment to this Bill, which is already rather heavily laden with amendments and will have to go back to the Commons, and that he should reserve action till next Session.

I will take occasion to draw the Government's attention to the fact that there are distillers and brewers who have as many as 15 or 18 convictions against them.

Right Hon. Sir GEORGE E. FOSTER: If I may be permitted, I have just two remarks to make. It is not by virtue of a charge that has been made once, twice or three times that the penalty may be imposed. There must be three convictions.

Hon. Mr. MURPHY: After the passage of this amendment?

Right Hon. Sir GEORGE E. FOSTER: Yes; and these convictions are imposed after a trial before the courts of the land. The court which tries the case has the circumstances before it, and when a conviction is made it is not based upon a technicality. All the circumstances are weighed and taken into account, and a conviction is made. This happens the second time, and it happens the third time. I say that then it is fair to impose this penalty.

Hon. Sir JAMES LOUGHEED: Suppose the act is committed by an employee or agent without the privity of the person to whom the license is issued. It is clearly an infraction of the law, and would clearly be brought within the amendment which has been proposed.

Right Hon. Sir GEORGE E. FOSTER: Yes, but the penalty I propose is not exacted simply on an allegation, or on an elleged infraction which has not been proved or on which a conviction has not been made.

Hon. Sir JAMES LOUGHEED: But though the act has been committed by an agent or employee without the privity of the license holder, the conviction would be made all the same. Is it reasonable that that penalty should be attached to a deed that has been committed without the knowledge or privity of the license holder?

Right Hon. Sir GEORGE E. FOSTER: My own thought in that respect is that a man is not convicted without all the circumstances brought before the court at the time of the trial being taken into account. If the circumstances as brought before the court go to show that the man was not culpable, but that the infraction was an indiscretion of an employee, or something of that kind, it would seem to me that a conviction would not be made. However, you can follow out that line of argument against any charge brought with reference to the infraction of any law, and I think we ought not to refine too much upon it. For my own part, I think it is a dangerous thing for the Goverment to associate itself with lawbreakers, whether they are distillers, brewers or simply the common man who commits the common daily infraction.

Hon. Mr. MURPHY: I understand the right honourable gentleman makes his amendment to cover three infractions instead of two.

Right Hon. Sir GEORGE E. FOSTER: Yes.

Hon. Mr. DANDURAND: I would point out to my right honourable friend that the American Government has been seeking protection against the invasion of its territory by Canadian alcohol, and that the Government is investigating the situation; so its inquiry will cover those probable violations of American law, as well as violations of Canadian law.

The proposed amendment of Right Hon. Sir George E. Foster was negatived.

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

PETROLEUM AND NAPHTHA INSPECTION BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 237, an Act to amend the Petroleum and Naphtha Inspection Act.

He said: Honourable gentlemen, under the present law the sale of naphtha for illuminating purposes is regulated by statute, which specified the mode of usage. The present amendment has for its object to give the Governor in Council power to regulate the sale for illuminating purposes, in order to allow the public to take advantage of new discoveries and new devices.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Bradbury in the Chair.

The Bill was reported without amendment.

THIRD READING

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

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

FUEL SUPPLY OF CANADA

CONCURRENCE IN REPORT OF SPECIAL COMMITTEE

Hon. Mr. McLENNAN moved concurrence in the report of the Special Committee on the Fuel Supply of Canada.

The motion was agreed to.

INSURANCE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 184, an Act to amend the Insurance Act, 1917.

He said: Honourable gentlemen, this Bill seems to be rather compact. It adds only two clauses to the Act. One clause, somewhat lengthy, contains conditions for the insurance of automobiles. When we go into Committee we can discuss these clauses.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Blain in the Chair.

On section 1—returns of British or foreign unlicensed insurance:

Hon. Sir JAMES LOUGHEED: What is the object?

Hon. Mr. DANDURAND: At the present time persons in Canada who insure their property in unlicensed insurance companies are required to make two returns to the Government—one under section 129 of the Insurance Act, the other under section 5 of the Special War Revenue Act, 1915, as amended in 1922. The object of the amendment contained in section 1 of the Bill is to render unnecessary the former of these returns. Hereafter the only return necessary will be that under the Special War Revenue Act, 1915.

Right Hon. Sir GEORGE E. FOSTER: That will be a sufficient return?

Hon. Mr. DANDURAND: Yes, it is a complete return.

Right Hon. Sir GEORGE E. FOSTER: That is all right.

Section 1 was agreed to.

On section 2—French version amended:

Right Hon. Sir GEORGE E. FOSTER: What is the purpose of that?

Hon. Mr. DANDURAND: This section corrects an error in translation in section 134, subsection 2, paragraph b, of the Insurance Act, 1917. I suppose I need not proceed to explain the error, but I can explain it fully if any honourable gentleman so desires.

Section 2 was agreed to.

On section 3—conditions of license for automobile insurance:

Hon. Sir JAMES LOUGHEED: Is that more restrictive or what is the effect of it?

Hon. Mr. DANDURAND: This section is the most important part of the Bill. It enacts statutory conditions which will be required to be included in all policies of automobile insurance issued in Canada after January 1st next. In 1910 Parliament enacted statutory conditions for life insurance policies. In 1917 it enacted statutory conditions for accident and sickness policies. The effect of these two amendments has been to make practically uniform the conditions of these classes of policies throughout Canada. The legislation has been greatly in the interests of the insured as well as a convenience to the companies. It is now desired to extend this principle to automobile insurance.

There is an additional reason why this is desirable. Many automobile policies insure against loss of the automobile by fire and there has always been some doubt as to whether the statutory conditions for fire insurance policies would be held to apply to policies insuring automobiles against fire. In the Province of Ontario this doubt has been set at rest by a judgment in the Supreme Court, confirmed by the Appellate Division, in the case Rockmaker vs. Motor Union Insurance Company, in which it is held that the fire insurance statutory conditions do apply to the automobile policy.

Hon. Sir JAMES LOUGHEED: Even though not specifically mentioned?

Hon. Mr. DANDURAND: I suppose so. In this particular case the condition in question was applicable equally to an automobile policy and to a fire policy, but there are other fire conditions of which this is not true. The statutory conditions referring to the storage of gasoline, to storage in buildings while under repair, and the change of location of the property insured, are instances of conditions which are inapplicable to automobile policies. The result of the judgment is to cause considerable confusion as to the construction of existing automobile policies and it is therefore most desirable to enact conditions which will be wholly applicable to the business of automobile insurance and equitable alike to the public and the companies.

The conditions prescribed have been disdiscussed very thoroughly with organized bodies of automobile owners, such as the various motor leagues, and the conditions are entirely satisfactory to them. They have also been discussed with the insurance companies, who have likewise given their approval. The solicitor for the Ontario Motor League has given expression to his views as follows:

> There is a fundamental principle in connection with insurance which many do not recognize; that is, the insured, not the insurer, pays the loss. Let me repeat; it is not the Insurance Companies that pay the losses, it is the insured. They must contribute enough in premiums to absorb the losses and pay the company's reasonable operating expenses and profits. In this sense it is a partnership undertaking; an undertaking in which the insured is vitally interested in seeing that the business is conducted according to sound principles, and that waste and extravagant losses, such as we have known to exist in the past, are eliminated.
>
> From one point of view it might be asserted that the insured has even more interest in reducing the loss ratio than has the insurer. The insurer makes his gain on the turn-over of business which means a turn-over of premiums. If, therefore, there is a loss of one million dollars in one year, the insurer makes more on the premiums collected than he would make on half a million dollars. If, then, the insured has an interest in the losses of the business, which I maintain he has, it behooves him to see that losses by criminal negligence and fraud are eliminated, and I assert many such claims are made and frequently paid.
>
> In my dealings with insurance companies, representing as I have many of the insured who are members of the Motor League, I must say I find the insurance companies have treated the straightforward claimant with every fairness and consideration, and if I have any criticism of the insurance companies it is that they are too prone to pay claims that are not made in good faith.

Subsection 6 and 7, on page 8, were inserted in the House of Commons, these being the only amendments in that House. Subsection 6 gives discretion to the Court to relieve against forfeiture of a policy for non-compliance with conditions binding upon the insured upon the occurrence of a loss in cases in which the Court deems it equitable that such relief should be given. This condition is similar to what is now contained in the provincial statutes, but in some provinces the provision is limited to fire insurance.

Subsection 7 prohibits the issue of valued policies. There have been, from time to time, demands made for such a policy, in which a definite sum is payable on the occurrence of a loss regardless of the value of the property destroyed at the time of the loss. It is believed that such a policy is an incentive to incendiarism and therefore an undesirable moral hazard. This is because an automobile loses a certain percentage of its value yearly; yet after three or four years the owner would receive a fixed sum, although the automobile would have deteriorated.

Sections 3 to 8 inclusive were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

INDUSTRIAL DISPUTES INVESTIGATION BILL

SENATE AMENDMENTS INSISTED UPON

The Senate proceeded to consider a message from the House of Commons disagreeing to the amendment made in the Senate to Bill 84, an Act to amend the Industrial Disputes Investigation Act, 1907.

Hon. Mr. DANDURAND: Honourable gentlemen, the Industrial Disputes Act was amended in two or three particulars, materially altering the end which the Department of Labour had in view when it introduced this Bill. We have now a message from the House of Commons informing the Senate that that House disagrees with the amendments made by the Senate to this Bill for the following reasons:

> That the said amendments defeat the objects aimed at in the Bill, and would complicate rather than simplify procedure.

I move that we do not insist on our amendments.

Hon. Sir JAMES LOUGHEED: In reference to what my honourable friend has said, I would answer that the amendments which have been inserted in the Bill are but reasonable. The message which has been sent from the House of Commons, which we treat with all due defenence, is certainly not an answer to the amendments made by the Senate. The first amendment, dealing with a strike or lockout, is a most reasonable amendment; in fact, I fail to see how anyone can take exception to our amendment. It seeks to perfect the Act, to give it a facility for operation that was not to be found within its four corners; and surely the amendment which we made as to the impartial selection of an arbitrator cannot be criticized, at least in my judgment, by the most advanced labour man. The Act required amendment in that particular respect, and if the Minister of Labour had been anxious to amend this Act so that it would commend itself to the public and appeal to the fair judgment of men, he would have made some proposal in view of the fact that two Sessions ago, I think, we

amended the Judges Act, which prevented the selection of judges as chairmen of Boards. Now, in the absence of any provision taking the place of that important provision, it was not unreasonable to expect that some suggestion would have been made by the Minister of Labour to fill the void which was quite apparent as to the machinery for selecting chairmen of Boards. The bald message sent down from the House of Commons, without any reasoning, or without any detailing wherein any injustice will occur, does not appeal to me in the slightest degree, and I think the House should insist upon its amendments.

Hon. Mr. BELCOURT: Will the honourable gentleman tell us what the other two amendments are?

Hon. Sir JAMES LOUGHEED: I only recall two amendments—the so-called Béique amendment, and the arbitrator amendment.

Hon. Mr. ROBERTSON: Section 58, the penalty clause which was coupled with 57 I had an opportunity of reading in Hansard the debate on this question in the other House a day or two ago, and noted the objections raised by the Minister of Labour to the amendments made by this House. Frankly I confess that I did concur in the amendments as introduced by the Department of Labour in the other House at their inception. But, for the purpose of trying to meet the situation reasonably and fairly, having very sincere regard for the views expressed by the honourable member for De Salaberry (Hon. Mr. Béique) and what appeared to me the reasonable amendment he offered to section 57, I supported his amendment, believing it was preferable to do that rather than leave the Act as it was; my only object, then and now, being to have the Industrial Disputes Act so framed that it would best serve the purpose for which it was intended, namely, to maintain industrial business as far as possible in Canada.

I was and am opposed to the amendment of the honourable member from Hamilton (Hon. Mr. Lynch-Staunton), respecting the method by which Chairmen of Boards are selected. My views have not changed on that point, and I quite agree that the Government were probably well advised in not concurring in the amendments of this House in that particular respect. I am of opinion that if this House saw its way clear to waive objection to the view of the House of Commons respecting the amendment to section 8, but would insist on its amendment to section 57, that should be a fair solution of the whole difficulty; that is, to accept the amendment of the honourable member from De Salaberry, but not to insist upon our amendment to section 8, as moved by the honourable member from Hamilton.

Hon. L. C. WEBSTER: As it is nearly 6 o'clock, I would ask that the Speaker call 6 o'clock, so that we may discuss this matter further when we reassemble after recess.

At six o'clock the Senate took recess.

The Senate resumed at 8 p. m.

DIVORCE BILL

FIRST, SECOND AND THIRD READINGS

Bill F6, an Act for the relief of Flossie May Pinkham.—Hon. Sir James Lougheed.

INDUSTRIAL DISPUTES INVESTIGATION BILL

SENATE AMENDMENTS INSISTED UPON

The Senate resumed the consideration of the message from the House of Commons disagreeing to the amendments made in the Senate to Bill 84, an Act to amend the Industrial Disputes Investigation Act, 1907.

Hon. L. C. WEBSTER: Honourable gentlemen, I said a few words with regard to this matter before recess. I have not had an opportunity of reading the speech made in another place by the Minister of Labour; but I know that he lays special stress upon the fact that if our amendments are to be insisted upon, some confusion and perhaps delay may be caused in the carrying out of the Act. I do not think it is the desire or purpose that any such delay or such confusion should occur. We gave this matter very careful consideration; we discussed the question in its various aspects; and while at first we were not all agreed upon the proper way and the best method of amending the Bill; yet, after an amendment had been proposed by an eminent K.C. of Montreal, one whose judgment is very much respected in this House, we agreed to accept his amendment, feeling that both in law and in practice it was perfectly sound.

It is this amendment, I understand, that is questioned at the present time. I feel, honourable gentlemen, that if we follow out the amendment suggested, we will find that there is nothing complicating or nothing confusing in regard to the Act. It has already been stated that the Bill as originally introduced

into this House would work considerable hardship upon several of our manufactures and industries. That matter has been fully gone into.

When the further amendment was moved, that a Chief Justice should appoint the third arbitrator, some of us felt that it would be safe to have the Chief Justice name the third arbitrator, in case of a difference of opinion.

I think it was in that sense that these amendments were accepted by this House, and I feel, therefore, that we should insist upon these amendments which we have discussed fully and at length, and which some of us feel are in the best interests of both capital and labour.

Hon. W. B. ROSS: Honourable gentlemen, I have very little to say with regard to this Bill. The difficulty is to say anything without repeating what has been said before. I think we ought to adhere to our amendments. There are only two of them. One of them was introduced by the honourable member from De Salaberry (Hon. Mr. Béique), and I think it does full justice to both parties. If you strike out the amendment and leave the Bill as it was, it is one-sided, because the workmen are a shifting body, and if you attempt to collect from them a past due sum or sums that have been paid over and beyond what the award fixes, the award being retroactive, even if the men are in your employ, you would find that they would resent it, and I doubt very much whether it would be practicable to collect from them. Under the Bill as amended, justice would be done to both sides.

The other amendment with regard to the Chief Justice is of even greater value from my point of view. It is not a new thing. The late Senator Nicholls, when he was a member of this House, complained to me about this Act from that point of view. He said that the men appointed their arbitrator, and the employer appointed his. The third arbitrator was appointed by the Minister of Labour. Senator Nicholls said that in the cases in which he was concerned he regarded the arbitrations as a farce, and was not going to have anything more to do with them. I have made some further inquiries about the working of this part of the Act since the matter was before this House I have discused it with one man who has been concerned in quite a number of arbitrations. I asked him if there was any difficulty or any complaint with regard to the appointment of the third arbitrator. I did not ask him for permission to use his name, and shall not do so. He told me that he had great complaint, and that for anyone to say that there was no complaint against the Minister of Labour appointing an umpire was entirely a mistake.

We have had experience in the Province from which I come in the appointment of arbitrators under our Arbitration Act. The appointment is made by a judge, and it works very satisfactorily.

If you look at the thing on its merits apart from what anyone says, you can see at a glance that a Board of Arbitration should be something in the nature of a court. You have two men who certainly will be biased—the one that is appointed by the men and the one that is appointed by the employer. It is therefore of importance that the umpire should be chosen by someone who is not subject to political influence and who will not be pulled by anyone. I would think that the Minister of Labour would be very glad to get clear of the duty of appointing these men and would prefer to leave it to the Chief Justice of the Province. As a matter of fact, I do not think it is a fair criticism of the Chief Justices to say that they are not qualified to choose these arbitrators. I do not know anyone who is better qualified to do it, and for this reason. The Chief Justice of a Province knows practically the whole Bar; he has a pretty good knowledge of the business men of the country—the men who are before him. He has therefore a knowledge of the men who are chosen by business men to act as arbitrators, and I should think that it was very doubtful whether any other man in the Province would be as well qualified to choose an umpire. I attach enormous importance to that point, and would be very sorry to see this House beaten in the position it has taken in that regard. For the life of me, I cannot see why the Minister of Labour or Labour itself should complain about the Chief Justice of the Province selecting the third arbitrator. It ought to be just as good for them as for the others, and I hope this House will adhere to the position that it has taken.

Hon. G. D. ROBERTSON: Honourable gentlemen, may I make a suggestion which I hope will be helpful towards an amicable solution of this problem? I crave the indulgence of the House for a few moments to add something to what was said before the six o'clock adjournment was taken.

Two amendments have been made to this Act by the Senate during the past few weeks. One is an amendment to section 57 providing, briefly, that an employer may make a change in conditions or rates of pay even before a

Board has dealt with the case, but not until the party seeking the change has made application for a Board.

Hon. Mr. CASGRAIN: That is all right.

Hon. Mr. ROBERTSON: That is going part of the way towards complying with the request of the Department in submitting their amendment to the other House. It grants, not all that was asked, but a part, and in my opinion it substantially helps the situation, though still leaving a discrimination against labour. I think this House should insist upon the amendment of the honourable member from De Salaberry (Hon. Mr. Béique) being accepted by the other House, unless this House is prepared to accept the Bill as it came from the Commons. If honourable members do not feel inclined to accept it in that form, I think we should at least insist upon the amendment to section 57 as passed here.

Then, in order that the House of Commons may feel that the Senate is trying to meet the situation fairly, and is not arbitrary in the matter, I would further recommend that the amendment to section 8, which originated in this House be not insisted upon. It would never have become the subject of consideration or discussion had not the Bill come from the Commons for consideration of the amendment proposed by the Department. I think we would be well advised not to insist upon our amendment to section 8. By not insisting upon it we shall probably be able to effect an amicable adjustment of the question between the two Houses. If we insist upon all our amendments, after the Commons have determined otherwise, I fear that we may reach a deadlock that will nullify all that it is desired to achieve in the amendment originally proposed.

To that end I would move—

Hon. Mr. DANDURAND: I moved that we do not insist upon our amendment.

Hon. Mr. ROBERTSON: Then I would move in amendment, that this House do insist upon its amendment to section 57, but do not insist upon its amendment to section 8.

Hon. W. B. ROSS: Will the honourable leader repeat what he has just said as to his motion? I was not here when he moved it.

Hon. Mr. DANDURAND: The message from the Commons informed this Chamber that they did not concur in our amendments. It is now for us to say whether or not we shall insist upon them. If we do, there will be only one door left open: we may hold a conference. I have moved that the Senate do not insist on its amendments, that is, all the amendments that have not been concurred in. Now my honourable friend from Welland (Hon. Mr. Robertson) moves that we do insist on one amendment—

Hon. Mr. ROBERTSON: The amendment to section 57.

Hon. Mr. DANDURAND: —but that we do not insist on the amendment to section 8.

Hon. Sir JAMES LOUGHEED: I would suggest to my honourable friend (Hon. Mr. Robertson) that he should not put the amendment in that form, because it would require an affirmative vote and a negative vote at the same time; that is, that we do insist upon one amendment and do not insist upon the other. Would it not be better to move that we insist upon the first amendment, and when that question is disposed of, move that we do not insist upon the second amendment.

Right Hon. Sir GEORGE E. FOSTER: Otherwise you have a double question.

Hon. Sir JAMES LOUGHEED: Yes. You have a very awkward situation.

Hon. Mr. DANDURAND: In order to facilitate the procedure I will, with the leave of the House, withdraw my motion.

The motion of Hon. Mr. Dandurand was accordingly withdrawn.

Hon. Mr. ROBERTSON: My motion, then, is that the Senate do insist upon its amendment to section 57, by adding section 57A. The purport of that amendment is that when a dispute occurs as to a proposed change, the party seeking or desiring the change must make application for the establishment of a Board. That is all it means. It simply places a definite interpretation upon what has already been the law. My honourable friend from De Salaberry (Mr. Béique), in moving the amendment, I thought, was trying to meet the situation fairly and overcome what is obviously a misinterpretation and misapplication of the Act.

The motion of Hon. Mr. Robertson was agreed to.

Hon. Mr. ROBERTSON: I move that the Senate do not insist upon its amendment to section 8 of the Bill.

Hon. W. B. ROSS: That is with reference to the appointment of the Chief Justice.

Hon. Mr. BEIQUE: Honourable gentlemen for my part, while I voted for the amendment, I do not attach a great deal of importance to it, and in any event we should not risk the other amendment to the Bill for the sake of carrying this one. I would agree with the suggestion which has been made by the honourable the ex-Minister of Labour that we give way on this amendment. We may have at next Session an opportunity to amend the Bill further if we so desire. For my part, I am disposed to give way to the House of Commons to that extent.

Hon. Mr. BELCOURT: I think, honourable gentlemen, we ought to insist on that amendment. It is a matter of justice pure and simple. Nowhere at any time, under any circumstances, should a third arbitrator be appointed by one who is more or less interested in the matter in dispute. The Minister of Labour cannot and will not be indifferent in a matter of this sort. I think it is only right and fair that the appointment of the third arbitrator should be by a disinterested person, and it seems to me that no injustice can be done to anyone by placing the appointment of the third arbitrator in the hands of the Chief Justice of a Province or the Chief Justice of Canada. I cannot understand why the Minister of Labour should object to that.

Hon. W. B. ROSS: He should be glad of it.

Hon. Mr. BELCOURT: It seems to me he ought to be quite willing to share the responsibility in the award to be made, by having the appointment made outside of the Department and in the way we have decided on, namely, by a judge. I do not at all agree with my honourable friend to my left (Hon. Mr. Béique). I think we ought to insist upon that amendment as well as the other. To my mind it is really more important than the other.

Hon. Mr. DANDURAND: Honourable gentlemen, I represent a minority view in this matter; but I intend supporting the motion of the honourable the ex-Minister of Labour. So far as my experience goes, I have often observed the appointments of chairmen in the past ten years, and I have felt that the person selected was one would carry weight with both employers and employees. The appointment was generally a very fortunate one. It was in most cases, up to 1921, I daresay, a judge who was selected. Whether the investigation was held in Nova Scotia, where I had some interests, or in the Province in Quebec or in Ontario, the choice was generally one that commended itself to public opinion.

Hon. Mr. BELCOURT: Can my honourable friend tell me what objection there could be to the selection being made by a judge?

Hon. Mr. MITCHELL: Honourable gentlemen, I think it would be quite as well to give labour three representatives as to give them two. Why should the dispute be settled by two of their representatives? You might as well appoint all three members of the Board.

Hon. Mr. ROBERTSON: Not having spoken to this motion yet, I may be permitted to say a few words. I would like to clarify if I can the difficulty that arises in the mind of the honourable the senior member for Ottawa (Hon. Mr. Belcourt) as to why a Judge of the Supreme Court of Canada, or the Chief Justice of Province, cannot appoint a chairman of a board as intelligently or as well as the Minister responsible for the administration of the law.

Perhaps I can best indicate the reason by an illustration. The Deputy Minister of Labour is Registrar of Boards of Conciliation and Investigation under this Act. When an application is received from an employer, or from a union of employees, for the establishment of a board, the party making the application submits at the same time the name of a person who is willing to act as its representative. The Department then advises the other party to the dispute of the fact that an application for a Board has been received, and asks them to send their representative, or to make a statement in reply if they object to the Board being established. Granting that the application is received from the employees, then the employer sends in his reply within a period of five days, naming some person to represent him in the investigation. Up to that point the Minister has had nothing to do with the case; the Registrar has handled it as a matter of routine. After the two representatives on the Board, nominated by the respective parties, have been appointed, they are notified by the Department of their appointment, and under the law they have a period of seven days within which to agree upon a third member of the Board. If they fail to agree within that time, or such further time as the Minister may deem proper to grant, for cause shown, then the Minister appoints the chairman.

It happens that the two members of the Board, in their endeavour to agree upon a third man, propose several names. I have

known of instances in which a dozen different names had been suggested by one member or the other. Finally a name is suggested upon which both agree. In some cases, however—in probably 40 per cent of the whole—the Board members are unable to agree upon a chairman, and the Minister is notified of that fact. He must then of necessity select the chairman.

If the appointment of the chairman rests in the hands of a judge of the Supreme Court of the Province of New Brunswick, for instance, or in the hands of the Chief Justice of Canada, he has absolutely no knowledge of what has transpired and may appoint some person who has already been rejected by one or other of the parties. Thus, as was stated by the Minister of Labour yesterday in the other House, time is lost and endless confusion ensues because the Chief Justice is usually ignorant of the facts of the case, having had no connection with it and knowing nothing of what has already transpired.

As to the other point, that the Minister should be glad to be relieved of the responsibility, I am sure the present Minister's view must be to the exact contrary of that; and why? The Government first, and the Department of Labour, are held primarily responsible by the people of Canada for the proper, successful, and efficient administration of that law. The Minister knows that if he appoints as chairman of a Board some gentleman who is not acceptable, or who may be objectionable to the one party or the other, the operation of the Act cannot be successful, and there will be grievous complaint from the party that feels injured because of the unfair selection. In the desire which is always uppermost in the Minister's mind to make the administration and operation of the Act successful and advantageous, in avoiding or settling industrial disputes in Canada, he is constantly and deeply interested in the personnel of the Board; and if the responsibility rests upon him to select the third arbitrator, he realizes the responsibility that lies behind that appointment, and acts with caution instead of carelessness, as some honourable gentlemen seem to think might be done.

For 17 years the Act has stood as it is, and had we not removed judges from the field of usefulness as chairmen, this question would probably never have arisen. My own thought is that judges should be used as chairmen of Boards. But that is not the fault of the Department or of the Minister, and it seems to me that the situation will not be improved one iota by placing the appointment of chairmen in the hands of the Chief Justice, and still debarring him from using judges as chairmen of Boards. On the other hand, it will probably provoke unnecessary and undeserved comment and criticism on the part of the many thousands of workmen in Canada, who feel that there must be in the minds of gentlemen behind this amendment and its supporters some idea that the changed conditions will work to their advantage. I do not think that that is the case. A number of honourable gentlemen in this House who are large employers of labour have strongly supported this amendment. I think they did so believing that it would cause the Act to be impartially administered by a chairman selected by an impartial person. But that will not be the view entertained by those who are affected by the administration and operation of this Act. They will feel that there is some motive behind what has been done. Certainly no one can doubt that such will be their feeling, because honourable gentlemen in this House have held the view that because the Minister of Labour happens to be a man who has been associated with and worked for the labour unions for a number of years, he must of necessity be biased in his selections. If intellectual and educated business and professional men in this House hold that view as respects the Minister of Labour, surely we cannot for a moment blame a million workmen in this country, who are far away from the scene of discussion, for believing that there is some motive behind the amendment that has been introduced into this House.

Therefore, for the sake of maintaining and if possible still further promoting industrial business in Canada, I hope that the House will listen, if not to my appeal, to that of the honourable member for De Salaberry (Hon. Mr. Béique), who is a director of companies that employ 60,000 men in this country, and who knows the necessity of attempting to maintain industrial peace.

Hon. Mr. WILLOUGHBY: What fees are paid to the arbitrator?

Hon. Mr. ROBERTSON: I forget the section of the Act which provides the fee of $20 a day for each arbitrator, plus necessary expenses.

Hon. Mr. WILLOUGHBY: I know it is quite small, and while I am inclined to favour the appointment of a judge, the question has arisen in my mind whether or not the Chief Justice would be able to select anybody willing to accept a fee so small as that.

Hon. Mr. DANDURAND: I would like to put a question to my honourable friend from Middleton (Hon. W. B. Ross), because he

has been twice instrumental in amending the Judges' Act, and I have not the Act under my hand. Did we not find recently, when discussing this Bill, that under that Act henceforth no judge can sit on a Commission without the consent of the Governor in Council? If that is so, and if the Chief Justice of any Province realizes that the best arbitrator would be a judge, as we all believe, and he appoints that judge, is not that appointment subject to the review of the Governor in Council, who will have to give authority to that judge to act? Are we not, therefore, coming back again to the Governor in Council?

Hon. Mr. CASGRAIN: No.

Hon. Mr. DANDURAND: My honourable friend to my left says no; but the judge will be debarred from acting if the Governor in Council does not allow him.

Hon. W. B. ROSS: You are making your appointment doubly good by having the Chief Justice and then the Governor General.

Hon. Mr. DANDURAND: But why not go direct to the Governor in Council?

Hon. W. B. ROSS: The other is very good.

Hon. Mr. TURRIFF: I do not think the argument of my honourable friend the ex-Minister of Labour is exactly right. It strikes me that when Labour appoints one of the arbitrators, and the employers appoint the second, any judge or any good man that the Chief Justice of a Province or the Dominion might select would be in a splendid position to give justice and fair play all round, even if he was not particularly au fait on the question of a coal strike or a strike in any other industry.

Hon. Mr. BRADBURY: Why not make it the Governor in Council?

Hon. W. B. ROSS: No, it is better the way it is.

Hon. Mr. TURRIFF: That might be better, but I think that what is proposed is very good. And here is the other side of the question as advocated by my honourable friend, the ex-Minister of Labour. I remember that his proposition the other day was that a judge should be appointed, and that he had to get extra pay if he acted as arbitrator in a strike dispute. At present a judge can be appointed as an arbitrator, but he does not get extra pay.

Now, here is the way it might easily work out. Take the case of a judge who is very anxious to earn something more than his salary. We have known of judges trying to get appointments on commissions where they would get extra pay, and if a judge were known to be anxious for extra pay, and the Minister of Labour had the right to appoint such a judge, the man appointed by the labour men could refuse any third man that the two of them might select, and then the Minister of Labour might have a judge in view who was anxious to serve on these Boards; and he could be called as chairman if his judgments were satisfactory to the Minister of Labour and the Labour party generally. So that by this plan the Labour side would be solid with two arbitrators, and, as my honourable friend Senator Mitchell stated a little while ago, you might as well let them appoint the three.

Hon. Mr. BEIQUE: May I be permitted to add two or three words? I wish to say that the House should weigh the reasons which have been given by the honourable member from Welland (Hon. Mr. Robertson), which are these: that the Minister acts as a conciliator between the parties, and therefore, when the time comes to appoint the third arbitrator, he is the best man prepared to do so. Then, we cannot forget that not only is the Government responsible for the good working of this law, but the Government and the Minister of Labour are responsible for good order in the country and for peace between capital and labour.

The law has worked well thus far, and we should hesitate on insisting that it be changed. For my part I supported the amendment because I was under the impression that the Minister of Labour would be glad to be relieved of the responsibility of making appointments.

Hon. Mr. BELCOURT: He ought to be, too.

Hon. Mr. BEIQUE: But, on the other hand, I felt that it would not change the practice—that the judge would consult the Minister of Labour before making the appointment. If I were a judge I would do so, because the Minister is the party mainly responsible for the good working of the Act, and no judge would act discreetly when called upon to appoint the third arbitrator if he did not consult with the Minister of Labour. So that I do not think it would make much difference in practice. I do not say that the judge should absolutely follow the suggestion that the Minister of Labour would make; but he would be influenced in accepting any well qualified person suggested as umpire by the Minister. In practice I do not think it will make any change, and for my part I would hesitate in giving way on that point.

Hon. Mr. MITCHELL: I would like to ask the honourable gentleman if he would advise the judge to consult the employer as well as the Minister of Labour.

Hon. Mr. FOWLER: I both spoke and voted on this matter when it was up before, and, unlike the honourable member for De Salaberry (Hon. Mr. Béique), I have not changed my mind. He seems to be able to make an argument of about equal strength on both sides of the question. I have not that facility of mind. When I make up my mind I make it up for good; I do not make it up until I find that the reasons for doing so are the best reasons. Now, the Minister of Labour is drawn from the ranks of labour. That precedent has been established.

Hon. Mr. MITCHELL: Generally a union man.

Hon. Mr. FOWLER: And it is probable that precedent will not be changed, because when labour makes any advance it reaches out for more all the time. Therefore I take it that in the future of this country we will always have a Labour Minister drawn from the ranks of labour, a member of the labour unions; and, as several honourable gentlemen have pointed out, there are two men appointed through the influence of labour, and, as the honourable member from Wellington (Hon. Mr. Mitchell, says, you might as well have the three, because the man appointed is the umpire.

Now, who is so well qualified to make an appointment of that kind as a Chief Justice, who has absolutely no interest whatever in the matter? He would not appoint a judge, because the law sets its face against the appointment of judges. Surely there are other men who could be appointed to positions of that kind, who would be quite well qualified to hold the position of umpire as well as any judge—men of the very best business experience, qualified better than any judge from every other except the legal standpoint. As far as I am concerned I hope this House will not eat its words, or go back on itself, but will maintain the amendment as it is now.

The motion of Hon. Mr. Robertson was negatived on the following division:

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On motion of the Hon. Mr. Dandurand it was ordered, that Hon. Messieurs Belcourt, Foster, Fowler, and Lougheed (Sir James), be appointed a Committee to draw up the reasons for insisting upon the amendments made by the Senate to Bill 84, an Act to amend The Industrial Disputes Investigation Act, 1907, and to report to the Senate at the next sitting.

MANILA FIBRE BOUNTIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 188, an Act to repeal the Acts respecting Bounties on Manufactures from Manila Fibre in Canada.

He said: A bounty equal to the amount paid as export duty in the Philippine Islands on manila fibre was authorized by Chapter 5 of the statutes of 1907, the bounty not to exceed seven-eighths of a cent per pound. An Act to raise revenue for the Philippine Islands, approved 5th August, 1909, was repealed October 3, 1913, by the United States Tariff Act. No bounty has been paid on manila fibre exported from the Philippine Islands after October 3, 1913.

Hon. Sir JAMES LOUGHEED: There is no duty on it, you say?

Hon. Mr. DANDURAND: It is to repeal the Act respecting bounties on the manufacture of manila fibre in Canada.

Hon. L. C. WEBSTER: Does that mean there is no further bounty?

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

Hon. Mr. ROCHE: Honourable gentlemen, I would like to ask what was the object of giving a bounty on manila fibre from the

Philippine Islands. I do not know of any other place where fibre of that kind is grown. I did not know that anywhere in Canada a similar fibre could be grown, because unlike the climate of this country, the climate of the Philippine Islands is very hot. I do not understand why a bounty was given.

Hon. Mr. DANDURAND: I cannot give the history of that legislation, but there has been no bounty paid since 1913.

THIRD READING

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

He said: Honourable gentlemen, I do not suppose that we need go into Committee on the Bill.

Hon. W. B. ROSS: No.

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

COPPER BOUNTIES BILL

MOTION FOR SECOND READING POSTPONED

On the Order:

Second reading of Bill 189, an Act respecting the payment of Bounties on Copper Bars or Rods.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: Honourable gentlemen, I have before me Bill 189, but I have no explanation to make to the House beyond what is contained in the Bill itself. The purpose is to encourage the industry.

Right Hon. Sir GEORGE E. FOSTER: Is that all the information we are to get? We have all that in the Bill itself.

Hon. Mr. DANDURAND: Instead of moving the second reading, since I have no memorandum explaining the reasons for these bounties, I will move that the order be discharged and placed on the Orders of the Day for to-morrow.

Hon. L. C. WEBSTER: Could we not proceed with it to-night? I think the Bill is clear.

Hon. Sir JAMES LOUGHEED: What is the present law? Is any bounty being paid?

Hon. Mr. DANDURAND: This is new legislation on copper production in Canada.

Hon. Mr. BLACK: Is this an entirely new proposition?

Hon. Mr. DANDURAND: This is a new proposition.

Hon. Mr. BLACK: It gives a bounty out of the revenue of Canada of $30 a ton on copper bars and rods for the first year. Consequently on the large consumers and users of copper rods in Canada, such as telephone or telegraph companies, it will likely impose an additional tax, and any copper that is exported from Canada will go out at the cost less the bounty. If this tax is imposed on consumers in Canada, there should be some direct benefit to offset it, in the way of increased employment, increased wages, and the establishment of new industries. I think we should have a further explanation before it is passed.

Right Hon. Sir GEORGE E. FOSTER: Here is an expenditure which will amount to at least $1,000,000 in five years.

Hon. Mr. DANDURAND: No, that is a maximum.

Right Hon. Sir GEORGE E. FOSTER: Yes, that is the maximum amount. If it accomplishes its purpose, that maximum amount will be paid; therefore you have to contemplate that as a possibility. And we have not a scrap of information.

Hon. Mr. DANDURAND: My motion is to discharge the order.

Right Hon. Sir GEORGE E. FOSTER: I think we must out of respect for ourselves, have some information.

The motion was agreed to.

DOMINION LANDS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 222, an Act to amend the Dominion Lands Act.

He said: Honourable gentlemen, this is a Bill that amends a number of sections of the Dominion Lands Act. I will give explanations of each clause in Committee.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Blain in the Chair.

On section 1—further inquiry as to value of improvements prior to entry:

Hon. Mr. DANDURAND (reading):

1. Subsection five of section eleven of The Dominion Lands Act, chapter twenty of the statutes of 1908, as enacted by chapter nineteen of the statutes of 1918, is amended by adding the following paragraph thereto:

Subsection five of section eleven refers to homestead entries. I will read the marginal notes. It deals with the "declarations as to improvements prior to entry, and valuation

by homestead inspector; adjustment of payments; liability of applicant for seed grain, fodder and other relief indebtedness."

Hon. Sir JAMES LOUGHEED: From what section is the honourable gentleman reading?

Hon. Mr. DANDURAND: I am referring to the section in the present Act.

Hon. Mr. BELCOURT: That is chapter 19 of the statutes of 1918.

Hon. Mr. DANDURAND: "Former entrant not relieved from liability." Now there is to be added this new clause:

(e) In any case where doubt arises as to the correctness of the valuation made by a Homestead Inspector under the provisions of this subsection, the Minister may order such further enquiry as he may deem advisable for the purpose of fixing the actual value of the improvements; and the actual value so ascertained shall be the amount to be collected and paid by the person obtaining the land in accordance with the provisions of this subsection.

Section 1 was agreed to.

On section 2—transfer of holders of letters patent in pre-emption and purchase homestead area to another homestead, by Provincial certificate:

Hon. Sir JAMES LOUGHEED: Has my honourable friend an explanation of that section?

Hon. Mr. DANDURAND: Yes.

Two orders in Council have been passed for the purpose of facilitating the removal of settlers in the southern portions of Saskatchewan and Alberta, who have suffered repeated crop failures, to other districts where the prospects for an adequate return for their labour seem more assured. These Orders cover all classes of settlers except those for whom a fresh homestead entry will have to be provided in order to give them a new home. This section of the Bill is designed to meet those particular cases. The benefits of this section are restricted to settlers at present located in that part of the old pre-emption tract south of the south boundary of Township 31. While it is not admitted that it is impossible to farm in those southern districts from which removal is being facilitated, it is pretty generally acknowledged that a thinning out of settlement would have a beneficial effect by enabling those who remain to increase their holdings to an extent where they could carry on profitably.

It is therefore proposed to amend the Act so that an actual settler in the southern portions of Saskatchewan and Alberta, who has exhausted his homestead right, may be granted a quarter section of land elsewhere, to be earned under the same settlement conditions as an ordinary homestead.

In every case of this kind, to obtain the benefits of this section, the settler must secure the approval of the Province and divest himself of title to his present holdings.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I desire to take exception to the principle which has been introduced into this section. I think the idea which is embodied within it could be substantially carried out without sacrificing a principle which should be in every way conserved.

This Government, or, to be more explicit, the Department of the Interior, should not be permitted to delegate its power or shift its responsibility to a Provincial Government in regard to a matter of this character. The object in view could easily be effected through this Government consulting with the Provincial Government and carrying out its recommendations. It is not necessary to provide, as we are called upon to do in this Bill, for the practical abdication to the Provincial Government of duties which should be discharged by a Department of the Dominion Government. In lines 26 to 32 the section states:

—upon submitting proof of his bona fides as a settler in the form of a certificate from the Government of the Province setting forth that the said applicant conscientiously endeavoured to farm his land but failed because of circumstances not favourable to successful agriculture.

That practically places the whole subject in the hands of the Provincial Government. I do not look upon that as sound legislation. The Department of the Interior can just as readily carry out the object in view by taking up the subject with the Provincial Government and conducting its inquiries through that channel, and yet assuming the responsibility, as they should before discharging the duties which have been vested in them by the Dominion Lands Act. I hope my honourable friend will see his way to change this, because it is a matter of principle and we ought not to establish a precedent of the character proposed.

Hon. Mr. BELCOURT: My honourable friend, I think, is not quite right. I do not think that the Dominion Department abdicates completely its authority. The provision is that the Department may allow the man who has exhausted his chances of farming in this area the right to make an entry for another homestead.

Hon. Mr. DANDURAND: In the discretion of the Minister.

Hon. Mr. BELCOURT: In the discretion of the Minister; and one of the conditions on which that permission is granted is that he shall submit a certificate from the Provincial authorities. Even when he has submitted that, the Department is not bound to grant the right. That is only one of the necessary conditions preliminary to the grant. So it is not, as my honourable friend thinks, a complete abdication by the Department. This is only one of the conditions.

Hon. Sir JAMES LOUGHEED: I am aware of that.

Hon. Mr. BELCOURT: The matter is still in the discretion of the Minister, and the responsibilities still rest with the Department of the Interior.

Hon. Sir JAMES LOUGHEED: But may I draw attention to this point? The machinery for the ascertainment of the fact as to whether the man has conscientiously endeavoured to farm his land or not is peculiarly in the hands of the Department of the Interior. They can ascertain these facts with greater facility and accuracy than the Province. The Province does not assume to exercise the supervision, or to possess or seek knowledge as to the facts involved.

Hon. Mr. BELCOURT: They can have better information than the Department here.

Hon. Sir JAMES LOUGHEED: They would not have any information, but the Department of the Interior has its agents, its homestead inspectors—in fact, the most complete machinery for determining the facts. The Province will have a general knowledge, say, as to a certain tract of land suffering from aridity or something of that kind; but, as to the particular inquiries which should be made and should be the subject-matter of the certificate referred to in line 29, I say unhesitatingly that the Department of the Interior is in a very much better position than the Provincial Government.

Hon. Mr. DANDURAND: I am informed that the Department has been actuated to submit this legislation by the request of the Provincial authorities themselves, who have already removed settlers other than homesteaders, and who are busying themselves in trying to improve the conditions of those settlers and homesteaders in those localities. The advantage of obtaining a certificate from the Provincial authorities will allow the latter, who are nearer those settlers and homesteaders than the Interior Department—

Hon. Sir JAMES LOUGHEED: No, because the officials of the Interior Department are scattered all over.

Hon. Mr. DANDURAND: Of course, my honourable friend is from Southern Alberta.

Hon. Sir JAMES LOUGHEED: I know that of which I speak.

Hon. Mr. DANDURAND: I would not oppose my judgment to my honourable friend's, but I am simply stating the postion the Interior Department is taking, that the Provincial authorities know more of the circumstances of those people, their indebtedness, the reasons why they have failed, and it is part of their policy to remove settlers independently of the homesteaders. So I do not see that the Interior Department should be reproached for drawing upon the knowledge of the provincial authorities. Their interest is in the same line, and it seems to me that this is not an improvident Act.

Hon. Sir JAMES LOUGHEED: I am not taking exception to that; I make no charge of improvidence; I think it is very desirable that this should be done. My only objection is to the methed by which it is done. I do not think they should be obligated to the Provincial authority; the duties should be clearly carried out by the Federal authorities. I do think there should be the most cordial cooperation between both, and I am sure that without any abandonment of the duties which appertain to the Department of the Interior the object could be attained quite well.

Hon. Mr. BELCOURT: Is not that what this means, after all—the discretion and responsibility remains in the Interior Department? The object of this, I imagine, is to have a double source of information—that which is in possession here, and that of the Provincial authorities.

Right Hon. Sir GEORGE E. FOSTER: The discretion is a limited discretion. While the Minister has discretion it can be used only on the fulfilment of a condtion, and that condition is that the Provincial Government shall grant a certificate. Unless the applicant has that the discretion of the Minister vanishes, it seems to me.

Hon. Mr. BELCOURT: I do not think so.

Right Hon. Sir GEORGE E. FOSTER: I think that introduces a principle which is foreign to all responsible management on the part of the Dominion Department. As to the question of who has the best knowledge, let us see how it works. Say a settler gets a homestead not through the local Government or local officials, but through Dominion officials The officers of the Department, the Homestead Inspectors who are scattered all through there, have the history of each one of those from the beginning up to the present. They follow them. It is not the office of the Provincial Government to follow them. The Homestead Inspectors have to see, in the first place, that the conditions of homesteading are carried out. To do that they have to keep in touch with the settler, in touch with his improvements, and these are all matters of

record. If there is anything in the way of loans or liens it is the Dominion officers who carry those out, and it is in the Dominion records where one finds the record of all those transactions. In fact, the settler begins with the Dominion Government officers, continues with them, and ends with them. Now, why in the world you should introduce another authority, and say to those men, "You have got to go to another Province and get a certificate, and unless you get that you cannot make the application," and the discretion of the Minister can only be used, to my mind, when that certificate is got. But why in the name of good administration do we mix up Province and Dominion in reference to a matter which is absolutely under the control of the Dominion Department. If there is any information that they want in the Dominion Department which they can get from the Provincial officer or Provincial record or Government, the best of co-operation should exist between those two towards the gaining of that information; but do not make it an absolute condition that the interference and consent of the Provincial Government are necessary before this transfer can be made. It does seem to me that you are unnecessarily mixing up an absolute division of responsibility, and I do not know that that is good administration.

Hon. Mr. WATSON: I think that any person who is familiar with the situation as it exists in Southern Alberta, and the reasons why the Provincial Government is endeavouring to move some settlers from Southern to Northern Alberta, where there is more moisture, will know that it is on account of the crop failures for years. They have come to the conclusion at last that there is a portion of Southern Alberta that never should have been opened for homesteading at all. Many people were induced to go in there and locate. I quite appreciate that the Federal Government would not wish to assist in moving people from one portion of that Province to the other without the consent of the municipalities in which they reside, because I venture to say that practically every person who is moved from Southern Alberta to Northern Alberta owes the municipality or the Provincial Government for aid which he has received, and also is liable for school tax, and one thing or another. It is really the municipalities who are interested in the liabilities of those persons whom it is proposed to remove, and which they will not be able to pay. The Provincial Government, in turn, is liable for the taxes of the municipalities, and therefore it should be consulted. Honourable gentlemen can quite appreciate that if the Federal Government undertook to assist people to leave one municipality in Southern Alberta to live in another in Northern Alberta there would be a hardship on the people who are left, and it would be strongly objected to by the municipality, and probably by the Province, because they would have to stand the loss. I think that is the reason why the Provincial Government is really active in trying to move settlers from Southern to Northern Alberta. It has been quite a live issue for a number of years there, and I think quite a number of people have moved from Southern Alberta to Northern Alberta. That is the explanation why the local Government should be consulted.

Hon. Sir JAMES LOUGHEED: We can agree on that, but the question is how it is to be done. May I point out this anomaly. It is that the Provincial Government will say to the Dominion Government: "Here are 150 settlers, or 500 settlers, as the case may be; you must provide lands for them."

Hon. Mr DANDURAND: Oh, no; if my honourable friend will read the proviso—

Hon. Sir JAMES LOUGHEED: That is what it means.

Hon. Mr. DANDURAND: Oh, no; the only thing that is asked of the Provincial Government is that the settler, the homesteader, will have to submit proof of his bona fides as a settler in the form of a certificate from the Government of the Province, setting forth:

> That the said applicant conscientiously endeavoured to farm his land, but failed because of circumstances not favourable to successful agriculture.

Hon. Sir JAMES LOUGHEED: Then suppose that the Provincial Government refuses to provide homesteaders with a second homestead upon presentation.

Hon. Mr. DANDURAND: But I am informed that the Interior Department is today lending its inspectors and other officers to the Provincial authorities to carry on, jointly with the officers of the Provincial Government, an inquiry over all that area. The Provincial authorities have to solve the problem of the settlement of the school and municipal debentures, and to see that they are protected. I suppose they would do this by maintaining a certain number of settlers throughout that district. If there are debentures issued, I would take for granted that the authorities would try to see that a certain part of the population remains there—those better situated and those who had more

ability to stand the strain during the succeeding years of bad crops. This is a matter which should be under the supervision of the Province, as the municipal institutions are the creation of the Provincial authorities. Under these circumstances the Minister of the Interior has men of intelligence in his Department to obtain the close co-operation of the Province in solving those problems. Now, this Act provides that there is a certain part of the responsibility in having the Province give a certificate of the honesty of the settlers' efforts.

Right Hon. Sir GEORGE E. FOSTER: I would just ask my honourable friend to read that over:

> Be granted the right to make entry for another homestead—subject to the provisions of this Act—
>
> When?—
>
> Upon submitting proof of his bona fides as a settler . . . . that the said applicant conscientiously endeavoured to farm his land but failed because of circumstances not favourable to successful agriculture.

Leaving out the words that I left out, what bar is there to the Dominion Government getting that very same information in any way that it pleases? Only if you leave that out you do not divide the responsibility, and put it into the hands of an official of the Provincial Government to refuse a man, and give an excuse to the Dominion Department to say that the responsibility rests on the local Government because it refused to give the certificate.

With all that has been said about the co-operation we will all agree; but suppose you leave out the words that I left out, does it militate one iota against the Department at Ottawa getting information through any source that it pleases, that is available, and that is best adapted? I do think that it is bad legislation, and contributes to bad administration, to put in a proviso like that, and institute a bar which may cause a great deal of trouble as to the action of the Department, because it did not get, in a particular case, the certificate from the Provincial Government.

Hon. Mr. SCHAFFNER: The question we are discussing is that a settler wishes to have a transfer, and applies to the Federal Government. All they ask of the Provincial Government is a certificate that the applicant for transfer has made a conscientious effort to farm successfully. It seems to me that is all there is in that. The Provincial Government has nothing to do with making the application, or with granting the request; they simply give the certificate, I suppose because they are on the ground and know what effort the man has made. But it seems to me that this is going to lead to considerable dissatisfaction. I am fairly well acquainted with farming conditions in the three Western Provinces; I doubt if there are many in this House more familiar; and I know there are many places in all three provinces—and I will confine my reference to Alberta—where men are farming or attempting to farm, and for some years they have been on land that is entirely inadequate, and unfitted for farming at all. If that be so as to Northern Alberta, why should this Act be restricted to Southern Alberta? I believe it is going to lead to dissatisfaction in any case.

Hon. Mr. DANDURAND: The answer is a general one, which will not likely bring much information to my honourable friend: it is that Northern Alberta has a larger proportion of moisture and has not suffered as Southern Alberta has. There may be bad land in Northern Alberta; there is bad land in every province that I know, closer to me, but there is a larger area in Southern Alberta which my honourable friend knows has had no crops for 5 or 6 years.

Hon. Mr. SCHAFFNER: Are they going to transfer a large number of settlers from Southern Alberta? Has there been a large number of requests?

Hon. Mr. DANDURAND: The Interior Department will transfer as few as possible, and it is in order not to be inundated with requests under this Act that the Department has organized a buffer in the form of the provincial authority, who are interested, because of the obligations undertaken by the district, to keep in those regions as large a proportion as possible of settlers.

Hon. Mr. SCHAFFNER: I suppose the transfer is confined to the province of Alberta, is it?

Hon. Mr. DANDURAND: And Saskatchewan.

Hon. Mr. SCHAFFNER: They can go from Alberta to Saskatchewan?

Hon. Mr. DANDURAND: No; they can go from Alberta South to Alberta North, or from the south of Saskatchewan upwards towards the north.

Hon. Mr. SCHAFFNER: And Manitoba is not included? That is a tremendously good recommendation for Manitoba. Is there very much vacant land either in Saskatchewan or Alberta within a reasonable distance of a

railway that is suitable? And is there vacant land there which can be homesteaded to any great extent?

Hon. Mr. DANDURAND: My information is that there is some, but to what extent farms will be found within a certain area of near approach to a railway I could not answer.

Hon. Mr. SCHAFFNER: I think the general impression is that the land is pretty well taken up.

Hon. Mr. DANDURAND: I have often seen the declaration that it is difficult to find land near a railway that has not passed into private hands.

Sections 2 and 3 were agreed to.

On section 4—issue of patent if applicant becomes insane:

Hon. Mr. DANDURAND (reading):

When a settler becomes insane before completing the settlement duties his Estate must build a house and complete the cultivation. Section 20 of the Act waives further residence duties and therefore it is proposed to do away with the necessity of building a house for the same reason as in the preceding section.

Section 4 was agreed to.

Section 5 was agreed to.

On section 6—terms of payment for school lands:

Right Hon. Sir GEORGE E. FOSTER: What change is made in that?

Hon. Mr. DANDURAND (reading):

Section 41 of the Act calls for the completion of payments in the case of school lands sales within ten years. At the request of the Provincial Governments concerned, a longer term is now being provided for the payment of the purchase price, the instalments being spread over a period of twenty years instead of ten years as at present.

Right Hon. Sir GEORGE E. FOSTER: The same interest?

Hon. Mr. DANDURAND: 6 per cent.

Section 6 was agreed to.

On section 7—permits to cut timber on Dominion Lands:

Hon. Mr. DANDURAND (reading):

Section 59 of the Act gives authority for regulations for the issue of permits to cut timber. It is desired to provide authority for regulations granting portable saw mill berths in the Peace River Block in the Province of British Columba. The Act as it now stands does not contain any provision for a regulation of this kind.

The second change provided by Section 7 of the Bill is intended to enable the Department to frame regulations for the cutting of other classes of timber on a cord-wood berth, besides those classes now mentioned in the Act (cordwood, pulpwood, etc.), the intention being to compel the party cutting timber to take all the merchantable timber on the berth as he goes along, otherwise the operations would be wasteful.

Hon. Mr. DONNELLY: I notice that the permits are limited to one square mile. The Bill says:

Provided that no person shall be granted more than one permit at a time.

I would like some explanation as to the meaning of that. I have heard of hard drinkers who justified their conduct by saying that they took only one drink at a time. Will one permit be granted one day and another the next, or will the granting of the second permit depend upon the completion of work under the first.

Hon. Mr. DANDURAND: I am informed that he has to finish his work under the first permit before obtaining another one.

Section 7 was agreed to.

Sections 8 to 11, both inclusive, were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

BOARD OF AUDIT BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 243, an Act to constitute a Board of Audit.

He said: Honourable gentlemen, I do not kuow that I need explain this Bill. It is only necessary to read it to see its purport. I would suggest that we take the second reading and go into Committee on the Bill.

Right Hon. Sir GEORGE E. FOSTER: Stated generally, what does the Board do?

Hon. Mr. DANDURAND: The Board shall inquire into and report upon the present system of audit as respects the public accounts of the various Departments of the Dominion Government, and shall make such recommendations as may be deemed useful for the more effective control of the public revenue and expenditure. The Board shall inquire into the system of accounting employed by the Canadian National Railways Company and subsidiaries thereof, and shall make such recommendations with respect thereto as may be deemed necessary in the public interest. The Board may inquire into financial affairs of any commission or other public body, the operations of which are

carried on at the public expense, and may make recommendations which in their opinion will assist in the control of the expenditure. The Minister of Finance may extend the powers of the Board to include inquiry into any other undertaking or service which may be deemed to be in the public interest. I would point out that the words "out of any available appropriation" in section 13 should be struck out. The section will then read:

The Board may, with the consent of the Minister of Finance, engage from time to time such skilled assistants as may be required to facilitate the work of the Board, and such assistants may be paid such compensation as the Treasury Board may allow.

Hon. Sir JAMES LOUGHEED: Instead of a salary?

Hon. Mr. DANDURAND: I have a little note on this which says:

Provision for payment—

Hon. Mr. ROBERTSON: Does my honourable friend intend to go into Committee on this Bill?

Hon. Mr. DANDURAND: Perhaps, if there is no objection—

Right Hon. Sir GEORGE E. FOSTER: I think it is an excellent idea. On looking through the Bill I do not see in it any objectionable features. I think we might as well go on with it and put it through.

Hon. Mr. DANDURAND: The explanation I have from Mr. Viets is as follows:

Please note that the words "out of any available appropriation" in lines four and five of section 13 should be struck out. Provision for payment of necessary expenditure under the Act is contained in section 17. Section 17 was added after the rest of the Bill had been printed and through oversight the words in section 13 referred to were left in. By reading sections 13 and 17 together the reason for striking out the words in 13 is apparent.

Hon. Mr TURRIFF: It strikes me that this is a very far-reaching and most important Bill. I notice that the Auditor General is to be the Chairman of the Board and the Deputy Minister of Finance the Vice Chairman. I notice also that the other two members of the Board are to be public accountants who shall not be paid a sum exceeding $3,000 a year.

The Bill in its present shape practically provides that the members of that Board shall be members of the Civil Service. There is the Auditor General who gets $10,000 a year and the Deputy Minister who gets $10,000 a year, and the other two men whose salaries are not to exceed $3,000 a year. These men are going to audit the Government Railway accounts, which run into hundreds of thousands of dollars a year, and I claim that you cannot expect to get men capable of dealing with that subject for $3,000 a year, or that if you get men who are not accustomed to earning more than $3,000 a year they will be absolutely dominated by the other men who are getting $10,000 a year, and that you might as well have nobody but the Auditor General and the Deputy Minister of Finance. It seems to me that the matter is much too important to be put into such hands.

Hon. Mr. REID: Do I understand that the salary is limited to $3,000, or would it work this way? Suppose you had a first class man in the Finance Department or in any other Department of the Government—and there are some very capable men in the Service—

Hon. Mr. TURRIFF: Certainly.

Hon. Mr. REID: Suppose such men were getting $3,000 a year or something of that kind. I do not think this Bill would prevent the Treasury Board from appointing those men and paying them $3,000 in addition, thus giving them $6,000.

Hon. Mr. TURRIFF: Here is what section 7 says:

Each of such two members shall devote to the public service such portion of his time as may be found reasonably necessary for the purpose of discharging the duties of his office, and shall be paid such sum for his services as the Treasury Board shall allow, but not exceeding the sum of $3,000 in any year.

Hon. Mr. REID: That does not say that they shall be from outside the Department.

Hon. Mr. TURRIFF: Take section 6:

There shall be two other members of the Board, who shall be public accountants, members in good standing of an institute or organization of accountants incorporated under the authority of the Legislature of a Province of Canada.

Hon. Mr. REID: But there are men in the Service who are members of an organization of accountants.

Hon. Mr. TURRIFF: If it is proposed to have members of the Civil Service act as members of this Board, there is no necessity for the Bill at all.

Hon. Mr. REID: I agree with the honourable gentleman in that, and I also agree with him that to ask men from outside to come here for $3,000 a year and do this work and accept the attendant responsibility would be absurd. No such man would come here and accept a position at $3,000 a year.

Hon. Mr. DANDURAND: I draw attention to the fact that clause 7 does not convey the idea that these two accountants are to give their full time. I have just now looked into

the Debates of the House of Commons to see what explanations were given, but I find none, either on the resolution or on the Bill explaining the working of the Bill or the intentions of the Minister of Finance. I surmise that these two accountants will be asked to make audits of certain institutions while carrying on their own work. They may give some weeks or some months to an audit—it may be a particular branch or a harbour commission—and they will receive fees; but in any one year those fees must not exceed $3,000. I am convinced that the Auditor General and the Deputy Minister will soon find that they have not at their disposal the kind of men they would like to have; and I am under the impression that it will not be long before the Minister will come asking for a larger grant than $3,000 apiece. Of course, this is simply surmise on my part; but I think it will probably be found that when accountants are asked to leave their ordinary work and to devote weeks and months to examining through our railway system of accounting and such other matters, that a larger sum will be needed.

Right Hon. Sir GEORGE E. FOSTER: So far as that is concerned, I am disappointed entirely when I come to read the clause. To put the Bill through in that way would, to my mind, only be establishing a plaything with a pretence of accomplishing something with a Board which is really not equal to the important work which is to be done. In the first place, you have two men, the Auditor General and the Deputy Minister of Finance, both of whom have very onerous and very constant duties to perform. Are you going to take them away from the performance of their duties and put them upon this very onerous and extensive task of establishing an audit and carrying it into the operations of a Government service spread over such an area and with so large a turnover each year? The best that the Auditor General and Deputy Minister of Finance can give you is advice and some direction, but they cannot give their time to the work—time which is absolutely necessary if the work is going to be made effective at all.

Then, as to the other portion of the Board, if you are simply going to take two clerks out of some of the Departments and add them to those two officials and give them $3,000 a year—

Hon. Mr. DANDURAND: Or they may be accountants secured outside the service.

Right Hon. Sir GEORGE E. FOSTER: If they are from outside, what kind of accountants will $3,000 give you?

Hon. Mr. GORDON: May I suggest to my right honourable friend that he read clause 13.

Right Hon. Sir GEORGE E. FOSTER: I have read that. That gives them the authority to get assistants.

Hon. Mr. GORDON: Expert assistants.

Right Hon. Sir GEORGE E. FOSTER: But in order to get expert assistants and direct them properly you must have men of parts and genius in auditing. They are to select the kind of assistants that they require, and they must be able afterwards to collate what work these assistants do. I know from my own experience, which is a rather long experience, that there is a tremendously important work remaining to be done in connection with the auditing of the accounts of the Dominion of Canada.

Hon. Mr. REID: Which have been increased by the Canadian National Railways, included in this Bill.

Right Hon. Sir GEORGE E. FOSTER: Yes, but which within the last 20 years have never been dealt with on any plan adequate to the necessities of the case. Are you going to engage third-class men as directors of that immense operation, giving them authority to employ expert assistants and subordinates, and entrusting to them the duty of directing the work and of collating and digesting the information gathered and directing it upon the objectives that are sought? You cannot pick up qualified men for $3,000 per annum.

Hon. Mr. REID: Oh, no.

Right Hon. Sir GEORGE E. FOSTER: You might get one man from the service, but to my mind it is indispensible to bring into the service auditors and accountants who are engaged in the wider range of business, with its enterprise, its experience and its efficient, up-to-date methods. You want to bring in something to reinforce the more staid and conservative operations within the Government Service. Men in the business world may be no brighter in intellect, but they have had their attention turned in different directions and have been working on different standards. You want that new element from outside.

Hon. Mr. DANDURAND: Will my honourable friend allow me to direct his thought into another channel? I have been examining this Bill. I have no brief or explanatory notes, but I may be able to put another complexion upon it. There may be in the mind

of the Minister the simple idea of forming a board of management composed of the Deputy Minister of Finance, the Auditor General and two accountants. These accountants would receive as a fee for attendance at the meetings of the board an amount not exceeding $3,000 a year, and the four men comprising the board would have experience and standing. They would investigate, not the details of accounting or bookkeeping, but the systems of accounting followed by the various institutions spending public money, and for the purpose of such investigation they would, under section 13, employ the very men whom my right honourable friend has described. Section 13 provides:

13. The Board may with the consent of the Minister of Finance, engage from time to time, such skilled assistants as may be required to facilitate the work of the Board, and such assistants may be paid out of any available appropriation such compensation as the Treasury Board may allow.

There is no limit. Skilled accountants may be selected because of special knowledge in the business to be investigated. Some accountants specialize in certain lines, others in other lines. I understand there are a few high-class men who specialize in railway accounting. Such men will be selected to carry on investigations. This is only a surmise, but I think that it is probably a correct one, as to the workings of this board.

Hon. Mr. GORDON: I do not know how a Bill could be drafted to suit the right honourable the junior member for Ottawa (Right Hon. Sir George E. Foster) better than the present Bill. As I understand it, the Board of Audit is to be composed of four members, and the sum payable to each is $3,000 per annum.

Hon. Mr. DANDURAND: For the outsiders.

Hon. Mr. GORDON: That is the fee payable to the two outside members, and it is a fairly large one. The directors are to have authority to secure assistants and pay them any remuneration. There is no limit to the salary which may be paid. So it appears to me that this is exactly what my right honourable friend the junior member for Ottawa desires. Perhaps he had not looked at clause 13 before he spoke.

Hon. Mr. ROBERTSON: I wonder if we are all clear on the point that this Board is expected to hold office only until the first day of July, 1925. The arrangement is not permanent. As I understand this Bill, the purpose of it is to provide for a review of the various systems of accounting in the Public Service and in the Canadian National Railways.

Hon. Mr. DANDURAND: And in other institutions that are receiving public money.

Hon. Mr. ROBERTSON: The aim is to standardize the methods of accounting and improve them if possible. The Auditor General of Canada and the Deputy Minister of Finance, together with two experienced, competent accountants who are ordinarily engaged in commercial accounting, are to be a temporary board until July, 1925. They are to direct an investigation into the systems of accounting in the various Departments of the Public Service.

Hon. Mr. BELCOURT: And make recommendations.

Hon. Mr. ROBERTSON: Yes. I personally think that the idea is a commendable one, except that I would respectfully suggest to the Government that there might be a semblance of interference on the part of the Finance Department and the Auditor General in the affairs of the Canadian National Railways—an interference which, according to all indications, the Government are endeavouring to avoid.

Our railways in Canada have a very up-to-date system of railway accounting. The Canadian Pacific Railway about 15 years ago made an exhaustive inquiry into the question of railway accounting and adopted generally but with some improvements a system that was in vogue on a number of large railway lines in the United States. Since that time the Canadian Pacific Railway have had first-class accountants of their own, and the tables have now been turned; American railroads have during recent years been sending representatives to Canada for new ideas in railroad accounting. The Canadian Northern Railway a number of years ago adopted the system of accounting in use on the Canadian Pacific, and that has gradually become the system on the entire Canadian National Railway system. The Grand Trunk always had a different system, but I think it is being merged into the general Canadian National System now. However, I would respectfully point out to the Government that the system of accounting in vogue in the accountants' offices in the several departments of the Government and in the Auditor General's office itself vary greatly from the accounting systems of our railroads. I would hesitate to recommend the acceptance by the railroad management of the opinion of an accountant in the Public Service as to the best system to adopt for

railroad accounting. I think the Government would be well advised to eliminate section 9 and let the railroad accounting alone, because I do not think they will improve it a bit by sending accountants from the Public Service to inquire into it.

Hon. Mr. DANDURAND: But that would not likely be done.

Hon. Mr. ROBERTSON: That is contemplated.

Hon. Mr. BELCOURT: Public opinion will not be satisfied if you leave out the railways. If there is one thing more than another about which the public is at present nervous and dubious, it is the Canadian National Railways, and if you omit from the investigation the accounting of those railways the public will want to know why. It seems to me that an audit of this kind is probably most necessary and most useful in regard to the railways. If my honourable friend (Hon. Mr. Robertson) is right in his estimate of the efficiency of the book-keeping done in connection with the railways, this inquiry will only reveal that fact and the public will be better satisfied. The investigation will serve a useful purpose in restoring to some and confirming in others a feeling of confidence in the way in which the books are kept in our National System of Railways. I would be very sorry indeed to find, if a board of this kind is created, a disposition to exclude the Railways from its operations. As a result of the inquiry, either my honourable friend's estimate will be confirmed, or it will not. If it is not confirmed, then this Board will recommend something which will set matters right.

Hon. Mr. REID: I agree with the honourable member that the clause regarding railway accounting should be left in. I do not consider the intention to be to investigate the Canadian National Railways with the idea of changing their whole system of accounting. My understanding of the reason for this provision is this. At the end of the year we may receive notice that the Canadian National Railways are $40,000,000, $50,000,000 or $60,000,000 behind—or whatever the amount may be—and the Finance Department may want some explanation; they may want to go and see how that deficit is made up. Again, we are voting many millions of dollars for construction every year. Are we going to hand over those sums to the Railways without being allowed to investigate how they are spent?

Hon. Mr. DANDURAND: Or how the accounts are kept.

Hon. Mr. REID: Or how the accounts are kept. I think we should have some check.

Again, there may be some public statement —I was going to say, some public charge— that money has been spent by the Canadian National Railways in a way which is not in the public interest. Should not the Finance Department have some authority to investigate?

I do not think that that clause is intended to go as far as has been stated; I think the purpose is merely to permit of an examination of the railway accounts if necessary, to see how the accounting is done. I think that if you are going to establish this Board of Audit, its operations should include the railways. But I would go further. I am in favour of this Bill, or a Bill of this kind, because I think that anything that may be done to provide an audit or check for every Government expenditure ought to be done. After merely glancing at the Bill I thought that it did not permit of the employment of men competent for the duties intended

Hon. Mr. DANDURAND: It does under clause 13.

Hon. Mr. REID:—but from the explanation given regarding section 13 I take it for granted that adequate provision is made. I do not object to the Bill. I shall be glad to see it pass and hope it will work satisfactorily and that the men employed will be qualified for their duties. At all events we can let it pass, and if we find that it is not working right it is for us to say so, and the Government will likely bring in an amendment.

Hon. Mr. ROBERTSON: Its operation ceases automatically in two years.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I had not the opportunity of making some observations of which I would like to relieve myself and which have been suggested by this Bill. In my judgment it does not go far enough in protecting the public interest. What I very much regret is that instead of this being a Board of Audit it is not a Board of Control. Unfortunately the auditing of accounts is a work which has to do only with expenditure; that is to say, the auditors come in after the expenditures have been made. The great need of Canada to-day is to curtail expenditure. We are being overwhelmed by expenditure, and from Confederation down to the present day I have not been aware of any effective machinery placed in operation by the Government of Canada to control it.

Right Hon. Sir GEORGE E. FOSTER: That is correct.

Hon. Sir JAMES LOUGHEED: I am unaware of any large industrial, commercial or financial institution that has not its board of control to supervise minutely all expenditures made, but I challenge my honourable friend to point to any protection which the Government of Canada has in regard to its expenditures. Every man who is at the head of a branch or occupies a position of any authority is a law unto himself in the matter of disbursements. We know that after a man has been in the Public Service for a little time all his sense of thrift, economy and retrenchment becomes atrophied. All he thinks about is expenditure. He reaches out to secure for himself more power, more responsibility, more authority, by means of the expenditure which he makes and the power which it gives. It does not require any great effort to visualize what a competent Board of Control could do by going through the various departments and ramifications of the Government, extending from the Atlantic to the Pacific, and investigating the needless expenditure of millions of dollars which is being incurred to-day. Millions of dollars of expenditure are being made that could be saved to this country. I would commend to my honourable friend his discussing with his Government the necessity of Canada to-day appointing a competent Board of Control that will control, and that will supersede the Government itself so far as controlling expenditure is concerned.

Hon. Mr. DANDURAND: What about the Auditor General who is supposed to watch over the faithful payment of the moneys appropriated by Parliament for certain objects?

Hon. Sir JAMES LOUGHEED: Precisely, but that is just where the curse is; he watches over the appropriations, but the curse lies in the appropriations. Look at the present Supply Bills which are being brought down this Session, and about which I hope we will have something to say hereafter. The curse lies in the appropriations that are being made. The Government of the day is no protection to Canada as to expenditure. The Government is expected to make expenditures. The Government is expected to revel in expenditures, and if does not revel in expenditures it is subject to criticism.

Right Hon. Sir GEORGE E. FOSTER: And the Auditor General makes his audit after the money is spent.

Hon. Sir JAMES LOUGHEED: Precisely. The idea of relying on an audit for the purpose of controlling expenditure is like locking the door of the stable after the horse is stolen. No; what Canada to-day needs is one of the strongest and most influential Boards that could be appointed, of the most competent business men, that would have the most absolute authority to supervise all expenditure and to curtail appropriations that have been made. There is no reason, because appropriations are made, why the expenditures should follow the appropriations. Why, when we take into consideration that the House of Commons is made up of 235 members, I think, the paramount duty of those members being to secure expenditures from the Government—all banded together as a legion in importuning and bringing the strongest pressure to bear on the Government that the most reckless expenditures should be made in their constituencies—how in the world can Canada cease from becoming overwhelmed by debt unless we provide machinery to prevent that kind of thing going on?

The Ministers cannot prevent it. The Ministers, if they are going to occupy a popular position in the country, must necessarily bow their necks to the yoke that is placed upon them by the members who want the expenditure. So there is no brake placed upon the expenditure. I suggest to my honourable friend that he should give some thought to that, and I venture to say that if we had a Board of Control in Canada, with ample power to control expenditure, we could save millions and millions annually.

Right Hon. Sir GEORGE E. FOSTER: An example of that is right before our eyes in what has been done in the United States during the last year.

Hon. Sir JAMES LOUGHEED: And more so in England, and in France too.

Right Hon. Sir GEORGE E. FOSTER: In England it has been in force for years; but last year, when President Harding came into the Administration, one of the first steps taken by him was to appoint a Board of Control to control appropriations. I am not going into detail with reference to it, but that Board has been functioning and doing its work now for over twelve months. It has failed only once in preventing a Department from overlapping its recommendation. It has cut off appropriations by tens and hundreds of millions of dollars, and in only one case was that overridden by the two

Houses; and in the end, during the last financial year in the United States of America, somewhere over $300,000,000 was saved by that Control Board, cut off from the appropriations which were first made, and actually saved during the year in expenditure. It is well worth while for the Government to study that method of procedure.

The British method of procedure is more or less well known, although it is not practised by us here. But what my honourable friend has said with reference to the control of expenditure is a very important thing.

My honourable friend knows, of course, that our Auditor General simply audits after the expenditures are made, and all that he can do, really, is to hold a sort of control over the advance that has been made to each Department. Even in that respect, experience shows that we do overrun, and overrun in nine cases out of ten, in the different Departments of the Government. An audit after an expenditure is made is good as an example of what has not been done, but it has no effect at all in restraining what the audit is supposed to restrain.

Hon Mr. DANDURAND: The mind of my honourable friend from De Salaberry (Hon. Mr. Béique) has been running in the same groove as that of the honourable leader opposite, and that of my right honourable friend. We have had conversations over this matter, which fills our mind—the large expenditure that we have to face yearly. I suggest that my honourable friend will have another opportunity. We have Finance Bills to come before us, and he may then give his views.

Right Hon. Sir GEORGE E. FOSTER: Or this Bill might afford an opportunity.

Hon. Mr. DANDURAND: We may go into Committee on this Bill and pass it.

Hon. Sir JAMES LOUGHEED: I would suggest that my honourable friend from De Salaberry reserve his remarks until the Supply Bill is brought down, and that he join with us in criticizing the expenditure. It would be an excellent opportunity.

Hon. Mr. BEIQUE: I am ready to do it.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Gordon in the Chair.

Sections 1 to 12 inclusive were agreed to.

On section 13—board may engage skilled assistants:

Hon. Mr. DANDURAND: I move to strike out the words in line 26, "out of any available appropriation."

Hon. Mr. REID: Where will they get the money, then?

Hon. Mr. DANDURAND: As the Treasury Board may allow.

Hon. Mr. REID: How do they pay it out?

Hon. Mr. DANDURAND: I wonder.

The amendment was agreed to.

Sections 13 to 17 inclusive were agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

BIOLOGICAL BOARD BILL

SECOND READING—THIRD READING POSTPONED

On the Order:

Resuming the adjourned debate on the motion for the Second Reading Bill 206, an Act to amend The Biological Board Act.—Hon. Mr. Ross (Middleton).

The Hon. The SPEAKER: The order is in the name of Hon. Mr. Ross.

Hon. Mr. DANDURAND: I have his consent to move the second reading.

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

Hon. Mr. DANDURAND: I will put on Hansard these few remarks, because I am moving that we dispense with the Committee, and pass to the third reading.

Hon. Mr. BELCOURT: If the House is ready to pass it why make the remarks?

Hon. Mr. DANDURAND: I think I owe it to the members who opposed that I should tell them the situation. It is simply this, that there is in the Supplementary Estimates an amount of $70,000 for the improvement of our fisheries, the work to be done in co-operation with the Biological Board. It is intended to establish plants to cure fish, to freeze fish, to salt fish, to cook fish, etc., by way of two stations, on the Atlantic and the Pacific coasts. That is why the Department

and the Industry should be represented. With the leave of the House I move the third reading of this Bill.

Hon. Mr. DANIEL: I think there are a number of members who wanted to say something on that Bill. Do I understand the honourable Minister to say that he intends to refer it to a special committee?

Hon. Mr. DANDURAND: Oh, no; the Bill is a very simple one. It gives power to appoint one representative of the Department, and two representatives of the fish industry, one from the East and one from the West. That is all it is. It is in order to bring some practical knowledge to the men of science who are on that Board, and who agree to co-operate with those three new members; that is all. The Government is taking power to appoint five members instead of two who are on the Board at present.

Hon. Mr. DANIEL: Do I understand that the Board as at present constituted is satisfied with the Bill as we have it before us?

Hon. Mr. DANDURAND: That is the official information I received from the Deputy Minister.

Hon. Mr. DANIEL: That is not the information that several of us have received, but the contrary.

Hon. Mr. DANDURAND: But surely it would be a very extraordinary stand on the part of the Board that they would refuse an addition of three members, two being men who have practical knowledge of the fish industry, one in the West and one in the East, and a representative of the Department, because the Board is composed of quite a number of men. It is a formidable list, and I cannot see that they could not dominate that Board three times over.

Hon. Sir JAMES LOUGHEED: Try it as it is.

Hon. Mr. DANIEL: I understand the Board consists of a certain number appointed by the Government, and also a very much larger number appointed by the various universities.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. DANIEL: Well, the honourable gentleman said the Board consisted of only four.

Hon. Mr. DANDURAND: No. The Government now has the right to appoint only two, but it has taken the right to appoint five, which will be a small number compared with the total make-up of the Board.

Hon. Mr. ROBERTSON: If this Bill is so simple and easy as the Minister indicates, it would take only a minute or two to deal with it to-morrow, and I hesitate to see this Bill come on for third reading in the absence of so many members who expressed themselves on it, and who ought to have the opportunity of saying more.

Hon. Mr. DANDURAND: I have the consent of the principal opponents.

Hon. Mr. ROBERTSON: I have no objection, in view of that.

Hon. Mr. DANDURAND: But I will put the Bill down for third reading to-morrow; I would rather that they would be here.

The debate was adjourned.

NATIONAL RAILWAY CONSTRUCTION BILL

FIRST READING

Bill 234, an Act respecting construction of Canadian National Railway lines.—Hon. Mr. Dandurand.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Thursday, June 28, 1923.

FIRST SITTING

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PAYMENTS TO JUDGES

DISCUSSION AND INQUIRY

Hon. GEORGE GORDON rose in accordance with the following notice:

That he will call the attention of the Senate to the payments made since November 1, 1922, by the Province of Ontario to Mr. Justice Riddell and Mr. Justice Latchford, and inquire if the Government will submit to this House the opinion of the Department of Justice as to the right of the above named judges to receive such sums.

He said: Honourable gentlemen, I think it is incumbent upon me to give the House a little information regarding the subject of this inquiry. It appears that on the 9th of March 1920 two judges were appointed as commissioners by the Government of Ontario to make a certain investigation. For the information of this House I will read the first part of their report which is as follows:

To His Honour, the Lieutenant-Governor of the Province of Ontario: in Council.

We, the Commissioners appointed by the Commission dated the ninth day of March, 1920, have the honour to report as follows:

1. We opened the said Commission and began to act under it, April 12, 1920; we held sittings on various days until January 27, 1922, at Toronto, Sudbury, Port Arthur and Fort Frances, hearing evidence and argument upon 86 days.

I want the House to mark this that previous to the passing of the Act which was assented to by the Governor General in July of 1920 these Judges who had been appointed only about three months before were paid by the Province of Ontario the sum of $2,000 each, about which there can be no question. But after the passing of the Act in July, 1920, prohibiting judges from accepting payment for acting on commissions of any nature whatsoever, they were paid the sum of $10,000 in contravention of that Act.

Hon. Mr. ROCHE: To what Court do they belong?

Hon. Mr. GORDON: The High Court of the Province of Ontario. Notwithstanding the passing of that Act, these Judges for nearly two years dilly-dallied with the investigation, infringing on the time for which they were paid by the Dominion their usual salaries of $9,000 each and their expenses, and after having done this they accepted the payments which I have indicated.

Hon. Mr. TURRIFF: By which Government was the $10,000 each paid?

Hon. Mr. GORDON: The Government of the Province of Ontario. It appears to me that Parliament was very wise in amending the Act in 1920 by the prohibition which was contained therein, because in this case particularly the judges, to my mind, and to the mind of the bulk of the people of the province, degraded the Bench from the very high esteem in which it has always been held in Canada. It is this which impels me to insist that something should be done to show that they were entitled to this money, because otherwise it is going to create a feeling, and it has created a feeling, that an injustice is being done.

A few days ago I brought this matter to the attention of the leader of the House, and asked him to present it to the Department of Justice for a ruling; but he did not see fit to do so, because I had not brought the matter forward in the shape of a motion. As the Session is now drawing to a close, I respectfully ask the leader of the Government to have that information brought to us from the department as quickly as possible. I believe it is in the interest not only of the country as a whole, but of the judiciary of Canada, that this matter should be shown up, and I hope the leader of the Government will see the importance of it and not delay any longer, because it cannot be allowed to rest here; and if the matter is not definitely settled during this Session it means that it will be taken up more vigorously next year.

Hon. Mr. DANDURAND: I will press the Department of Justice to give the Senate the information which my honourable friend asks for. If it cannot be had in a satisfactory form before the end of the Session, we will ask the Department of Justice to bring us the whole record. There is no question that the Senate is entitled to know whether its legislation has been obeyed, and I will get all the light I can upon that point.

Hon. Mr. REID: Did the leader of the Government say that he would have a report from the Deputy Minister of Justice or the Department of Justice stating whether these judges were within the law in accepting that amount of money or any money?

Hon. Mr. DANDURAND: I will try to obtain all the information that is being sought.

Hon. Mr. GORDON: Will you say that you will have that information here to-morrow?

Hon. Mr. DANDURAND: I will drop one of my meals.

Some Hon. SENATORS: No, no.

Hon. Sir JAMES LOUGHEED: Oh, no, we protest against that.

Right Hon. Sir GEORGE E. FOSTER: Be careful where you drop it.

BIOLOGICAL BOARD BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 206, an Act to amend the Biological Board Act.

Hon. GEO. H. BRADBURY: Before this Bill is read the third time, I desire to say a few words in connection with it. I was not in the House last night when the Bill received its second reading. I opposed this Bill in its earlier stages because I believed that it meant the destruction of the Biological Board. This Board is a purely scientific Board. It has performed for many years a work of great value to our fisheries. It is composed of men of the highest reputation in Canada. The proposal now, I understand, is to add to that Board of eight or nine members three of what they call practical men.

Hon. Mr. DANDURAND: Two men representing the fish industry, one from the West and one from the East.

Hon. Mr. BRADBURY: And one from the Department.

Hon. Mr. DANDURAND: Yes.

Hon. Mr. BRADBURY: That means the addition of three laymen. I am credibly informed that the gentleman who had the honour, I think, of being the first chairman of this Board—he is now one of the leading professors at McGill—was in the city within the last week, and, on learning what was taking place, he protested to the Deputy Minister in the interest of the fisheries of Canada that the proposition meant the destruction of the usefulness of the Biological Board. The statement which I made to the House the other day that the members of the Board were not consulted regarding this Bill, was, I believe, absolutely correct. This gentleman, I presume, knew what he was talking about when he gave this information.

This Board, as I say, is purely biological in its nature. I want to give the House in a few words some of the things it has been doing, to show how absurd it is to attach to it laymen who know practically nothing about the subjects that come before the Board.

Hon. Mr. DANDURAND: I am sorry that my honourable friend was not here last night when I read the statement from the Minister, and when I informed the Senate that the Department had an appropriation of $70,000 in the Supplementary Estimates for the purpose of vigorously prosecuting a policy for the development of our fishing industry. A plant will be put up on the West coast and one on the East coast, and investigation will be carried on in regard to the curing, the salting, the freezing, and the cooking of fish. All this is for the purpose of developing the industry. It is intended to take advantage of the knowledge of this large Board of scientists, and to add to the Board two men who are familiar with the practical side of the fishing industry, and one man from the Department. If these gentlemen still remain in their ivory tower and refuse to come into contact with the practical men, it is time that they were thrown to the winds. I am told by the Minister of Marine and Fisheries that he will conduct a vigorous campaign for the purpose in view, which is a commendable one, and that if, through the defeat of this Bill, he has not this instrument with which to carry on his work, he will be obliged to postpone his efforts until next year and to drop the amount in the Estimates. He has there an organization which he can implement by adding to it three men; and I have not yet heard a reason why these representatives of science, who are not fallen from heaven, should be so much afraid of being polluted by contact with laymen.

Hon. Mr. BRADBURY: I am sure the House has been edified by the display of eloquence of our honourable leader in regard to this question. I may say that it has not impressed me a little bit. The Biological Board was formed for certain purposes. That Board, I understand, has functioned and has done splendid work—work of which these laymen will have not the slightest knowledge.

Hon. Mr. ROCHE: What is it they have done?

Hon. Mr. BRADBURY: I can give you a résumé of it. I hold in my hand the report of the Canadian Biological Board of 1914-15. I will run over two or three headings: "Investigation into the Pacific halibut fisheries, by Professor Arthur Willey; Notes on egg and larval stages of the halibut, by Professor Prince." what would these practical men know about that?

Hon. Mr. ROCHE: All about it.

Hon. Mr. BRADBURY (reading): "The commercial value of the kelp beds of British Columbia; lobster sanctuaries and hatching ponds; report on barren oyster bottoms."

Hon. M. SCHAFFNER: Take it as read.

Hon. Mr. BRADBURY: There is a whole list of this kind of thing, showing the work this Board has performed. I agree with my honourable friend that if this Board is not functioning to suit the Department of Marine and Fisheries, the proper way is to disband the Board, not to add to it and thus add to the expense of the country. My honourable friend makes a great deal of the fact that $70,000 is going to be spent this year. They spent nearly $50,000 last year in this investigation. This is no new scheme of developing our fisheries—talking about how to cook fish and salt fish and cure them.

Hon. Mr. DANDURAND: How many members constitute the Board to-day?

Hon. Mr. BRADBURY: Nine, I think.

Hon. Mr. DANDURAND: Will they not remain with a majority to direct their investigations and their work as they see fit? How are they being injured by the addition of two practical men and one Departmental man when they still remain in the majority?

Hon. Mr. BRADBURY: I hold no brief for this Board. I am not claiming that they are

being interfered with; I am claiming that you are destroying the purpose of the Board.

Hon. Mr. DANDURAND: In what manner will they be hampered in carrying on their investigations? They have a majority, and can continue their own work on their own lines. If some new matter is brought to their attention wherein science will help the industry is it not to the advantage of Canada?

Hon. Mr. BRADBURY: We have a highly paid staff of officials in the Fisheries Department, with ramifications extending from the Atlantic to the Pacific. If that Department is not big enough to handle that end of the business through its Deputy Minister and Fishery Commissioners and inspectors and other officials who are drawing down big salaries, I think it is time a reorganization took place in that Department instead of in this Board. I am not going to detain the House: I am just protesting against what is being done. I think it is not in the best interest of Canada.

Hon. Mr. GIRROIR: I think that we will better understand this question if we approach it in a quite way and without getting unduly excited over the question, which, after all, is a very simple and easily-understood one, I would not rise to oppose the passage of this Bill did I not honestly believe that there were very strong reasons why it should not be passed. Those who are opposing the passage of the Bill are not perhaps so much opposed to the adding of practical men to the Board as they are to the bringing of this Board practically under the Department of Fisheries.

Hon. Mr. DANDURAND: No, nothing is changed.

Hon. Mr. GIRROIR: This Board is appointed for a special purpose. That has been said often, but, in order to explain my view, I have to say it again. It is appointed to do scientific work of a special kind. These men are working without pay of any kind in the interests of science. They are all very able men and men of wide experience along this line. That is why they have been selected to serve on this Board. Their work has been carried on intelligently, and, I understand, with great benefit to the fisheries. Their work has been carried on independently of the Department of Fisheries; that is to say, there have been no officials of the Department serving on the Board—

Hon. Mr. BRADBURY: Yes, two: Professor Knight and Professor Prince.

Hon. Mr. GIRROIR:—except scientific men.

Apparently the object of the Bill is to put upon this Board one member from the Department of Fisheries who has no scientific knowledge of the questions with which this Board is called upon to deal.

Hon. Mr. DANDURAND: He may have. He is not prohibited from having the knowledge.

Hon. Mr. GIRROIR: Nevertheless, we leave it open to the Departmental officials to name a man who has no scientific knowledge of the questions with which he is called upon to deal. Remember, these scientific men are working without pay; they are doing the work voluntarily and in the interest of science, and will naturally resent the introduction on the Board of some member of the Department who may, by his meddling and interference, and endeavouring to overrule and override, cause these men to resign from the Board. I do not say they will, but no doubt there will be a certain amount of resentment.

Hon. Mr. DANDURAND: But they remain in the majority.

Hon. Mr. GIRROIR: Quite true, but that may not satisfy them. They may not control the situation as well as they desire it to be controlled from a scientific standpoint.

This Board has functioned to a certain extent separate and apart from the Department. I understand, if I have not been misinformed, that the Department has no control over their expenditure—that is to say, a certain amount of money is granted each year for this work, and is expended by these scientific men, who make a report. Their report of expenditures, with vouchers and receipts and everything necessary to prove a proper expenditure, goes to the Auditor General's Department and is passed upon. That, I believe, is a correct statement of the facts. Naturally, the officials of the Fisheries Department, who are not scientists, but who may occupy very important positions in that Department, are jealous of the separate control which these scientists have over this particular work, and are anxious to get their fingers in the pie. They would like to know just what is going on, and would like to keep tab on those men who, because of their scientific training and knowledge, have been raised to the prominent position of being members of the Board. If you want to get at the bottom of this matter you will do so by inquiring whether there is not just a little bit of jealousy between the officers of the Fisheries Department and the members of this Board.

Now, there is a very real objection to the appointment of laymen on this Board. I

have pointed out what objection there is to the appointment of a Departmental officer on it: it is because these men are doing scientific work of a special character, and the introduction of anybody but a scientist from the Department will be to a certain extent resented by them.

Hon. Mr. ROCHE: What is this purely scientific work which these men are doing, when expressed in English? The vague term scientific work has no meaning for people in practical business, who believe that science should be utilized in some way in the industry, or on the value of fish products.

Hon. Mr. GIRROIR: I would refer my honourable friend to the report of the Commission, which is issued every year and gives details of the work of this Board. If he reads that report he will know what work they are doing. The crux of this whole question is the feeling of resentment on the part of the members of the Board against bringing in a Departmental officer who is not a scientist. The Commission is doing special work, it is allowed a special appropriation, and has to account for every dollar it expends, and must report to the Department as to the way it functions.

With regard to the appointment of two laymen on the Board, I would ask who will these laymen be? Perhaps one will be from Halifax and one from Vancouver. Will they be ordinary practical fishermen? No, they will not.

Hon. Mr. TURRIFF: How do you know they will not be?

Hon. Mr. GIRROIR: I am just going to give my reason.

Hon. Mr. TURRIFF: Your opinion, that is all.

Hon. Mr. GIRROIR: They will not be ordinary practical fishermen, who would not have time or means to attend meetings of the Board at Ottawa or other central points. Naturally men will have to be selected who are engaged in the fishing industry in a big way. Such men will not be representative of the ordinary practical fishermen, but will be business men who, on account of their means and opportunities for travel, will be able to come long distances to attend meetings of the Board. The honourable leader of the Government asked what objection there would be to the appointment of practical fishermen on this Board, and whether they did not want to know the opinions of practical fishermen and men engaged in the fishing industry. If I were a member of this Board, and desired to obtain the opinion of practical men in the business, to whom would I go? I would go to practical fishermen who have the knowledge and experience of handling fish and the curing of fish. This Board has all the opportunity that any Board could possibly have for obtaining such information We know from their reports that they have repeatedly had conferences with fishermen and obtained this information from them. Surely it cannot be argued that two men at the head of the industry at different places would afford this Board better information as to the practical working of the industry than it could obtain by summoning before them practical fishermen and inquiring from them. This Board meets at different places near where the fish are being cured and the fishing industry is carried on, and it makes its investigations there, and is not in the least hampered for opportunity.

May I add that the men on this Board have given a great deal of time and effort to this work without remuneration, and no doubt they are very proud of the work they have done, and what they have discovered and worked out in the interest of the fisheries; and they resent the attempt to take from them the absolute direction—

Hon. Mr. DANDURAND: But they are the majority, and they will be the majority to-morrow.

Hon. Mr. GIRROIR: —the absolute direction of their investigations, by placing on this Board men who have no scientific knowledge. As scientists their direction will be hampered to that extent. Unless my honourable friend can show that this Board has failed in some respects to carry on the work for which it was appointed, why add new members, when we all know they will resent that addition?

No one is more anxious than I am to see everything done in the interest of the fisheries, because I come from a county where a large part of our industry is fishing; but I know that the fishermen of my county would very much prefer to consult personally with this Board at its meetings, to having some rich fish merchant or trader or canner in their vicinity placed on the Board. I do not think the fishermen would feel that such men could represent them as they desire.

Honourable gentlemen know that in a fishing community very often one view on fishery questions is taken by the practical fishermen who go out in the boats and fish, while a different view is entertained by the man who is making money out of their efforts to earn a livelihood. There have been innumerable and important disputes between the fish-

ermen and the canners and packers, and some of those disputes are now going on. In my own county of Antigonish during this fishing season there have been strikes among the fishermen, protesting against the manner in which the rich and aggressive companies have dealt with them, and I honestly feel that the appointment of one of those prominent men on the Board would not satisfy the fishermen, who would feel that such a man would have an advantage over them in the argument.

If the Department has some policy beyond what this scientific Board has been carrying on, let us know what it is. This Board is not designed to carry on any other policy than that of the scientific investigation of the fisheries and fish problems. If the Department wishes to tack on to the Board some other policy or programme, we should know of it, and I think it would be a mistake to make any change in the law regarding the scope of their work. If there is something else to be done, let it be done by the Department in some other way, because the scientific Board is not designed to carry on any work other than what it is doing. I cannot imagine what the new policy would be; but if there really is a new policy I would be glad to know about it and have an opportunity to disscuss it. The leader of the Government has not indicated what that new policy is. If it is for the promotion of the fisheries, to increase the opportunities of fishermen for curing fish, such work, which is not scientific but practical, should be done by the Fishery officers of the Department. If they are going to pay a bounty on fish, or give fishermen assistance to get gearing and boats and better equipment for their work, that is for the Department and not for the scientific Board, and should not be mixed up or connected with scientific work. I have done practical fishing in my day, and have lived all my life in a community of fishermen, and I know a little about it, and I think my honourable friend should give us an opportunity to discuss the new policy, which he has not disclosed.

Hon. Mr. DANDURAND: I think the Senate is sufficiently informed on this question, and I would suggest, in order to expedite the work, that we now vote on the third reading.

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

INLAND REVENUE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 187, an Act to amend the Inland Revenue Act.

He said: Honourable gentlemen, this Bill has for its object the altering of the excise duty on cigarettes, which is decreased from $7.50 to $6 per thousand; on cigarettes made from raw leaf tobacco or any substitute therefor, weighing not more than 3 pounds per thousand; and on cigarettes made from raw leaf tobacco or any substitute therefor, weighing more than 3 pounds per thousand, $11 per thousand; they were $12.50 under the Act of last year. This section shall be deemed to have come into force on the 12th of May, 1923.

Right Hon. Sir GEORGE E. FOSTER: What has led to the idea of reduction?

Hon. Mr. DANDURAND: The increased duty has not produced more revenue—in fact, it has produced a little less—than the lower duty. Under these circumstances, we are bringing it down a degree.

Right Hon. Sir GEORGE E. FOSTER: I suppose the idea is that the duty was placed really so high that it defeated its own object?

Hon. Mr. DANDURAND: To a certain extent, and I am told that it created an incentive to smuggling on the border.

Right Hon. Sir GEORGE E. FOSTER: There is a limit that you cannot pass.

Hon. Mr. TURRIFF: I would like to point out to my honourable friend the leader that that same argument applies all round, and if he would make a general reduction on the tariff he would get more revenue.

Hon. Mr. DANDURAND: In certain cases I would agree with my honourable friend.

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

THIRD READING

Hon. Mr. DANDURAND: If my honourable friends express no desire to go into Committee on the Bill, I move that it be now read the third time.

Hon. Mr. FOWLER: I do not know whether this is good legislation or not. Is it the intention of the Government to encourage the smoking of cigarettes?

Hon. Mr. DANDURAND: It is to discourage smuggling.

Hon. Mr. FOWLER: Bootlegging in cigarettes?

Hon. Mr. DANDURAND: When the duty on cigarettes is high it becomes profitable to evade the customs, and an illicit trade is encouraged. If the duty is reduced we may return to normalcy.

Hon. Mr. FOWLER: The question is whether that will be to the general advantage of the country or not. I doubt that there is much smuggling of cigarettes from the other side, because it is pretty expensive for a man to travel across for 10, 15 or 20 miles to buy cigarettes. Do you not think that the reduction in the sale of manufactured cigarettes is caused by people rolling their own cigarettes? Many people buy the tobacco and the papers, and by rolling their own cigarettes they save the cost of manufacture. They do not delay themselves very much by having to make the cigarette. I do not smoke cigarettes myself, but I believe that some men become so expert that they can roll a cigarette with one hand, while the other is in their pocket. Are you not encouraging extravagance by reducing the duty? The men who on account of the high price occasioned by the higher duty have rolled their own cigarettes will now, because the price is reduced, purchase manufactured cigarettes. Thus you are teaching the youth habits of extravagance.

Hon. Mr. DANDURAND: No doubt, when manufactured cigarettes become somewhat expensive there is a tendency for people to roll their own cigarettes, and that would partly explain the decrease in duties collected on the manufactured article. But the Department has noticed that the decrease in the importation of cigarettes occurs mostly in the Windsor district and other places near the border, and that has created the impression, if not the conviction, that the higher price of the cigarette, caused by the increase of duty, had incited illegal importation.

Hon. Mr. FOWLER: Would it not be better to see that the vigilance of your officers is increased instead of encouraging extravagant habits among the people by discouraging the rolling of cigarettes by the smoker himself? Do you not think that if you stirred up your officers to greater vigilance this smuggling would not take place?

Hon. Mr. DANDURAND: Perhaps the proposed method is a cheaper one than that which my honourable friend suggests, and which might require a considerable addition to the staff.

Hon. Mr. FOWLER: I am glad to have even this slight evidence of care for the finances of the country, shown by the Minister and by the Government, because such evidence is rare. On the other hand we find plenty of evidence of reckless expenditure. It is refreshing to have this one little whiff—

Hon. Sir JAMES LOUGHEED: Of the cigarette.

Hon. Mr. FOWLER:—of economy.

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

PETROLEUM BOUNTIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 214, an Act respecting the Payment of Bounties on Petroleum.

He said: Honourable gentlemen, the object of this Bill is to limit the period of payment of the bounty on petroleum, with a view to its extinction. The rate for the coming year is the same as heretofore and will continue until the 30th of June, 1924, and the rate for the second and final year will be reduced from 1½ cents a gallon to ¾ of a cent a gallon. That is the only object and effect of this Bill.

Right Hon. Sir GEORGE E. FOSTER: And the bounty ceases when?

Hon. Mr. DANDURAND: It ceases on the 30th of June, 1925. It has two years yet to run, but it is on a diminishing scale.

Hon. Mr. FOWLER: Do the government not think that the time has about arrived when the bounty on petroleum should cease to be paid?

Hon. Mr. DANDURAND: That is exactly the policy.

Hon. Mr. FOWLER: Why not let it cease? Why ease it down in this way? Why not cut it out absolutely? When fabulous fortunes are being made in oil, either by the man who owns the well or by the man who manipulates the stock, would it not be advisable to put an end to this?

Hon. Mr. DANDURAND: My honourable friend will see that the payments of that petroleum bounty were not very large. In 1922 the amount was $93,636. This year it is $89,223.

Hon. Mr. FOWLER: That is what the lady said when she was caught in default: it was such a very small one it should not count. The principle is the same, no matter what you pay. Cut it out.

Hon. Mr. DANDURAND: Well, we are proceeding to do it, but not brutally.

Hon. Sir JAMES LOUGHEED: What is the total amount of the bounty in a year?

Hon. Mr. DANDURAND: The amount of bounty paid was: in 1916, $109,177; in 1921, $312,000; in 1922, $93,636; in 1923, $89,223.

Hon. Mr. FOWLER: Why, that is the interest on several millions of dollars. It is a very serious matter.

Hon. Mr. DANDURAND: We are now in sight of the end. The rate for this year will continue the same, namely, 1½ cents a gallon, but next year it will be down at ¾ of a cent.

Hon. Sir JAMES LOUGHEED: What will be the cost of this gradual extinction—this painless dentistry, so to speak?

Hon. Mr. DANDURAND: Judging by the figures for the fiscal year ending June, 1923, I should not be surprised if we were called upon to pay another $89,000.

Hon. Sir JAMES LOUGHEED: Then, next year?

Hon. Mr. DANDURAND: Then the bounty is to be cut in two; so the amount payable would be something like $45,000.

Hon. Sir JAMES LOUGHEED: That would total about $135,000.

Hon. Mr. FOWLER: There are a few Civil Servants who have not been put up to $8,000, and speaking on their behalf—on behalf of the poor, down-trodden, ill-paid Civil Servants—I think you had better take that duty off altogether, so that you may make a level figure of $8,000 a year for all the Civil Service. That seems to be the smallest amount upon which a Civil Servant can properly subsist, and if you cut off this bounty altogether you may have money enough to bring a few more of those poor fellows up to $8,000 a year, and to hunt up a few more stipendiary magistrates down in the Province of Quebec and increase their salaries to $8,000, and so level up things in this country.

Hon. Mr. DANDURAND: The Minister of Finance is in contact with the producers of oil. My honourable friend has said that immense fortunes were made. Of course, he has in view a person who is prominent in North America, but he is not on this side of the line. I am told that there are not immense fortunes made in this country. After having examined the situation thoroughly, the Minister of Finance, who is desirous of saving money to the country, has decided for the first time to fix a limit to the payment of the bounty. It is to continue for two years, but for the second year it is cut in two. I think we are moving in the right direction and in a way that ought to be approved by my honourable friend.

Hon. Mr. FOWLER: I think I would get on a little more speed in eliminating this bounty, because if we are to believe the literature we are furnished with gratuitously, there are great fortunes in oil. We know that the fortunes made in oil are not confined to the other side of the line. We have right in our own country the instance of the late President of the Imperial Oil Company, whose estate was probated, I think, at four or five million dollars. That is a comfortable fortune for a country lawyer to make. He was four times a millionaire.

It is necessary, as I say, to bring the Civil Service up to a certain point, and we must get the money somewhere. I would hate to see any increase of taxation for that purpose, worthy as it is; I would hate to see an additional Sales Tax put on, or the Income Tax doubled. So I think it would be well to reconsider this Bill, and wipe out the bounty altogether.

Hon. Sir JAMES LOUGHEED: It strikes me that this Bill may conceal an important fact. It does not state in express language that the period for the payment of bounties has expired. Is not that the case? I would so infer from the language of the Bill.

Hon. Mr. DANDURAND: There was no limit in the Act. This Bill fixes a limit for the first time.

Hon. Mr. PARDEE: The bounty has been on for 25 or 30 years.

Hon. Sir JAMES LOUGHEED: This apparently gives to the Governor in Council fresh authority:

> The Governor in Council may authorize the payment out of the consolidated revenue fund of Canada of a bounty payable only on crude petroleum.

Hon. Mr. FOWLER: Then this must be additional.

Hon. Mr. DANDURAND: I am informed that the operation of the old Act was to continue indefinitely until repealed by Parliament.

Hon. Mr. FOWLER: Has it been repealed by Parliament?

Hon. Mr. DANDURAND: We are now repealing it.

Hon. Sir JAMES LOUGHEED: This would seem to be a fresh authorization to pay bounties.

Hon. Mr. DANDURAND: My honourable friend will observe that clause 4 provides:

> The Petroleum Bounty Act, 1909, Chapter 46 of the Statutes of 1909-10, is repealed.

Hon. Sir JAMES LOUGHEED: No period was mentioned in that?

Hon. Mr. DANDURAND: No period was mentioned.

Hon. Mr. GORDON: I wonder if there is any more reason why a bounty should be given on oil than on silver, copper or gold.

Hon. Mr. DANDURAND: My honourable friend might have wondered ever since he has been in Parliament, for this bounty has been paid since 1909, and now we are at the end of it and about to cut it off. My honourable friend might have attempted earlier to solve the problem.

Hon. Mr. GORDON: I believe you would have done better to cut off the bounty now.

Hon. Mr. DANDURAND: I have no special data. I do not know very much about the petroleum industry. My honourable friend from Lambton (Hon. Mr. Pardee) is more au fait. However, I take it for granted that the Minister of Finance examined the whole situation and felt that in order to maintain the industry it was well to notify those interested that the bounty would be continued for this year, that next year it would be cut in two, and then it would cease.

Hon. Mr. GORDON: I must confess that, although I have been here for a considerable period, this is the first time I have heard that a bounty was being paid. My opinion is that there is no more reason for a bounty on oil than for one on nickle, gold, or copper.

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

THIRD READING

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

Hon. Mr. FOWLER: I object to the third reading being taken now. I want to look into this matter.

Hon. Mr. WATSON: Next Session.

Hon. Mr. FOWLER: Next Session? That is this afternoon.

Hon. Mr. WATSON: Next Parliament.

Hon. Mr. DANDURAND: I would suggest that my honourable friend allow this Bill to pass. I am sure he will not move an amendment. If he doubts the soundness of the policy he had better challenge a vote right away.

Hon. Mr. FOWLER: Well, I cannot resist the appealing face of the honourable leader of the Government. I withdraw.

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

HEMP BOUNTIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 215, an Act respecting the Payment of Bounties on Certain Manufactures of Hemp.

He said: Honourable gentlemen, this Bill has for its object the encouragement of the cultivation of hemp in Canada, to replace the importation of Manila fibre for binder twine and other cordage. It is, I believe, highly desirable that we should give the West a chance to increase its variety of production. The bounties payable according to the Bill would run from 1926 to 1933. The figures are given in the Bill.

Hon. Mr. BRADBURY: That would be about eight years?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: Has my honourable friend any information as to the growth of hemp up to the present time?

Hon. Mr. DANDURAND: Practically none.

Hon. Sir JAMES LOUGHEED: What are the probabilities of hemp being successfully cultivated? Is the Department of Agriculture doing anything to promote the cultivation of hemp, and what prospect is there of an industry being built up in twine or yarn?

Hon. Mr. DANDURAND (reading):

Bounty on Hemp

There is another industry to which we are going to extend similar aid. We have been working together to encourage the cultivation of hemp, for which article we are assured the soil of parts of our country is particularly adapted.

It is believed that with some encouragement a large manufacturing plant can be established in Manitoba, drawing its raw material from the crop to be raised in the immediate vicinity. Here again is a case were the helping hand may only have to be extended at the beginning. There is a large market in Canada for products manufactured from hemp, and other articles of similar character. If we can economically produce the hemp ourselves and turn it into manufactured products in factories within easy reach of the fields in which it grows, surely that is an industry which may be well worthy of the helping hand. We therefore propose to apply in this case substantially the same rule as in the case of the copper industry. Under the aid we are affording copper rods and bars should be turned out in Canada at an early date. The development of the hemp business will be slower. To complete the plans of the authorities who are giving attention to the promotion of the movement, to raise the crop and to prepare and manufacture the hemp, will take a considerable time. We therefore propose that in this case the eight-year period shall begin on the first day of January, 1926. By that time binder twine and other products made from Canadian hemp should be ready for the market and the producers will be in a

position to claim the bounty. In this case also we propose a bounty beginning at one and one-half cents per pound on the hemp and diminishing from year to year, until at the end of the eight years the bounty is extinguished.

By that time binder twine and other products made from Canadian hemp should be ready for the market.

Hon. Mr. FOWLER: What are they going to do with the hemp?

Hon. Mr. WATSON: It is for the purpose of making binder twine.

In reply to the question whether hemp can be successfully grown in the West, I may say for the information of the House that adjacent to Portage la Prairie there were 200 acres of hemp grown two years ago. It was a magnificent crop. The hemp grows to a height of 12 or 14 feet and produces quite a large tonnage per acre. There is only one question in regard to the feasibility of the scheme working out, and that is whether we have sufficient moisture in the fall to rot in on the ground.

Hon. Mr. FOWLER: They rot it in brooks.

Hon. Mr. WATSON: They are considering the construction of tanks in which they can immerse the hemp and carry on the rotting process in that way. A company has been established in Winnipeg, and it has asked for this bounty. There is no question at all about a market.

Hon. Mr. FOWLER: What about the quality? How does it compare with the sisal manila?

Hon. Mr. WATSON: I do not know.

Hon. Mr. FOWLER: That is a very important consideration. The use of flax fibre for the making of binder twine has not been a success so far.

Hon. Mr. WATSON: This company is perfectly willing to take the risk, and we are taking no risk at all—only paying on the manufactured product.

Hon. Mr. GORDON: If the Government is going to adopt a policy of giving bounties, I would suggest that they look into the feasibility of giving a bounty to develop iron in Northern Ontario. Without any aid there have been developed in Northern Ontario perhaps the greatest gold mines in the world. Silver and nickel mining also has been carried on without a bounty. Iron, which we require in Canada perhaps more than any other metal, has been neglected. As every person is aware, practically all our iron ore comes from the United States; yet we have in Northern Ontario millions of tons of undeveloped iron ore. If the Government is going into the business of giving bounties, I think they should seriously consider the advisability of fostering that industry.

Hon. Mr. DANDURAND: Of course, my honourable friend is aware that a considerable bounty was paid on iron and steel for a number of years.

Hon. Mr. GORDON: Very little.

Hon. Mr. DANDURAND: Millions of dollars were given in bounties by the Government. The bounty was paid on a sliding scale, and was gradually extinguished, and by it we created an industry in Canada.

Hon. Mr. FOWLER: If the Government wants to assist the iron industry of Canada it can do so by establishing a research council for the purpose of inventing or discovering some process whereby our refractory iron ores can be treated economically. If our ores were like the American ores, not refractory, they would not require this special treatment. There is no question about the tremendous deposits that we have.

Hon. Mr. BRADBURY: The question before the House is one of considerable importance to Manitoba. I happen to know a little about the organization of this Company, and I have no hesitation in saying that the proposition is a good one and ought to be encouraged. I have met Mr. Coats, a man from the North of Ireland who is largely interested in the manufacture of linens. He is closely identified with this organization, and I hope to see this thing given a fair trial. If it is a success, it would be of great benefit to Manitoba and the Northwest; if it does not succeed it will not cost the country anything.

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

THIRD READING

On motion of Hon. Mr. Dandurand, Bill 215, an Act respecting the payment of Bounties on Certain Manufactures of Hemp, was read the third time and passed.

CUSTOMS TARIFF BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 216, an Act to amend the Customs Tariff, 1907.

He said: Honourable gentlemen, one of the main features of this Bill is the increased preference of 10 per cent under the British Preferential Tariff on goods imported to sea or river ports of Canada which are already paying a duty in excess of 15 per cent.

Another interesting feature, upon which there may be diversity of opinion, is the clause providing that:

> The Governor in Council may authorize any Minister of the Crown to enter into negotiations with any authorized representative of the Government of the United States with a view to the making of a commercial agreement between the two countries on terms that may be deemed mutually beneficial. Any agreement so made shall be subject to the approval of the Parliament of Canada.
>
> If the President of the United States, under authority of the United States Tariff Act of 1922, determines to reduce the duties imposed by such Act on the following articles, that is to say:
>
> Cattle; wheat, wheat flour; oats; barley; potatoes; onions; turnips; hay; fish as enumerated in paragraphs 717, 718, 719 and 720 of the Tariff Act of 1922, the Governor in Council may by Order in Council make such reductions of duties on such articles imported into Canada from the United States as may be deemed reasonable by way of compensation for such reductions on Canadian products imported into the United States.

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

THIRD READING POSTPONED

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

Hon. Mr. FOWLER: We have not had any chance to look at this Bill. It is an amendment to the Customs Tariff, and I do not think it should go through in this way. I protest against it.

Hon. Mr. DANDURAND: If my honourable friend desires to study it longer—

Hon. Mr. FOWLER: I do.

Hon. Mr. DANDURAND: How long does my honourable friend desire?

Hon. Mr. FOWLER: Put it down for the next sitting of the House. I have not had a chance to read it over. We are being rushed off our feet. I am not used to this, and do not want to be rushed in passing legislation that I do not understand. I feel a certain responsibility, and I trust every other honourable member of this House feels the same responsibility to the country. I want to have an opportunity to give it the "once over," as we call it. We in this House do not even get a chance for the "once over."

Hon. Mr. DANDURAND: I must reproach my honourable friend from Portage la Prairie (Hon. Mr. Watson) with having occupied the attention of my honourable friend from Sussex when I was explaining the main features of the Bill.

Hon. Mr. FOWLER: While I have every confidence in every utterance that falls from the lips of the honourable gentleman, I choose to read the Bill for myself and to see what it contains.

Hon. Mr. DANDURAND: My honourable friend will have that opportunity. I move that the Bill be put down for third reading at the next sitting.

The motion was agreed to.

SPECIAL WAR REVENUE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 230, an Act to amend the Special War Revenue Act, 1915.

He said: The main object of this Bill is to alter the conditions under which the Sales Tax will be collected, and to eliminate the pyramiding which occurs from one stage to another. Under the Act as it is to-day, there are as many as five or six stages at which the Sales Tax is collected.

Hon. Sir JAMES LOUGHEED: What has been the experience of the Government, in view of the fact that the Minister of Finance was warned last Session that disastrous results would ensue? What has been the experience in the enforcement and working out of this tax?

Hon. Mr. DANDURAND: Under the Act which we are now trying to amend the levying of the tax was exceedingly complicated and difficult of management. The purpose of this Bill is to simplify the process. I think my memory does not fail me when I say that the Manufacturers' Association, in their memorandum of January last, made a request along this line. I was present when they made their representations. There were representatives from all parts of the country, and it is to meet those representations and to simplify the system of collection that this Bill is brought in.

Hon. Mr. GORDON: I notice that the maximum to be charged on cheques is $1 instead of $2. Of course, it is a very nice thing for us to have our taxes reduced, and at first glance it looks all right; but I submit, in view of the large revenue required, and the deficit which we have, that this is a very injudicious step and one which is altogether in favour of what are generally called rich people. It seems to me altogether illogical that the stamp tax should be less than the note tax. I understand that the old tax of four cents per hundred will still continue without any maximum limit, but that the maximum on cheques will be $1. It seems to me absurd that a cheque for $1,000,000 should bear only the same tax as a cheque for $2,500. It rather operates in favour of those who are well off and against

those who are poor. I am sorry that this is being done when revenue is so much required, and I submit that the most painless way for extracting revenue from the public is by a proper stamp tax.

Hon. Mr. DANDURAND: I draw the attention of my honourable friend to the fact that Canada is the only country in which there is a variation in the tax upon cheques and other instruments. The legislation of last year was an experiment, and it is felt that the maximum of $2 which was fixed last year should be cut down to $1. The $2 tax tended to send across the border deposits which should have remained in Canada, but which were sent there for the purpose of eluding the payment of the $2 tax. The minister has given the following reasons for this Bill:

With regard to the cheque tax, we passed last year graduated taxes on cheques, with a maximum of $2. There has been some objection with reference to this. It has been represented that there are transactions in which several cheques have to be given, but which really represent but one business deal, so that in that way the tax operates as a burden. It is also represented to us that on the boundary this tax induced men who have opportunity to do so to keep their accounts on the other side of the border. There is probably some force in all these criticisms. We do not feel, however, that we are prepared to give up the tax, which is a valuable source of revenue, and we intend to retain it, but it is provided that the maximum shall be $1 only.

Hon. Mr. GORDON: I think those reasons are very flimsy, and I think that the revenue loss will be very substantial. Again I ask, why reduce the maximum tax on cheques and still leave the tax on notes as it existed, namely, 4 cents per hundred dollars? We all know that people who have notes to sign generally have less money on hand than people who are doing nothing but issuing cheques. If you issued a cheque for a million dollars the tax would be $1; if you issued a note for a million dollars the tax would be 4 cents per hundred. Now, what is the reason for that?

Hon. Sir JAMES LOUGHEED: My honourable friend will doubtless presently move the third reading of this Bill, and I would direct his attention to the fact that he has said nothing whatever about its other features, which propose amending the Excise law, the Customs law, and the Sales tax. The Stamp Tax is one of the minor considerations of the Bill. I do not wish to protract the discussion on the subject, but the House should certainly have some reasons why these very substantial changes are made in the law.

Hon. Mr. GORDON: I submit to my honourable friend the leader that this is a pretty important thing, too.

Hon. Sir JAMES LOUGHEED: I admit that.

Hon. Mr. GORDON: I was not on my feet, but I was waiting for a reply from the honourable leader.

Hon. Mr. DANDURAND: I have not at hand the reason that has been advanced for this difference, but it was made last year, and we are not altering it.

Hon. Mr. GORDON: I know; that is why I see no reason for reducing the stamp tax and not reducing the tax appertaining to notes. I do not think the stamp tax should be reduced at all, for that or any other tax reduction would imply that the revenue of the country was going to be such that an increase was not required. What I say is that there is no more painless method of collecting revenue from the people than through this stamp tax, and I protest very vigorously against this tax being reduced and the note tax being maintained.

Hon. Mr. FOWLER: Surely it is not the intention of the Minister to move the third reading of this Bill immediately?

Hon. Mr. DANDURAND: If my honourable friend will first allow me to get the second reading, we will then try to satisfy him as to the third. I suggest that we take the second reading, and if my honourable friend desires explanations of each item we may take them up in Committee.

Hon. Sir JAMES LOUGHEED: I am not thirsting for information, but it would be a seemingly proper thing to give us some reason for imposing several millions of additional taxation upon the people of Canada. Even though it should occupy some five or ten minutes, it might be time well spent; it might possibly reconcile the tax-bearing public to the additional burdens imposed on them.

Hon. Mr. DANDURAND: I do not know that we can amend this Bill, or purely and simply reject it. If we cannot or do not intend to amend it, perhaps it is as well not to go into Committee, but take the third reading.

Hon. Sir JAMES LOUGHEED: Still my honourable friend might be able to administer some crumbs of comfort to the tax-paying public, which would permit of their bearing their burdens more easily than they can if they do not know why they are carrying them.

Hon. W. B. ROSS: Perhaps the honourable gentleman could explain how people could come to pay this without feeling it.

Hon. Sir JAMES LOUGHEED: Has my honourable friend any political anesthetic that he can administer?

Hon. Mr. FOWLER: They are so stunned now by the actions of this Government, without any further paying.

Hon. Mr. DANDURAND: The anesthetic has been applied since 1867. We cannot go further back, because our existence dates from that year.

Hon. Sir JAMES LOUGHEED: But your surgery is not as skilled as that of your predecessors.

Hon. Mr. DANDURAND: Of course, the situation is not the same. I do not know of any greater anesthetic than indirect taxation. It is extraordinary how the people will accept and bear burdens that they do not see clearly.

Hon. Sir JAMES LOUGHEED: But they see this.

Hon. Mr. FOWLER: You forgot that now they are getting both, and a double dose of both.

Hon. Mr. DANDURAND: Of course, a new principle is being introduced, which makes the taxbearer realize what he is paying in certain directions; it is direct taxation, and it has the advantage of linking the taxpayer with the administration of his own Government. So long as it is indirect taxation he will carry the load, make his purchases, and pay his taxes indirectly; but when the bill is presented to him he begins to put on a double pair of spectacles.

Hon. Sir JAMES LOUGHEED: He will be glad to know that.

Hon. Mr. DANDURAND: There is perhaps an advantage in the Income Tax, because I have noticed that since we have had it the people seem to be far more wide-awake as to the expenditure of the Government, and the why and wherefore. I would only hope that all the people of Canada would be reached in some way, even if it be very light, in order that they should realize that they have an interest in the good administration of the country.

Hon. Mr. GORDON: But in connection with this Bill you will find that, so far as the Sales Tax is concerned, the whole dose is being administered at once, whereas before it was distributed, as in the case of a man paying municipal taxes, who is allowed to pay in instalments, perhaps four times a year in place of one. What I suggest is that you are taking away the painless method, and submitting others that are painful. I believe that this Bill should not be passed without going through the Committee stage.

Hon. Mr. FOWLER: I cannot allow the observations of the honourable leader of the Government to pass without pointing out to him that indirect taxation has other virtues than simply that of being an anesthetic. It places the burden of taxation where it should be, upon the spendthrift, and not so much upon the industrious man. Indirect taxation penalizes the spendthrift and the waster, and rewards the industrious, frugal, economical man, whereas direct taxation, on the other hand, remits from its burdens the waster and the spendthrift, and penalizes the honest, economical, industrious man. That is the difference between direct and indirect taxation; but unfortunately we are now getting a dose of both direct and indirect. That is why the burden is being felt so greatly by the people. I hope the Government will establish a distinctive stamp for these taxes.

Hon. Mr. DANDURAND: That is provided for.

Hon. Mr. FOWLER: Because you cannot tell what any particular tax is producing without distinctive stamps. The Postmaster General throws out his chest and says, "Look how the revenues of the postoffice have increased during my regime," whereas those revenues have increased because of stamps purchased under the Stamp Act, altogether outside of postage. It seems to me that is very unfair, and should be changed. I can understand that it is very convenient not to have to keep a supply of special lines of stamps. After all, the convenience of the public ought to be considered, but when the system is clouded as to knowledge in another direction, it ought to be changed.

Hon. Mr. DANDURAND: That will be so on the first of October next.

Hon. Mr. FOWLER: I am very glad. That will reconcile me to some of the disagreeable features of that Act. Is it the intention to have a separate stamp for each separate thing?

Hon. Mr. DANDURAND: There will be an excise stamp only, which will be very plain, and different from the ordinary postage stamp.

Hon. Mr. FOWLER: Will the use of the postage stamp for the excise tax be absolutely prohibited?

Hon. Mr. DANDURAND: After the first of October. I move the second reading of this Bill.

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

THIRD READING POSTPONED

Hon. Mr. DANDURAND: I move the third reading of this Bill now. I will give the reason why.

Right Hon. Sir GEORGE E. FOSTER: I think we had better go through it in Committee. There are some explanations to be made and my honourable friend can make them on the items as we go through them in Committee much better than he could now.

Hon. Mr. DANDURAND: I will accede to that request. I realize that under the resolution of the honourable gentleman from Middleton (Hon. W. B. Ross) we laid down what we claimed to be our right as to amending money bills. As we have not claimed under that resolution the right to increase the burden of a Bill, or to appropriate money, or to reduce a tax Bill which has been voted by the Commons, we could not move to reduce the levy which is comprised in this Bill. The only object, therefore, is to impart information, and that I will do with very great pleasure; besides, it is my duty to do so. I move that this Bill be referred to the Committee of the Whole House at the next sitting.

The motion was agreed to.

DAIRY INDUSTRY BILL

FIRST READING

Bill 241, an Act to amend the Dairy Industry Act, 1914.—Hon. Mr. Dandurand.

HALIBUT FISHERY BILL

FIRST READING

Bill 247, an Act for the protection of the Northern Pacific Halibut Fishery.—Hon. Mr. Dandurand.

BUSINESS PROFITS WAR TAX BILL

FIRST READING

Bill 248, an Act to amend the Business Profits War Tax Act, 1916.—Hon. Mr. Dandurand.

INCOME WAR TAX BILL

FIRST READING

Bill 249, an Act to amend the Income War Tax Act, 1917.—Hon. Mr. Dandurand.

MONTREAL HARBOUR BILL

FIRST READING

Bill 250, an Act to provide for further advances to the Harbour Commissioners of Montreal.—Hon. Mr. Dandurand.

The Senate adjourned until 3 p.m. this day.

SECOND SITTING

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

Routine proceedings.

CO-OPERATION OF CANADA IN WAR MEASURES

NOTICE DROPPED

On the Notice of Inquiry:

By the Honourable Mr. David:

That he will call the attention of the Senate to the questions to be discussed at the next Imperial Conference in connection with the military and monetary co-operation of Canada in the war measures which may be proposed, and will ask what position the Canadian Government intends to take in the discussion of those questions.

Hon. Mr. DAVID: Honourable gentlemen, I intended to bring up this question about a month ago, but as I was then ill I had to postpone it. I had hoped that we might have an interesting discussion. Now I am told, and am convinced, that it is too late for the discussion of this matter. I therefore beg to be allowed to withdraw the inquiry.

The notice was dropped.

CUSTOMS TARIFF BILL

THIRD READING

Bill 216, an Act to amend the Customs Tariff, 1907.—Hon. Mr. Dandurand.

SPECIAL WAR REVENUE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 230, an Act to amend the Special War Revenue Act, 1915.

Hon. Mr. Blain in the Chair.

On section 1—stamp tax on cheques; stamp tax on bills payable on demand, etc.; stamp tax on receipts for money paid by bank; issue of cheque without stamp; penalty; receipt for money paid by bank without stamp; penalty:

Right Hon. Sir GEORGE E. FOSTER: We discussed that this morning.

Hon. Mr. FOWLER: What change is there in this?

Hon. Mr. DANDURAND: It reduces the stamp tax on cheques from $2 to $1 as a maximum.

Hon. Mr. FOWLER: Why is that? Have you too much revenue now, that you want to get rid of some of it? What is the reason for the change?

Hon. Mr. DANDURAND: I mentioned two reasons. Many representations have been made that the tax was too heavy in the case of a single transaction in which cheques were exchanged. The $2 tax was imposed on each cheque. The second reason is that it has been noticed that a number of accounts have been opened in border cities of the United States in order that the heavy tax on cheques in Canada might be evaded. The stamp tax is an experiment which Canada has been making alone, and in advance of all other countries. It has been felt by the Minister of Finance that we should accept the suggestion to reduce the maximum tax on cheques to one dollar. This may involve some loss, but there is a compensation in the greater readiness to accept the law. There have come under my own notice a number of devices used throughout the country for the purpose of escaping the stamp tax. Probably the country will stand to lose nothing by the reduction.

Hon. Mr. FOWLER: Are you not rather discouraging the exercise of ingenuity by the people in making this change? Another point: does it not seem like a discrimination against the small dealer in favour of the large? You have made no reduction on the smaller cheques; you still charge 2 cents for a cheque of $1, $5, $10 or $20, and it is usually for such small amounts that the ordinary cheques are written. On the other hand, you make a reduction in favour of the people who are doing large business, involving thousands and hundreds of thousands of dollars.

Hon. Mr. DANDURAND: The large dealers have more transactions, and issue ten cheques for every one issued by the small dealers; so they pay in proportion to the operations they carry on, which are closed by cheques. All are on the same plane. Those who issue checques for current household expenditures do not have to pay more than $1 tax. People who have an income ten times larger than the average usually have to issue ten times as many cheques. Furthermore, the issue of a large cheque does not necessarily indicate prosperity or profit. It is hard to see how, by limiting the maximum tax to $1, the more prosperous people escape the obligation of paying their fair share. I do not believe it is so.

Hon. Mr. GORDON: Every argument which you have advanced for reducing the taxation on cheques applies with much greater force to a reduction of the tax to the borrower. The lender of money is continually issuing cheques and under this Bill he will get off with the maximum tax of $1, whereas the borrower must pay 4 cents per 100, as in the case that I instanced this morning. A cheque issued for $1,000,000 bears a stamp tax of $1, whereas the borrowing of $1,000,000 is taxed $400. Why this discrimination? I could understand the proposed reduction if the tax on the borrower were also reduced. At the same time, I doubt the wisdom of reducing either, because, as I said before, this method is one of the least painful ways in which taxes may be extracted from the people. You have advanced no reason whatever why the borrower should be taxed so much more than the lender.

Hon Mr. CASGRAIN: The Minister of Finance in another place explained that the maximum tax should be limited to $1 because in large transactions the margin is so small, amounting to perhaps one-sixteenth or one-thirty-second of one per cent. Many transactions in which cheques must be exchanged would not be made if the tax were large. That is the reason given by the Minister—that the margin on the transaction was so small that it would not stand a stamp tax of more than $1.

Hon. Mr. FOWLER: It is very refreshing and encouraging that at least one member of this House keeps himself au fait with the transactions in another place.

Hon. Mr. GORDON: I hope my honourable friend (Hon. Mr. Casgrain) did not intend that as an answer.

Hon. Mr. CASGRAIN: No. The honourable leader will answer.

Hon. Mr. DANDURAND: The only answer I can give to my honourable friend is that the Minister of Finance thought it would be too great a loss to the Treasury of Canada to make a reduction also on notes and drafts.

Hon. Mr. GORDON: It is desirable to have the taxes made as equitable as possible. Every citizen in Canada should be willing to pay his fair share of the taxes, and no doubt we are all interested in having the taxes distributed equitably. It must be patent to every person that the tax, as it was originally,

imposed little hardship as compared with other taxes. It is being reduced because of strenuous representations made from different quarters for some time past; but I think most of those representations for the reduction of this tax have come from brokers, who continually issue large cheques. It did bear somewhat heavily upon them. However, there is also the other fellow to be considered. In view of the substantial loss which the Department would suffer by this reduction, I do not think there is any reason for it at all. Last year when this matter was before the House I asked the same question, and the answer was that there was no reason for it other than it had previously been contained in the Act. As it is now, I submit that it is altogether in the interest of the moneyed man and the lender, and altogether against the poor man and the borrower.

Hon. Mr. DANDURAND: I may assure my honourable friend that if the matter comes before Council again next year I shall be happy to lay his views before the Minister of Finance.

Hon. Mr. DONNELLY: Can the Minister tell us whether the present Act affords any relief in regard to the cancellation of stamps on drafts that have not been accepted? I have frequently heard complaints in regard to that. I may give one instance as an illustration. On going to a bank I met a business man who complained that he had made a draft for $1,000 to which he had attached 40 cents in stamps. The draft was not accepted, but came back with the stamps cancelled, and then a cheque was sent in payment of the account, and the Government, instead of getting 40 cents, got 80 cents. His suggestion was that the stamps should not be cancelled until the draft had been accepted.

Hon. Sir EDWARD KEMP: My honourable friend has said that the Government introduced this $2 stamp tax as an experiment, and that it has been found to be impracticable. To my honourable friend as a banker it must have appeared that this was impracticable from the outset. A man in Windsor or Niagara Falls would surely do his business in the United States if it cost him only two cents per $100, whereas in Canada it would cost him four cents. What steps are taken by the Finance Department when these radical changes are made—because it is a radical tax, no other nation in the world imposing a tax of $2—to find out from bankers or business people what course ought to be pursued? This changing from Session to Session is not satisfactory.

Hon. Mr. DANDURAND: I do not know what influenced the Minister of Finance to bring down the measure of last year. I point out to my honourable friend that it is almost impossible for the Minister of Finance, before bringing down his Budget, to solicit information from outsiders without giving the cue as to what will be his statement before the House. He must be very guarded and keep his own counsel. When he placed his Budget before the House last year there was no limit to the tax; then representations were made to him and he stopped at $2, and after one year's experience he has reduced the maximum from $2 to $1. Many people were somewhat dubious about the orthodoxy of the new tax, which was somewhat experimental inasmuch as it was pioneer work.

Hon. Mr. FOWLER: Suppose a man borrowed $100,000 from the bank. The bank would give him a cheque which would bear only $1 in stamps. On the other hand, he would have to put $40 in stamps on the note which he gave to the bank. Does that not look like discrimination in favour of the lender as against the borrower? If there is any discrimination at all it should be against the lender, because he is the man who has the most money. You make the poor borrower pay not only the interest to the usurer who lends him the money, or the banker, if you prefer that term; but every time he issues a cheque for the interest he has to attach to it a stamp of high denomination.

Hon. Mr. DANDURAND: My honourable friend from Regina (Hon. J. H. Ross) remarks that the borrower will pay anyway.

Hon. Mr. FOWLER: That is poor satisfaction. You make his burden heavier.

Hon. Mr. GORDON: That is where I claim the injustice is done. The borrower is taxed heavily, and the lender is not.

Hon. Mr. MITCHELL: If the borrower does not pay back, the lender gets the worst of it.

Section 1 was agreed to.

Section 2 was agreed to.

On section 3—exception from stamp tax on receipts, etc.:

Hon. Mr. FOWLER: As we have not had time to peruse this Bill and give it some consideration, I would ask that the Chairman read the section so that we can follow it.

The Hon. the Chairman read the section.

Hon. Mr. FOWLER: What does subsection 6 mean? I see the leader of the Government

is not able to answer that offhand. How could we be expected to do so?

Hon. Mr. DANDURAND: The penalty for not putting a stamp on a receipt is $50; if it is paid before it comes into court the penalty will be $20. If the party volunteers to pay before he is brought into court, he will be freed from the lawsuit.

Hon. Mr. FOWLER: But if he does not?

Hon. Mr. ROCHE: I would like to ask whether all this procedure would apply to receipts at stores. For instance, if you have a written bill at a dry-goods store or any store, and they furnish you with a receipt, would you require to have a stamp on it?

Hon. Mr. CASGRAIN: If it is over $10.

Hon. Mr. ROCHE: Suppose it was $11.

Hon. Mr. CASGRAIN: They would have to put on a stamp.

Hon. Mr. ROCHE: Suppose you did not pay and you went again with your bill and required a receipt, would you have to get a stamp upon that also?

Hon. Mr. CASGRAIN: It is the one giving the receipt who puts on the stamp.

Hon. Mr. ROCHE: Suppose he says, "I will give you a receipt."

Hon. Mr. CASGRAIN: He has to put a stamp on it.

Hon. Mr. DANDURAND: That has been the practice in Great Britain.

Hon. Mr. ROCHE: And there was a great revolution against the Stamp Tax. They lost America over it.

Hon. Mr. FOWLER: Will the leader or the assistant leader, I do not care which, answer my question with regard to subsection 6?

Hon. Mr. DANDURAND: Subsection 6 embodies the British practice. Clause 3 is a replica of the British provision.

Hon. Mr. FOWLER: But you are changing it.

Hon. Mr. DANDURAND: It is for the better enforcement of the Act.

Hon. Mr. FOWLER: Has the British Act been changed? Are you following the British Act?

Hon. Mr. DANDURAND: It is simply to make it conform to the British Act as regards penalties.

Hon. Mr. FOWLER: Does subsection 8 mean that in case of criminal matters the receipt can be given although it has not gone through in accordance with the procedure? I see an exception is made of criminal proceedings. Why should not that receipt be subject to the same penalties and liabilities as a receipt offered in civil proceedings?

Hon. Mr. DANDURAND: I do not understand the reason for the exception.

Hon. Mr. FOWLER: There must be some reason, and I am sure the Finance office have the reason within their knowledge.

Hon. Mr. DANDURAND: I will try to get the answer before the third reading.

Hon. Mr. FOWLER: I do not want my honourable friend to think that I am asking these questions for the purpose of embarrassing him, because I am not. I do not blame my honourable friend for his lack of knowledge of this Bill, which has only recently come to this House. We have had no opportunity to consider it, and therefore he is in the same position as the rest of us; he is blundering along in the dark, doing the best he can, and doing that best in his usual inimitable way. But it shows the evil of legislation being pitchforked into this House without time being allowed for members of this House to properly consider it, and I wish again to protest against that sort of procedure. I say it is treating this branch of Parliament with very little respect, to expect us to accept, holus-bolus, without consideration, legislation from the other House, which has had plenty of time to deal with it. I do not think we are called upon to follow the proceedings of the other House; we have enough to do to attend to the proceedings in our own Chamber. For that reason I say we should have more time to consider these questions if they are important at all.

Hon. Mr. BELCOURT: May I venture a possible explanation of subsection 8? The exception is in regard to criminal proceedings. I am assuming that there is a case in which it is necessary for the Crown to produce a cheque, in order to establish an offence. The Crown in that case would not be bound to produce a duly stamped receipt, because very likely none was given. That is possibly the reason for the exception in regard to criminal proceedings.

Hon. Mr. FOWLER: I have no doubt that is the explanation.

Sections 3 and 4 were agreed to.

On section 5—excise tax on wines; sparkling wines:

Hon. Mr. DANDURAND: This is a reduction to conform with the French Treaty that was signed lately.

Hon. Mr. FOWLER: Wines come in cheaper under the French Treaty, do they?

Hon. Mr. DANDURAND: Yes.

Section 5 was agreed to.

On section 6—tax on sales:

Hon. Mr. GORDON: In the case of a manufacturer of paper and pulpwood, where would the tax be payable?

Hon. Mr. DANDURAND: If he sold to a paper manufacturer there would be no tax until the paper was paid for.

Hon. Mr. GORDON: Then the tax would be paid by the paper manufacturer, not by the pulp manufacturer?

Hon. Mr. DANDURAND: Not by the pulp manufacturer.

Hon. Mr. CASGRAIN: That 6 per cent on newsprint is a great imposition, and if we had the power to do it I would move that the tax remain as it was before. Paper sells around $75 a ton, and a newspaper has to pay to the company that sells the paper $4.50, bringing the price up to $79.50 a ton. I know that it costs one paper in Montreal La Presse, $60,000 a year. Formerly the tax was $2.25.

Hon. Mr. FOWLER: Cannot they pass that on to the purchaser?

Hon. Mr. CASGRAIN: That is the trouble with a newspaper; the publishers cannot pass it on. They could mark the price on the paper, 2 cents, and Government tax, one cent, but that would not make any Administration very popular. The paper sells for 2 cents or 3 cents.

Right Hon. Sir GEORGE E. FOSTER: But the advertisements sell for any price they can get. Leave them alone; they will pass it on.

Hon. Mr. CASGRAIN: They cannot pass it on. More than that, the rates on advertising are regulated, and I am told they have reached the maximum, and cannot raise them any higher.

Hon. Mr. DANDURAND: I have some pity for the poor man, but none for one whose profits are half a million a year.

Hon. Mr. DONNELLY: I would like to get the view of the Government on the question of lumber, which is sold net at 90 days. Suppose the lumber merchant sells a carload in June and does not get his money for 3 months, does the Government consider that the change of possession constitutes a sale, and that he has to make a return in July and remit his tax on that carload of lumber, or is he to wait till he gets his money?

Hon. Mr. DANDURAND: I am informed that he is obliged to make his return and pay although he has not himself been paid.

Hon. Mr. ROCHE: Are there any exemptions to the regulation that 6 per cent will be paid on the importation of all goods? And when would that have to be paid? Suppose a person received a cargo of goods and they were entered at the Custom House, would the amount of the Sales Tax have to be paid at the time the goods are entered at the Customs House?

Hon. Mr. DANDURAND: There is a very large list of articles that are exempted in the Act of 1915, which still remain exempt, and in this Bill there are two or three additions to the exemptions.

Hon. Mr. ROCHE: Would the tax on those that are not exempt have to be paid on the invoice being presented at the Custom House?

Hon. Mr. DANDURAND: My information is that the tax must be paid when the duty is paid, except in the case of licensed manufacturers and licensed wholesalers.

Hon. Mr. ROCHE: But suppose there is no duty?

Hon. Mr. DANDURAND: They pay whether there be duty or not. The tax is paid at the time of entry.

Hon. Mr. TURRIFF: What increase will the changes of this year make on the amount of the Sales Tax that is being levied?

Hon. Mr. DANDURAND: It may be the same as last year. It is impossible to give anything more than an estimate.

Hon. Mr. TURRIFF: This Sales Tax of 6 per cent means in many cases really a tax of 8 or 9 or 10 per cent when the goods reach the consumer depending on the number of hands they go through because the wholesaler buys from the importer and adds his profit to the 6 per cent; then the retailer buys from the wholesaler and adds his profit to $1.06; and so on. So we are really paying a tax amounting to something around 7 or 9 per cent at least.

Hon. Mr. DANDURAND: My honourable friend is quite correct. The consumer pays more than the 6 per cent.

Hon. Mr. CASGRAIN: Except in the newspaper business.

Hon. Sir EDWARD KEMP: May I inquire what precedent there is, if any, in respect to this particular form of taxation? What other countries have this form of taxation?

Hon. Mr. DANDURAND: At the moment I can only indicate France as having a turnover tax similar to this one.

Hon. Sir EDWARD KEMP: Perhaps my honourable friend is not aware of the fact that this form of taxation was very carefully inquired into both in Great Britain and the United States, and after a very searching inquiry those countries came to the conclusion that it was entirely impracticable and did not adopt it. It is a new form of taxation, and it is an experiment in Canada. My own view is that it will not prove a success, any more than the stamp tax did, but it is a far more serious thing.

I thought the leader of the Government might make a general statement to the Senate in respect of the whole matter, so that perhaps we need not go over every single item. For instance, in subsection 4 of section 19BBB, reference is made to taking out a license and a man has to pay the Government 6 per cent on his turnover. But he might have to wait from one to six months or a year to get the money in again, and in a great many cases he would never get it at all. I would like to ask the leader of the Government if he thinks that the industries of this country upon which this tax is put are in a financial position to stand this burden. Some of them are, but there are many, perhaps the majority, that are not. An industry may be under a liability to its bank, or may be embarrassed financially, as a great many are. They may be pulling along as best they can, borrowing all the money they can, but the Government comes along and demands 6 per cent of their sales every month. How can a manufacturer pay that when he is very much involved in his finances? How can he raise the money?

Hon. Mr. DANDURAND: But he pays the Customs duty; it is the same thing.

Hon. Mr. CASGRAIN: I listened last night to the Minister of Finance. He has brought in a Bill by which he is going to give people time to pay.

Hon. Sir EDWARD KEMP: Anybody accustomed to business knows that very often when you give time to pay you do not get your money, and the Government will find itself with a great many creditors scattered all over this country. You cannot collect from people who are more or less financially embarrassed, even though at the same time they are solvent. I believe the Finance Minister has said that the Government cancelled the legislation of last Session because they thought this would be an easier way of getting the money; but he has put the responsibility of raising this tremendous amount of taxation upon only a few industries of the country. The industries are already burdened with taxation—industries in which the Government is already a partner to the extent of 10½ per cent of their profits, if they have any. The Government has put itself in the position of a partner in every business in this country to the extent of that 10½ per cent profit, and in addition it comes along with this burden. There is no precedent for it in any English-speaking country, and I imagine that the conditions in France are so different that that country affords no precedent.

Then I turn to subsection 7 on page 6, and I do not understand what it means with respect to a man having to put up bonds of a guarantee company.

Hon. Mr. DANDURAND: The wholesaler or jobber need not take out that license. He does so only if he thinks it is to his advantage.

Hon. Mr. FOWLER: What is the object of it if he does not have to do it?

Hon. Mr. DANDURAND: If he takes out a license he can get his goods in the raw state, to sell to the manufacturer, and he does not pay at the time he receives those goods.

Hon. Mr. FOWLER: When does he pay?

Hon. Mr. DANDURAND: If they are sold to a licensed manufacturer he does not pay at all. The manufacturer pays when the raw material he receives is manufactured and sold.

Hon. Mr. FOWLER: Supposing the wholesaler does not give a bond. Must he pay then, though he sells to a manufacturer?

Hon. Mr. DANDURAND: Yes, he would have to pay.

Hon. Mr. FOWLER: And he gets a rebate?

Hon. Mr. DANDURAND: Yes, he gets a refund.

Hon. Mr. TURRIFF: The honourable Senator from De Lanaudière (Hon. Mr. Casgrain) stated a few minutes ago that the Finance Minister was bringing in a Bill whereby time was going to be given for the payment of the sales tax. I would like to know if that is the case.

Right Hon. Sir GEORGE E. FOSTER: With reference to the arrears of the Business Profits Tax, I think.

Hon. Mr. DANDURAND: I know nothing of that. I think my honourable friend refers to a Bill that will be before us this afternoon, extending the period during which the Department will collect arrears on the Income Tax.

Hon. Mr. FOWLER: That provides a very fine means for the introduction of discrimination on the part of the Department. Friends of the Government would be permitted longer delay.

Hon. Mr. DANDURAND: Will my honourable friend kindly wait until that Bill comes before us so that we may discuss it?

Hon. Mr. FOWLER: It has already been spoken of. That is why I refer to it.

Hon. Mr. DANDURAND: But it has been spoken of in error, for it does not relate to this Bill. I do not say the error is on the part of my honourable friend; it is the error of the honourable gentleman who sits to my left (Hon. Mr. Casgrain).

Hon. Mr. FOWLER: Surely the honourable leader would not insinuate that the honourable gentleman who sits to his left could do anything in error.

Hon. Mr. DANDURAND: We on this side do not claim to be the only infallible parliamentarians.

Hon. Mr. FOWLER: But I think the honourable gentleman in question claims infallibility for himself.

Section 6 was agreed to.

On section 7—penalty for neglecting or refusal to pay tax; records, books and accounts to be open to inspection by officers:

Hon. Mr. DANDURAND: I would suggest, honourable gentlemen, that any honourable member who desires a particular explanation on one of these clauses, which we cannot amend, should make an inquiry. But if we continue reading the Bill clause by clause we may never get out of Committee. Of course, questions may be put at any stage. We are in Committee in order that an explanation may be furnished on any particular clause which requires it.

Hon. Mr. FOWLER: I was going to point out to the honourable Minister the difficulty confronting him. We have not had an opportunity to read this particular Bill. If it is too much labour for one Chairman to read the clauses, we can have the Chair occupied by relays. When we hear the text read we get some sort of glimmering as to what is intended.

Hon. Mr. GORDON: I think that if you will read this over you will conclude that a person might be excused for not knowing exactly where it is intended to apply the tax. In the case of pulp and paper, I understand, the tax would be applied when the paper is sold or shipped. I would like to inquire where the tax will be collected in the case of lumber sales.

Hon Mr. DANDURAND: When it is sold to a licensed manufacturer there is no tax. It is paid by the manufacturer who transforms the lumber into something else.

Hon. Mr. GORDON: What about the case in which lumber is sold to a wholesaler?

Hon. Mr. DANDURAND: Then it is liable, unless the wholesaler is licensed.

Hon. Mr. GORDON: I do not quite understand that yet. If lumber is sold to a manufacturer, you say, there is no tax; it is not the duty of that lumber manufacturer to collect it; but if the lumber is sold to a wholesaler, there is a tax. Is that the idea?

Hon. Mr. WATSON: If he is not licensed.

Hon. Mr. DANDURAND: Yes, if he is not licensed.

Hon. Mr. GORDON: Surely that cannot be right.

Hon. Mr. WATSON: There is only one tax.

Hon. Mr. GORDON: I know there is only one tax, but I want to know who pays it.

Hon. Mr. FOWLER: Mr. Consumer pays everything.

Hon. Sir JAMES LOUGHEED: Look at subsection 6, page 4, line 47:

Which tax shall be payable by the producer or manufacturer at the time of the sale thereof by him.

Hon. Mr. GORDON: But I am asking where the tax would be applied to lumber, and the reply to that question is that if the mill-man sells lumber to a manufacturer, then he pays no tax.

Right Hon. Sir GEORGE E. FOSTER: The mill-man pays no tax.

Hon. Mr. GORDON: But if he sells it to a wholesaler, then, it is said, the mill-man pays the tax. Is that right?

Right Hon. Sir GEORGE E. FOSTER: Unless as I understand, the wholesaler has a

license to manufacture. Then you wait until the manufacturing process has gone on, and the manufacturer pays the tax.

Hon. Mr. GORDON: The result will be that a manufacturer of lumber cannot afford to sell to a wholesaler. Suppose his lumber is worth $50 a thousand. He would have to pay in one case a tax of $3 a thousand, and in the other case no tax. Therefore he could not sell to the wholesaler.

Hon. Mr. BLACK: Is it not a fact that 6 per cent must be paid in any case, and that the lumber manufacturer may assess that tax if he so desires; but if a manufacturer transforms the lumber into completed articles such as desks, chairs, etc., the purchaser need not pay the tax of 6 per cent, though the manufacturer must pay it. In other words, in this case the 6 per cent tax must be collected and paid either by the lumberman or the manufacturer. I may be quite wrong, but I think the safest plan for the lumber manufacturer is to assess the tax of 6 per cent on every sale he makes, except to manufacturers. True, he has to pay that over to the Customs authorities at the end of 30 days, but that will bring the transaction down to a cash basis, which perhaps may not be detrimental to the business interest after all. The ultimate effect of all this on the manufacturer of any line of goods in Canada is that he must sell his goods for cash and not on credit; otherwise he runs the risk of having to pay the Government tax of 6 per cent himself and of losing the 6 per cent and in some instances his original investment as well.

Hon. Mr. DANDURAND: I would point out to my honourable friend from Nipissing (Hon. Mr. Gordon) that subsections 6 and 7 cover the point which he has raised.

Hon. Mr. BLACK: May I ask the honourable leader of the Government; is it not a fact that the manufacturer of lumber or any other article can in every case assess the tax on his invoice, except where goods are intended for export, in which case of course there is no tax?

Hon Mr. DANDURAND: If he is selling to a licensed manufacturer, there is no tax, but with that exception, he must pay it.

Hon. Mr. DONNELLY: I would like to obtain a little more information in regard to the tax on lumber. Speaking from memory, I thnk the old Act assessed the lumber manufacturer, and the exporter is exempt from the tax. Some of the minor officials of the Department have put on it the construction that if you sell lumber for export you are bound to collect the tax, make a return, and then ask for a refund. I think myself that this construction is wrong. Perhaps the Minister might enlighten me upon this point. I think the lumber manufactured for export, and exported, is not liable to any sales tax.

Hon. Mr. DANDURAND (reading):

For the purpose of calculating the amount of the consumption or sales tax, "sale price" shall mean the price before any amount payable in respect of the consumption or sales tax is added thereto.

The answer is in the proviso:

Provided that the consumption or sales tax specified in this section shall not be payable on goods exported;

Section 7 was agreed to.

On section 8—failure or refusal to keep books:

Hon. Mr. FOWLER: Can the Minister explain this?

Hon. Sir JAMES LOUGHEED: It is only the penalty.

Section 8 was agreed to.

Section 9 was agreed to.

On section 10—Government or provincial sales; use of postage stamps:

Hon. Mr. FOWLER: What does that mean?

Right Hon. Sir GEORGE E. FOSTER: You cannot use postage stamps for inland revenue purposes after this Bill passes.

Hon. Mr. DANDURAND: The paragraph that is struck out is subsection 3 of section 19, which reads:

3. Postage stamps of the requisite value may, in lieu of stamps prepared under subsection 1 of this section, be used in fulfilment and discharge of any requirement under this Part that adhesive stamps be affixed.

We are doing away with the postage stamp.

Hon. Mr. FOWLER: That is, you cannot pay in postage stamps?

Hon. Mr. DANDURAND: No; you have to pay in excise tax form the 1st of October next.

Hon. Mr. FOWLER: I see. It is to have it in conformity with the other Act.

Section 10 was agreed to.

On section 11—schedule I amended:

Right Hon. Sir GEORGE E. FOSTER: What is the effect of that?

Hon. Mr. DANDURAND: It strikes out the tax on confectionery and beverages.

Hon. Mr. FOWLER: Does it not refer to "settlers' effects"?

Hon. Mr. DANDURAND: It strikes out all the words after "settlers' effects".

Hon. Mr. FOWLER: You mean, there is no Sales Tax on confectionery?

Hon. Mr. DANDURAND: There is no sales tax on confectionery. This is a special tax, which was 5 per cent. That is now taken off, and replaced by the regular 6 per cent.

Section 11 was agreed to.

On section 12—schedule II amended:

Hon. Mr. FOWLER: I am interested in that, because in my town we have some large manufacturers of beverages. I would like that explained, if you please.

Hon. Mr. DANDURAND (reading):

Beverages derived wholly or in part from cereals or substitutes therefor; unfermented fruit juices and imitations thereof; carbonated beverages or aerated waters; all other compounded or mixed soft drinks, per gallon.....five cents.

That is struck out and replaced by:

Carbonic acid gas, per pound.....one cent.
Provided that carbonic acid gas manufactured or produced in Canada and used in the manufacture of other products shall be deemed to be carbonic acid gas manufactured or produced in Canada and sold.

Hon. Mr. FOWLER: That is, as I understand it, the manufacturers of beverages such as ginger ale and kindred drinks pay no Sales Tax?

Hon. Mr. DANDURAND: They pay the 6 per cent tax; but there was a special tax that they had to pay, and it is removed pro tanto.

Hon. Mr. FOWLER: Do you charge them on carbonic acid gas?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: That is, what they use of that?

Hon. Mr. DANDURAND: What they use.

Hon. Mr. FOWLER: In addition to the 6 per cent?

Hon. Mr. DANDURAND: When it is sold by the manufacturer.

Hon. Mr. FOWLER: When he sells the gas?

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: That would be, for instance, a manufacturer who charged a drug store for the retainers? Is that what it means?

Hon. Mr. DANDURAND: Yes.

Section 12 was agreed to.

On section 13—when sections 1, 2, and 3 come into force:

Hon. Mr. DANDURAND: That refers to the new stamps.

Section 13 was agreed to.

On section 14—when sections 6(2)b, 11 and 12 come into force:

Hon. Mr. FOWLER: What is the idea in having that come into force on June 1st, when it is being considered now, on June 28th? Is that date, June 1st, the time the Bill was introduced?

Hon. Mr. DANDURAND: The first clause repealed is the one which fixed the maximum stamp tax at $2. Now that it is being reduced to $1, the provision which made it $2 is repealed by section 13. The clauses referred to in section 14 cover the exemptions that were added.

(b) The said paragraph four of subsection one of section nineteen BBB is further amended by adding thereto the following items:
"manuscript; raw furs; wool not further prepared than washed; drain tiles for agricultural purposes."

These exemptions come into force on the 1st day of June, 1923.

Hon. Mr. FOWLER: That is, you have one part coming into force the 1st day of June and the other part coming into force—when?

Hon. Mr. DANDURAND: The stamps come in only on the 1st of October.

Hon. Mr. FOWLER: And something else comes into force in August?

Hon. Mr. DANDURAND: The Sales Tax on the 1st of January.

Hon. Mr. FOWLER: By instalment. Was that to let the public down easily, or what was the purpose?

Hon. Mr. DANDURAND: It is in order to meet new conditions.

Section 14 was agreed to.

On section 15—when section 10 (2) comes into force:

Hon. Mr. DANDURAND: That is the imposition of the Excise stamp instead of postage.

Section 15 was agreed to.

On section 16—when sections 4, 6 except (2)b, 7, 8, 9 and 10 come into force:

Hon. Mr. FOWLER: What is this?

Hon. Mr. DANDURAND: The 6 per cent Sales Tax.

Hon. Mr. FOWLER: It does not come into force until the 1st of January?

Hon. Mr. DANDURAND: No.

Hon. Mr. FOWLER: You are still carrying on business under the old Act to the 1st of January.

Hon. Mr. GORDON: In case goods are bought and paid for but not delivered and still at the point of shipment to the 1st of January, 1924, what will be the tax?

Hon. Mr. DANDURAND: This provision will be in operation on the 1st of January, so until then the present Act applies.

Hon. Mr. GORDON: Then, goods bought and paid for but not delivered previous to that time will come under what tax?

Hon. Mr. DANDURAND: The present tax will be collected.

Section 16 was agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

QUEBEC SAVINGS BANKS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 231, an Act to amend the Quebec Savings Banks Act, 1913.

He said: There is an Act under which two savings banks in the Province of Quebec operate—the Montreal City and District Savings Bank, and La Caisse d'Economie de Notre-Dame de Québec. Like the Bank Act, this Act must be renewed every 10 years.

Right Hon. Sir GEORGE E. FOSTER: It is simply the renewal of their charters.

Hon. Mr. DANDURAND: Yes, for another 10 years.

Hon. Mr. FOWLER: Why could they not have the same charter as the other banks? Do they do business as savings banks?

Hon. Mr. DANDURAND: The conditions which govern their operations are totally different. They are not commercial operations. The right is given to them to receive deposits and place them, according to enactment, upon more conservative security than the commercial institutions.

Hon. Mr. FOWLER: I suppose the honourable Minister is perfectly familiar with these banks.

Hon. Mr. DANDURAND: I know of their operations.

Hon. Sir EDWARD KEMP: They are in a good sound condition, I understand.

Hon. Mr. DANDURAND: I have heard that they are.

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

THIRD READING

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

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

EXPORT BILL (PULPWOOD)

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 242, an Act to amend the Export Act.

He said: This Bill gives power to the Governor in Council to prohibit the export of pulpwood—

> Of the variety, kind, place of origin, or having the particulars of identification or ownership or production described in the regulation.

Right Hon. Sir GEORGE E. FOSTER: Is that a regulation already passed or to be passed?

Hon. Mr. DANDURAND: To be passed.

Hon. Mr. GORDON: I doubt the wisdom of the Government taking authority to prevent the export of pulpwood. We all know the Provinces helped out the country considerably by preventing the exportation of pine and other woods without their being manufactured into lumber. But that is a different proposition altogether, because there is not much occasion for that export, as the lumber can be manufactured by very small manufacturers in this country to better advantage than it can be shipped away.

In respect of pulpwood I would just say this—and I only speak of that portion of the country which I know. In Northern Ontario there are large tracts taken up by settlers who every winter are engaged in making pulpwood, and who sometimes cannot get as good a price from the paper manufacturers as they can get by exporting it. Therefore they take advantage of the best market and

export it. I would further say that if they do not cut the pulpwood and export it, it invariably gets burned and the country derives no benefit from it whatever, and the settler is held back. It appears to me, therefore, that it would be very injudicious for the Government to interfere with the exportation of pulpwood. They certainly will get into trouble.

Hon. Mr. CASGRAIN: I agree with what the honourable gentleman says, but I do not think there is any intention—at all events, not immediately—to exercise that power; but it is understood that the Government will take that power and it may be used as an offset in bargaining for certain things with the adjoining Republic. It seems to me that if I had pulpwood on my farm and wanted to sell it no Government would have the right to interfere.

Hon. Sir JAMES LOUGHEED: It is only the export.

Hon. Mr. GORDON: It is a peculiar thing for the Government to take to itself powers which it never expects to exercise.

Hon. Mr. DANDURAND: The Governor in Council may by regulation prohibit the exportation of pulpwood. I have this statement of the Minister of Finance:

It is to give the government power to make regulations having in view the prohibition of export of pulpwood. It might be a general prohibitory regulation with out any qualification, or a regulation prohibiting export under certain conditions. For example, it has been suggested that it would be wise and expedient to exempt farmers who have pulpwood to clear off their land. We have not any plan in detail. If a plan is evolved we might put it in operation in a general way or subject to qualification; this would be a matter for further inquiry. The wording of the resolution implies that it may be desirable to distinguish between quality and character of wood.

Hon. Mr. GORDON: At the present time the Provinces do not allow it to be exported in the raw state from licensed lands; the settlers, of course, have that right. Do you say the Government is taking authority to prevent that?

Hon. Mr. DANDURAND: The Minister of Finance says:

It is argued that the forests are becoming destroyed, that we need to put on some general restrictions, and particularly that this is a very valuable article that we need at home. There is much to be said on both sides of the question, but generally speaking the argument is that we should use it at home instead of exporting it. I am giving the current view on the subject; just how far we may act on this resolution is a question that remains to be considered.

Hon. Mr. FOWLER: There has been too much exportation of pulpwood from this country, and, owing to that exportation in large quantities, and owing to the fires that unfortunately have taken place in the forests of this country, they are being rapidly denuded and the matter of forest protection is becoming a serious question. If it is necessary that the rights of individuals should be invaded in the public interest, it should be done, because we are very largely dependent upon water-powers in this country, and will be more dependent upon them when our population increases in time to come; and the protection of our forests means the protection of our water-powers. If you destroy the forests you have no reservoirs for the water. The water flows to the sea, destroying the denuded lands as it flows. Parts of China and Spain have been almost destroyed for the same reason; and the same was true of India until a system of reforestation was undertaken by the British Government. In my own Province and in the Province of Nova Scotia the land, if left to itself, will become reforested. It is not necessary to do any planting, as perhaps it would be in the Province of Ontario and in the West. I am strongly in favour of any legislation which will tend to protect the forests of this country, and I hope the Government will exercise their power, or, if necessary, will take power to bring about that protection.

Hon. F. B. BLACK: There is just one objection that I have to this measure, and that is that it does not go far enough. The prohibition of the export of pulpwood in Canada is no new thing. Quebec, New Brunswick, Ontario, and British Columbia have prohibited the exportation of pulpwood from Crown lands.

In Nova Scotia and New Brunswick we have a very good illustration of the effect of such legislation. In the Province of New Brunswick we have been able to establish very important industries, which are growing and being added to year by year, by retaining the pulpwood in our own Province. The reverse side of the shield is seen when you look at our neighboring Province of Nova Scotia, the Government of which has not taken similar action in that respect. In that Province they have not had the same industrial development that we have had along that line. Their lands are now almost entirely in the hands of owners in the United States, who are cutting pulpwood off the Crown lands and privately-owned lands and taking it into the United States for manufacture. It is true that if you put a prohibition on the export of pulpwood from privately-owned lands, you apparently create

a hardship; but, after all, that hardship exists more in the imagination of those opposed to it than in the facts.

We have now a very large number of mills established in Canada making pulp and paper. The amount of pulp in sight for those mills is not nearly as great as their circulars advertising their stock and bonds for sale would indicate, and many of them will have to look to privately-owned lands to keep their operations going. Therefore there will be a market for the pulpwood cut on privately-owned lands, and where a cord of pulpwood brings $10, $12 or $16 a cord after it is put on the cars, it would mean $60 or $75 to the people of Canada if it were manufactured into pulp and paper in the Dominion. It is time we used our own resources in our own country, and stopped exporting them to our neighbours across the border. As long as we give them our pulpwood, they will take it; but I say, let us manufacture it in our own country and get the full benefit.

Hon. IRVING R. TODD: I am sorry I cannot agree with my colleague from New Brunswick (Hon. Mr. Black). I know that what he says about there being a number of pulp and paper mills in New Brunswick and none in Nova Scotia is true. The reason for that is plain. New Brunswick has plenty of water-power, and Nova Scotia has almost none.

I am quite familiar with the pulp and paper business, and I know that you cannot manufacture pulp or paper unless you have large water-power. In New Brunswick we have three paper mills at present, and the bulk of the wood that is going from New Brunswick is from the southern counties. Not one of those mills can afford to buy wood that is being shipped out of the country. If you are going to interfere with farmers' wood, it means that he must sell his wood for $3 or $4 a cord less than if sent to the United States, because the wood has to go to Bathurst, Edmundston, and possibly as far as St. John. That is the position as far as the farmer is concerned.

There is a strange thing about this campaign against the export of pulpwood, and that is, that there has been a very vigorous campaign in favour of it in Canada. I know the managers of two or three of the mills of New Brunswick, and they are both opposed to an embargo on the export of pulpwood. The president of one of the largest pulp-mills in Canada voted against this resolution in the other House. The reason is that the pulp and paper business here is in a very prosperous condition. They can compete successfully with the American mills if there are no retaliatory measures. Timber-land owners in Canada are not asking for this, certainly, because it is going to diminish the value of their property. The only interest that is going to make a large amount of money by an embargo on the exportation of pulpwood out of Canada is that of the timber-land owners in the United States. I know one large mill in the United States that, on the quiet, is one of the strongest advocates of an embargo on the exportation of pulpwood out of Canada, for the reason that they have surplus wood; for as the price of pulpwood is reduced in Canada by an embargo, just by that amount it would increase in the United States. There is no more reason for prohibiting the exportation of wood than there is for doing so in the case of pulp, because the difference between the labour used in shipping wood and that used in pulp manufacture is not much greater than the difference as between the making of pulp and of paper, and no one advocates the exportation of pulp.

Hon. Mr. BLACK: I do not like to disagree with my colleague and room-mate, the honourable member from Milltown (Hon. Mr. Todd); but of those two mills to which reference is made, one is interlocking in its management and ownership with the pulp interests of the United States, and they would naturally object to have any prohibition, because they are working together. It would be equally reasonable to expect those whose business it has been to export pulp in the raw state to the United States to see only one side of the question. If you listened to the argument of the owners of private timber limits, some would want prohibition, and some would not. I personally being an owner of private timber limits, want to see the export of pulpwood shut off. I am perfectly willing to take the loss if it comes at present, because I believe we shall gain in future.

Hon. Mr. TODD: The companies I mentioned in New Brunswick were two Canadian companies. They may have American capital; I know nothing about that; but they are not interested in any way in the pulp and paper industry on the American side.

Hon. Mr. BEIQUE: I happen to have some experience in that branch of business, and I cannot agree with what the last speaker has said. It is well known that the value of timber limits held by Americans—and there were a great quantity of them—was decreased when the legislation was enacted by the

provinces preventing the export of pulpwood from those limits, because the United States is interested in using pulpwood and the export of pulpwood to the United States tends to give value to the owners of limits. I know that a large number of factories and a great amount of capital from both the United States and England were imported into this country for the purpose of building up the pulpwood industry, and I am sure it would tend to foster that industry very much if the prohibition provided by this Bill were put into effect. It is only proper, after capital has been induced to build up factories in this country, that our forests should not be depleted to the advantage of rival companies in the United States.

On the other hand, I appreciate the argument which has been advanced by the honourable gentleman from North Bay (Hon. Mr. Gordon), that the interests of the settlers must be considered. If restriction of that kind were imposed it would tend to reduce the price of pulpwood. In putting into effect such a regulation the Government should see that it is done in such a way that it will not bear too heavily upon private owners of forest lands.

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

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

FINANCE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 245, an Act to supplement the Finance Act, 1914.

He said: The object of this Bill is to renew what is called the Finance Act of 1914, under which the Government is authorized to make advances to banks as against certain securities. The Act was adopted as a war measure, and no doubt was exceedingly useful in the financial operations during the war. It may be said that the war being over we no longer have any need for the Act, but experience has shown that the Act is still required. On the day we would abandon it we would very likely need to enact some other legislation on the same line, and such interests as the present Act covers and protects would need a permanent Act such as this in our financial system. The Americans have the Reserve Bank Act.

Under the Act as it stands to-day, the Act as passed some years ago, the Government are authorized to advance to the various chartered banks, and to the banks mentioned in the Act, sums of money as against certain securities not specified but left to the judgment of the Treasury Board. Any securities of which the treasury board may approve can be accepted for the purpose, and the Government can make advances against them. The Bill simply renews the Act but is a little more specific: Instead of leaving the whole matter to the Treasury Board the Bill will indicate the classes of securities upon which advances should be made. The securities of the higher class beyond all question are acceptable. Then we come to the class of securities as to which there may be more room to question. We do not need any particular advice or consultation respecting the standing of the higher class of securities—the high class Imperial Government securities the Dominion Provincial and municipal securities; but there is also a class included in the general expression of what I may call commercial securities.

When the Act was passed it was probably not contemplated that those commercial securities would be used. The Act was designed to serve another purpose. But there is no machinery in the Finance Department for making inquiries into the character of securities of that class. We do not need any machinery to know the value of certain high class securities. We can all easily ascertain the value of these; but when we come to what are called commercial securities, commercial paper and securities like that, machinery for determining their value does not exist. The Minister of Finance says that although it is a mere matter of opinion, originally it was not intended that these securites should be used in a large way. However, they are to-day a part of our financial system and there is a growing feeling, perhaps, that there should be some method of rediscounting such as this Act provides for. Having in view that class of securities we might be seeking the advice of somebody who is competent to advise. The Department of Finance has no section that would determine that value, and in this Bill it is proposed that the gentlemen who are trustees of what is called the Central Gold Reserve Institution, which was pretty largely discussed in the Banking and Commerce Committee, shall be deemed an advisory committee, and that we shall have the right to ask their advice. They are not to control the matter, but the Department may at any time seeks their advice as to the character of the securities that are offered.

Another portion of the Bill relates to the proclamations by which the export of gold is

forbidden. We propose, for the present, to continue the power to prohibit the export of gold, with the addition that, if at any moment it may be deemed necessary, that power may be waived and the export of gold continued.

These are the main features of the Bill which is now before us, the second reading of which I have moved.

Hon. Mr. FOWLER: Do you put all municipal securities in the first class?

Hon. Mr. DANDURAND: Clause 2 says:

At any time when there is no proclamation in force under the authority of paragraph (a) of section four of The Finance Act, 1914, the Minister of Finance (hereinafter called "the Minister") may make advances to the chartered banks and to the savings banks to which The Quebec Savings Bank Act, 1913, applies by the issue of Dominion notes upon the pledge of the securities hereinafter mentioned:

(a) Treasury bills, bonds, debentures or stocks of the Dominion of Canada, the United Kingdom, any province of Canada, and of any British possession;

(b) Public securities of the Government of the United States;

(c) Canadian municipal securities;

(d) Promissory notes and bills of exchange secured by documentary title to wheat, oats, rye, barley, corn, buckwheat, flax or other commodity;

(e) Promissory notes and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes and which have been used or are to be used for such purposes.

Right Hon. Sir GEORGE E. FOSTER: Does that extend the present list?

Hon. Mr. DANDURAND: Of course it remains at the discretion of the Minister, as to the amount to be advanced, and even as to the value of the securities under this clause.

Right Hon. Sir GEORGE E. FOSTER: But as to the classes of securities, are they the same as those on which advances have already been made under the Finance Act, or are you adding new securities?

Hon. Mr. BEIQUE: I understand that there are no limitations under the law as it now is, but under this amendment there will be limitation.

Right Hon. Sir GEORGE E. FOSTER: Then it is restricting?

Hon. Mr. BEIQUE: Yes, restricting.

Hon. Mr. DANDURAND: The Act authorized the making of advances to chartered banks, etc., by the issue of Dominion notes on the pledge of securities deposited with the Minister in such kinds and amounts as might be approved by the Treasury Board.

Hon. Mr. FOWLER: That is not an answer to my question.

Hon. Mr. DANDURAND: The present Act gives the indication that we find in clause 2, which I read.

Hon. Mr. FOWLER: But I want to know if you put all municipal securities in the first class?

Hon. W. B. ROSS: There is no first or second class.

Hon. Mr. FOWLER: I understand there is.

Hon. Mr. DANDURAND: No; the memorandum of the Department explains that there are securities that can be called first-class securities—that need no special investigation, like Imperial, Dominion and Provincial securities; but there are others that will need investigation, and the Treasury Board passes upon those which could be placed in the second class as compared with the first. But in the Bill there is no such distinction.

Hon. Mr. FOWLER: But you read "municipal."

Hon. Mr. DANDURAND: Yes.

Hon. Mr. FOWLER: And that they were in the first class.

Hon. Mr. DANDURAND: Well, of course there are municipals that are in the first class; there are others that are not, and there are even some that are not even in the second.

Hon. Mr. FOWLER: And a very bad third.

Right Hon. Sir GEORGE E. FOSTER: And some that would not be taken at all.

Hon. Mr. FOWLER: You are only asking for an Advisory Board to advise with regard to those securities that are not in that list. I understand that on some securities the Finance Department does not require any information, because it goes without saying that those securities are all right; on others it does require information. I understand from the Minister that municipal securities were of the class that are called gilt-edged, but I was just going to point out that there are a few municipal securities that are a little shaky.

Hon. Mr. DANDURAND: I suppose the Finance Department is fairly aware of that situation.

Hon. Mr. FOWLER: I hope so.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Willoughby in the Chair.

Section 1 was agreed to.

On section 2—advances by issue of Dominion notes on pledge of securities:

Hon. W. B. ROSS: I would like to ask the honourable Minister the explanation of paragraph e:

Promissory notes and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, and which have been used or are to be used for such purposes.

That seems very indefinite. How do you earmark those?

Hon. Mr. DANDURAND: It is allowed to the Department of Finance to make advances on such notes, but with the safeguards that are contained in the other clauses.

Hon. Sir JAMES LOUGHEED: The advance is made to the bank upon the deposit of those securities.

Hon. W. B. ROSS: But what is the meaning of "agricultural"?

Hon. Mr. BEIQUE: The honourable member will see that it is explained somewhat in section 11, which says:

No advances shall be made against the pledge of promissory notes or bills of exchange issued or drawn for the purpose of carrying or trading in stocks, bonds, or other securities, and no advance shall be made against promissory notes or bills of exchange, the proceeds of which, when issued or drawn, were employed on capital expenditures of any kind, and the Minister may direct the trustees to make enquiry and report as to whether any notes or bills offered in pledge fall within the prohibition of this section.

Hon. W. B. ROSS: That only explains a few things. But suppose a farmer borrows the money from the bank? Can the bank take it to the Government and rediscount it? You are making a rediscount bank out of the Government. I have no objection to that; I think this rediscount bank is a rather good idea; but I cannot attach any meaning at all to paragraph e. A farmer or anyone else —a barber or a haberdasher—may borrow $1,000 from his bank. Can the bank rediscount that loan? As to these other items, we know what they are. If they are examined properly it will be seen that they have something behind them.

Hon. Mr. BEIQUE: I think that section 11 bears on the question. Paragraph e mentions "promissory notes and bills of exchange issued or drawn for agricultural, industrial or commercial purposes."

Hon. W. B. ROSS: Would the honourable gentleman give me an example of a bill drawn for agricultural purposes?

Hon. Mr. DANDURAND: One for the shipping of wheat.

Hon. Mr. BEIQUE: Yes, for advances that have been made in the fall. In fact, the Act was passed largely for the purpose of providing for moving the crop.

Hon. Mr. ROSS: But paragraph d, immediately preceding, provides for "promissory notes and bills of exchange secured by documentary title to wheat, oats, rye, barley, corn, buckwheat," etc. The farmer shipping in the fall has his crop to put up against his note.

Hon. Mr. BEIQUE: That is limited to bills accompanied by documents; but the next paragraph goes beyond that. It refers to notes or bills which need not be secured by a warehouse receipt; whereas under paragraph d the promissory note or bill of exchange must be secured by the warehouse receipt.

Hon. Mr. ROSS: It does not say that: it says "documentary title."

Hon. Mr. BEIQUE: That is what is meant by "documentary title."

Hon. Mr. ROSS: It might not be. That is only one of the forms of documentary title.

Hon. Mr. BEIQUE: There is provision in a section of the Bank Act regarding a lien on an article without a warehouse receipt; but paragraph d is confined to the promissory note that is secured by documentary title, that is a promissory note that is secured by a value against which it was drawn.

Hon. Mr. ROSS: I understand that, but what I am trying to find out is the meaning of paragraph e. The preceding paragraph is perfectly clear, and I have no objection to it, but I would like to know what is the meaning of the terms "agricultural purposes" and "to be used for such purposes."

Hon. Mr. DANDURAND: They cover paper which may be held to be first-class commercial paper and may be taken as security for advances.

Hon. Mr. ROSS: But there is no collateral provided for. They are rediscounted notes and bills that are made by a single individual or by a company without any security at all.

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: No doubt about that.

Hon. Mr. ROSS: This is a good farmers' bank, I think, from the look of it.

Hon. Mr. DANDURAND: The bank may offer the best paper that it has in its vaults, from the best firms, and the board may, after looking at the paper, advise that it is paper upon which an advance can be made.

Hon. Mr. ROSS: The banks will have no excuse hereafter for not lending to farmers all the money they want, because the farmers can say to them: "You can rediscount with the Government."

Hon. Mr. BEIQUE: But the honourable gentleman drew attention to section 11 just to show that the promissory note must not represent investment of capital.

Hon. Mr. ROSS: That makes it all the worse, so far as I can see. The farmer may spend that money in travelling, or at the circus. It would be far better for him to put it into capital on the farm.

Hon. Mr. BELCOURT: I do not see why an attempt has been made to classify promissory notes or bills of exchange as agricultural, industrial, and commercial. It is very difficult to conceive of any promissory note in connection with anything outside of these three classes mentioned in paragraph e. Why attempt to make a distinction? It is not plain. I think I see my honourable friend's (Hon. Mr. Ross's) difficulty.

Hon. Mr. DONNELLY: I do not think the clause is any inducement to banks to advance money to farmers or take notes for agricultural purposes. The bank becomes the endorser of the note. If the man is no good, the bank loses the money. The banks will protect themselves and will not make any advances without proper security.

Hon. W. B. ROSS: It is far better to put in a general statement that the Government can rediscount any note that the bank offers to it. You need not mix up the matter at all.

Section 2 was agreed to.

Section 3 was agreed to.

On section 4—documents may be forwarded with commodities:

Hon. Mr. BELCOURT: I do not see why that is merely optional? Why should it not be obligatory? If there are any documents validating or supporting any security, they should be produced with the security itself. I think it should read, "shall permit... to go forward."

Hon. Mr. BEIQUE: It is because of its application to bank practice. Sometimes it is not practicable to have the note accompanied by the bill of lading. The bill of lading follows the goods, and the document is sent by a bank to another bank, in England or the United States, to make the connection.

Hon. Mr. DANDURAND: And in that case—

The bank shall be a trustee for the Minister, to the extent of the advances, of the proceeds received for such grain or commodity.

Hon. W. B. ROSS: That is all right.

Section 4 was agreed to.

On section 5—maturity of promissory notes pledged:

Hon. Mr. FOWLER: Sections 5 and 6 seem to conflict. Clause 5 requires that the pledged bills shall not have longer to run than six months from the time they are pledged, whereas clause 6 provides that the term of the advance may be twelve months. If the pledged bills are sufficient to pay the note, it will be paid in six months instead of running for a year. Does the Minister see the point that I am trying to make?

Hon. Mr. BEIQUE: The advances are not limited to promissory notes.

Hon. Mr. FOWLER: But they may be made on promissory notes.

Hon. Mr. BEIQUE: Yes.

Hon. Mr. FOWLER: And why should not those promissory notes run the same length of time as the loan? That is the point. Suppose they are made for six months and the loan is for a year. The note will be paid when only half the term of the loan has expired. There will be that much of the payment made; so it is not really a loan for a year.

Hon. Mr. BEIQUE: I understand that the loan, in so far as it is made on promissory notes, cannot be made for more than six months.

Hon. Mr. FOWLER: That is it exactly.

Hon. Mr. BEIQUE: But it may be made on other security.

Hon. Mr. FOWLER: Of course it may be made on other security; but why should not the promissory notes to be pledged be confined to notes that have only six months to run? Why should they not be coterminous with the loan?

Hon. Mr. DANDURAND: It is because the notes are documents in the hands of the bank. They may be made for three months or for six months. Section 5 says that those

notes against which the Department will advance money will have to have definite dates, independent of the advance which is made by the Finance Department under clause 6, dealing with "term of advances and interest," that is, advances made by the Department of Finance against notes, drafts, etc.

Hon. Mr. FOWLER: Exactly. I understand.

Hon. Mr. DANDURAND: The Department will advance for a year, but it takes securities that may be of different terms and may mature before the twelve months.

Hon. Mr. FOWLER: May, of course. Why confine it to notes that do mature before the maturity of the document?

Hon. Mr. DANDURAND: But clause 5 does not go that far. It says:

All promissory notes or bills of exchange when pledged pursuant to this Act shall have a maturity, exclusive of days of grace, not later than six months from the time at which they are pledged.

Hon. Mr. FOWLER: But the note for which they are given as collateral security has an extent of twelve months.

Hon. Mr. DANDURAND: No; it is the advance by the Department of Finance that must not go beyond twelve months.

Hon. Mr. FOWLER: That is the advance I am thinking of. I suppose that advance is covered by a note, and these notes and goods are put in as collateral. Why should not the notes put in as collateral have the same length of time to run as the document that covers the loan? Or why should they not go that far if necessary?

Hon. Mr. GORDON: May I inform my honourable friend that he will find that banks very seldom have notes of even six months duration, and the chances are that most of them are for three months or under. So they could not possibly give over notes of that long term. They can give only what they have.

Hon. Mr. FOWLER: After the very lucid explanation given by my honourable friend the legal gentleman from North Bay, I will say no more, if he cannot understand what I have tried to make clear.

Hon. Mr. GORDON: In reply to my legal friend from Sussex, or from Ottawa, may I say I was only endeavouring to do my duty in setting him right, he seemed to be so badly mixed up.

Hon. Mr. FOWLER: He is not mixed up.

Section 5 was agreed to.

Sections 6 to 15, inclusive, were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

COPPER BOUNTIES BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 189, an Act respecting the Payment of Bounties on Copper Bars or Rods.

He said: Honourable gentlemen, what I have to offer in explanation of this Bill is the illuminating explanation given by the Minister of Finance himself.

Hon. Sir JAMES LOUGHEED: Is the illumination a bright and shining light?

Hon. Mr. DANDURAND: I think it is. The right honourable member from Ottawa (Right Hon. Sir George E. Foster) asked me for an explanation of this Bill. The Minister of Finance says:

We have been asked from time to time to do something to encourage industries of various kinds. Where these applications take the form of a request for higher duties, the problem is not an easy one. One of the difficulties of such a situation is that there are many items in the tariff which cannot stand alone for consideration; they are closely related to one another. The article which is the finished product of one man is practically the raw material of another, perhaps of several others. If you increase duties to assist the first man, you disturb the whole scale and all the others will expect compensatory increases.

Of course, I am not giving that information to my right honourable friend, for he has heard that statement before.

Industrial aid of this kind naturally meets with widespread objection. There is another form in which it may be possible to assist industry without the disturbing results I have mentioned. The granting of a bounty simplifies the case. Many people, willing to see industry aided, would prefer the bounty rather than protective duties, especially if the bounty be of a temporary character and placed on a sliding scale. One merit of the bounty system is that you know precisely what you are paying and can compare the cost with the results. We have given careful consideration to requests made to us on behalf of the copper interests of Canada. Canada is a copper-producing country. Our for western province, British Columbia, is rich in this respect. Yet the copper industry has made but moderate progress. There is a duty of 1½ cents per pound on copper in the form of ingots. A very large enterprise has been established in British Columbia which is encouraged by this duty. The next stage of the copper

business is the production of bars and rods, which become the raw material of other manufactures, such as the making of wire. Copper bars and rods are the raw material of wire manufacturers. To assist them, these bars and rods were some years ago placed on the free list for the use of manufacturers in their own factories. All these bars and rods are thus imported free. Neither of these copper products is produced in Canada for the reason that our producers are unable to compete with large manufacturing enterprises in the United States. We sympathize very warmly with the desire to have a larger development of the copper industry in the Dominion. Since a duty on bars and rods would probably necessitate increased duties on the manufactures of a number of articles made from copper, we are unwilling to grant aid in that form. We have concluded that if the copper industry is to be encouraged as we would desire, it will be better to deal with it directly in the way of a bounty than by higher duties on that which is the raw material for other factories. I said that a bounty will be regarded by many as a better form of aid than any increase of protective duties. But even a bounty would be objected to with much reason if it were not of a temporary character. Much has been heard in times past of the importance of assisting infant industries. Most folk will be kindly disposed towards the industries while they are in their infancy. But experience has shown that the infant grows up, and when he has attained to all the strength of manhood he is still found clinging to protective duties and claiming that he cannot live without them. A new industry which is to have that kind of experience is not a very desirable one for the country. An industry based upon the natural resources of the Dominion which wants a helping hand at the beginning and is prepared later to rely on its own strength and character is worthy of consideration. We propose to afford a measure of help to the copper industry of Canada on the condition that that help shall take the form of a bounty, that the amount of the bounty shall be held within proper limits and that is shall be reduced from year to year until it is extinguished. We propose to allow a bounty for a period of five years, beginning at 1½ cents per pound and diminishing from year to year until the end of the five-year term. The bounty will apply to copper bars and copper rods manufactured in Canada, from copper produced in Canada, and sold for consumption in Canada, and not to include exports. The privilege now granted to manufacturers to import copper rods and bars for their purposes free of duty will continue. What we desire is that the aid we are giving will enable the Canadian producers to compete as he has not been able to compete before with their American rivals and that they will get a reasonable command of the market. We are placing a limitation of $200,000 per annum upon this bounty. At the beginning the industry will not earn anything like that. As the time rolls on it will probably earn that much, but when it gets to its highest point it cannot get more than $200,000 in any one year.

Hon. Mr. FOWLER: Who is the author of that essay on protection?

Hon. Mr. DANDURAND: The Minister of Finance.

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

THIRD READING

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

He said: As the Bill simply affirms the principle, and specifies the amount of the bounty, I would suggest that we take the third reading now.

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

COMPANIES BILL

REPORT OF COMMITTEE ON BANKING AND COMMERCE

Hon. Mr. FOSTER presented the report of the Committee on Banking and Commerce on Bill 190, an Act to amend the Companies Act, and moved the adoption thereof.

Hon. Mr. BEIQUE: I wish to suggest that clause 21 be further amended. Since the Bill was passed by the Committee it has occurred to me that this provision could be very much improved. I do not object to the principle embodied in the clause. We all know that operations in mining are very uncertain; to a certain extent they are a matter of guesswork. A mine may have an appearance of great value, but a month or two later it may be found to be of very little or no value at all, and it is known that under such circumstances the capital of the company, so to speak, is distributed in dividends.

I would like to guard against parties interested in such companies making use of this legislation for the purpose of increasing the market value of their stock, and perhaps selling it at a high price after having distributed a large amount in dividends, which they have pocketed, leaving the purchasers with nothing at all. To guard against that I would suggest that the clause as adopted by the Committee be amended by adding the following:

No such dividend shall be paid unless the announcement thereof is given to the shareholders by letter addressed to each shareholder at his last known address at least two weeks before the date fixed for the payment of said dividend, and unless such notice mentions that such dividend is paid under the terms of this section; and such notice shall have inserted therein the full text of this section.

This is to enable the public to know the nature of the dividend—that it is a dividend paid under this section. It will put the people on their guard, and then they may do what they like.

Right Hon. Sir GEORGE E. FOSTER: Under that proposition, what constitutes a sufficient advertisement in the press? If the notice goes to the shareholders, they all know; but "the press" may be just one inconsequential newspaper.

Hon. Mr. BEIQUE: I say "to the shareholders or through the press." The company

will be at liberty to announce it either through the press or to their shareholders. If it is announced by circular to the shareholders, that is sufficient.

Right Hon. Sir GEORGE E. FOSTER: My honourable friend hardly gets my idea. If a circular goes to the shareholders, the circulation will be just as wide as the shareholders; but if the press option is chosen, to what extent must it be advertised? The advertisement might consist of a line or two in some obscure paper, but that would not carry out the object of my honourable friend.

Hon. Mr. BEIQUE: Of course, it must have the same circulation as the announcement of the dividend.

Hon. Mr. McLENNAN: It would be attached to the dividend notice.

Hon. Mr. BEIQUE: I therefore move that the report be not now concurred in but that it be referred to the Committee of the Whole House for the purpose of adding to clause 21 of the Bill the proviso I have suggested.

Hon. Mr. BARNARD: I see that section 21 as it appears in the Bill itself refers to a mining company or any other companies whose assets are of a wasting character.

Hon. Mr. BEIQUE: That is amended.

Hon. Mr. BARNARD: I was going to ask the reason why. Take, for instance, a company which is formed solely for the purpose of dealing in lands, and whose profits are constituted from the sale of lands—a company with wasting assets; it is surely not the intention to prevent such a company declaring dividends out of its capital, or out of its receipts, which are receipts of capital.

Hon. Mr. BELCOURT: The amendment proposed by my honourable friend will be of some value provided a time is fixed when the announcement is to be made. I understand that what my honourable friend wants to accomplish is to inform the shareholders in time so that they may take proceedings to prevent the payment of the dividend.

Hon. Mr. BEIQUE: No. It is to protect the public. I am afraid that this section will be used for the purpose of unduly raising the market value of shares, and that after the dividend has been distributed the shares will be worth nothing in the hands of the purchasers. It is to prevent fraud of that kind.

Hon. Mr. TURRIFF: It seems to me that this legislation is uncalled for and in advisable. It will put it into the power of a board of directors more or less to fob the public if they want to; it will facilitate their doing so; it will legalize it; and will put them in a position in which, as my honourable friend from De Salaberry has said, they can pay out the money from the treasury in dividends, with the result that the stock probably will rise in value.

Right Hon. Sir GEORGE E. FOSTER: They might sell that stock.

Hon. Mr. TURRIFF: Big holders will sell out their stock to the general public, who will find that the mine is played out and the cash in the treasury dissipated, and they will get little or nothing for their shares.

The amendment of the honourable gentleman from De Salaberry (Hon. Mr. Béique) is along the right line; but I do not think it will accomplish anything in its present shape, because when the company sends a notice to every share holder, what is to prevent it mailing those notices in such a way that the shareholders will never get them? The Bill does not provide for the notices being registered or anything of that kind. It also gives another option—that of putting a notice in the newspapers. As my honourable friend from Ottawa (Right Hon. Sir George E. Foster) has pointed out, that newspaper may be some little backwoods paper that not one shareholder in a hundred will see.

So that if this amendment is to have any effect at all it must be changed. To my mind the whole thing is wrong; we are making it easy for a Board of Directors who wish to be crooked to carry out their designs on the general public.

Hon. Mr. McLENNAN: It will go about as far as we can go in warning the shareholders. The terms as to notice in a paper might have to be further defined, but the proper plan for it would be in a notice of dividend.

Hon. Mr. BELCOURT: Would my honourable friend add to his suggestion that this notice shall be given say two weeks in advance or whatever time may be required to enable anyone who wished to object to it, or even take legal proceedings, before the dividend was actually paid.

Hon. Mr. McLENNAN: The learned member who drew the amendment is more competent to do that, and the dividend notice is always given two or three weeks before the dividend is paid.

Hon. Mr. GORDON: Is the intention to pay a dividend to shareholders really out of capital?

Hon. W. B. ROSS: Mining companies must necessarily pay a dividend out of proceeds of what they are taking out of the ground. It is the opinion of the Government lawyers that they can do that as the law now stands, but this section provides that they cannot do it if they have not sufficient assets to pay their debts. When I heard the suggestion of the honourable gentleman this morning I was very much taken with it, but on reconsideration I doubt whether it is necessary. I am told that the Hollinger mine, for instance, is careful to state to their shareholders at every annual meeting how much they have paid in dividends, by way of reminding them that pro tanto they are reducing their assets.

Hon. Mr. BEIQUE: We want the other mines to follow the same good practice.

Hon. W. B. ROSS: But do not make an amendment that will tie the matter up so that they will not know what to do. I do not think there is any necessity for that amendment, but I am not going to oppose it. I think that the practice of the Hollinger mine, and the knowledge the people have when they are going into a mining enterprise, would be sufficient.

Hon. Mr. GORDON: This appears to me to be legislation of a very dangerous character. For instance, take the paper business, you might classify that as of a wasting character.

Hon. W. B. ROSS: No, that term is confined to mining companies.

Hon. Mr. GORDON: But a mining company might figure that they had assets sufficient to meet their outstanding liabilities, and yet there might be accidents that would change that condition. I think when any company is allowed to impair its capital we are travelling on dangerous ground.

Hon. W. B. ROSS: You cannot help it. From the day a mining operation starts it is eating up its capital. A coal company has no capital but a block of coal in the ground, and if they pay a dividend this year, pro tanto they have eaten up their capital.

Hon. Mr. GORDON: But any company starting business must start with money capital.

Hon. W. B. ROSS: That capital has been used to buy the mine and the machinery, and sink the shaft. The chief cost of a coal mine is in sinking the shaft; it will cost four or five million dollars; but the shaft is only a hole in the ground, and the only asset is the coal.

Hon. Mr. GORDON.

Hon. Mr. TURRIFF: To my mind we are passing legislation that is very bad, and this is one effect of bringing legislation down in the last days of the Session. I think no interest would suffer very greatly if this matter were left over till next Session. But if we are going to pass it now it ought to be made clear that the shareholders will know what is being done. I listened this morning for an hour to what was said here, and I do not know now what the section means, and how will a shareholder understand it?

Hon. Mr. BEIQUE: The honourable gentleman and myself think very much alike, and I was trying to give effect to his idea. Companies of that kind are of such a nature that they cannot state what proportion the balance after payment of dividend may represent.

The amendment of Hon. Mr. Beique was agreed to, and the Senate went into Committee on the Bill.

Hon. Mr. Willoughby in the Chair.

The amendment proposed by Hon. Mr. Béique was agreed to, and the Bill, as further amended, was reported.

THIRD READING

On motion of Hon. Mr. Foster, the Bill was read the third time and passed.

At six o'clock the Senate took recess.

The Senate resumed at 8 o'clock.

CRIMINAL CODE BILL

REPORT OF SPECIAL COMMITTEE

Hon. Mr. PARDEE moved concurrence in the Report of the Special Committee to whom was referred Bill 102, an Act to amend the Criminal Code, together with the amendments thereto.

Hon. Mr. DANDURAND: The honourable gentleman who is the Chairman of the Committee will explain the amendments.

Hon. Mr. CASGRAIN: It is not necessary.

Hon. Mr. PARDEE: If the House desires it, I shall be very glad to do so.

Right Hon. Sir GEORGE E. FOSTER: The amendments are long and numerous. Should we not have an explanation?

Hon. Mr. PARDEE: Honourable gentlemen, Bill 102, which was referred to a Special Committee, has been very carefully examined by the Committee and certain changes have been

made therein. The purpose of the first and second sections of the Bill, as we have been advised by the Department of Justice, is to bring the Code into agreement with the provisions of the Opium and Narcotic Drug Act. These were not particularly discussed by us, because we considered that what the Department had advised ought to be done.

The purpose of section 3, as set out in the Bill, was to prevent Canadian newspapers from publishing certain news with regard to betting. It was also desired by the amendment that all other publications should be likewise prevented from supplying any information regarding betting. That prohibition would include American newspapers. The Committee came to the conclusion that it was absolutely impossible to shut out from Canada American newspapers containing the information that the Bill was intended to prohibit.

It was suggested by Mr. Shearer, who appeared before the Committee, that all forbidden news should be blotted out with a brush or blue-pencilled, and that anyone sending newspapers containing such news, not so blotted out or erased, should be liable to punishment I think the House will agree with me that it would be absolutely impossible to carry out that suggestion. How would it be possible to shut out about 200 newspapers that are now coming to Canada daily, or prevent them from publishing the odds on horse-racing and information as to weights, etc.? The attempt to exclude them would have this result, that Canadian newspapers must not be allowed to publish such information, and at the same time there would be American newspapers coming in with such news; consequently the prohibition would operate to the detriment of Canadian papers. It appeared therefore, to the Committee that even if it were enacted and Canadian newspapers were thus forbidden to publish such news, we would be powerless to keep out American newspapers, unless we closed the mails to them, and the evil would not be abated in the slightest degree.

Another great evil, in the opinion of certain newspapers, was the publication of "Racing News." That is a publication which comes in from Buffalo and contains nothing but racing news. The Committee were unanimously of the opinion that it ought to be shut out from Canada, so far as possible, and we have made a provision to this effect. The Committee do think, however, that it is an absolute impossibility to shut out news regarding racing and odds on racing, and so long as we have not, or do not desire to exercise, the power to shut out American newspapers, the evil would not be one whit lessened. The Committee were also of the opinion that, even if the newspapers were shut out, there would be nothing whatever to prevent forbidden information from being disseminated by radio all over the country. In regard to section 3 of the Bill, therefore, the Committee decided to recommend that it be not adopted.

We come now to section 4, relating to the age of consent. The purpose of this section was to raise the age from 14 to 16. I shall not discuss the arguments on that question, but the Committee unanimously came to the conclusion that this year, as in former years, the section ought to be rejected.

The next clause of the Bill, section 5, deals with girls between the ages of 14 and 16, and proposes to strike out of the existing section the words "of previous chaste character." After long discussion and serious consideration by the Committee, it was decided that the amendment was not desirable and ought to be rejected.

Section 6 refers to persons gaining admission to race meetings or getting on railway trains, steamboats, etc., and proposes to insert the word " badge " after the word " ticket." The proposed amendment goes on to provide that any person who gains admission to a performance or amusement, or obtains passage on a railway train or steamboat by wearing a badge falsely shall be liable in the same way as those who falsely present a ticket.

Section 7 of the Bill proposes that section 1024A of the Criminal Code be amended by adding the words "or acquittal" after the word "conviction." In this connection the Committee thought that the proposed amendment would add to the Criminal Code a feature which might be extremely dangerous and ought not to be approved, and, we ask that this matter be left in abeyance until such time as the Law Officers of the Crown reach a decision as to the best means of carrying out the purpose in view.

Section 1024A says:

> Either the Attorney General of the province or any person convicted of an indictable offence may appeal to the Supreme Court of Canada from the judgment of any court of appeal setting aside or affirming a conviction—

Then the amendment comes in, "or acquittal"—

> —of an indictable offence, if the judgment appealed from conflicts with the judgment of any other court of appeal in a like case.

It was thought that the insertion of the words "or acquittal" might result in a pri-

soner who had been acquitted being brought up on appeal and tried over again. The Committee therefore decided that the proposal would make this provision of the Criminal Law too broad and that it consequently ought to be stricken out.

Certain new clauses have been added to the Bill. New clause A reads:

Paragraph (g) of section 235 of the said Act, as the said paragraph is enacted by section 13 of chapter 16 of the statutes of 1922, is hereby amended by inserting after the word "contest" in the fourth line thereof the words "or any result or contingency of or relating to any contest."

That was added for this reason. Mr. Shaw, member of Parliament for Calgary, appeared before the Committee and pointed out that there had been published in Calgary, and perhaps elsewhere in the West—I do not remember where—a certain sheet relating to football matches in the old country. That paper had been found to be illegal. After having been precluded from publishing that news, the publishers issued a statement to the effect that they were content to publish the odds on what certain football teams and other teams would do in the ensuing year. This sort of thing was bound to be a source of great evil, and much money was lost in that way. It was simply an evasion of the law, and Mr. Shaw asked that the Committee take this matter into consideration. The Committe did so, and has decided to add the clause that I have quoted.

Then there has been added new clause B. The honourable member for Ottawa (Hon. Mr. Belcourt) can perhaps explain that better than I can. The original section sets out to what extent racetracks may deduct percentages on each race. In his opinion and, I believe, in the opinion of many racing associations, the clause was not clear as to how much might be deducted over a certain amount mentioned in the original Bill. Therefore the Committee have added the following new clause:

Where the total amount staked or deposited is under $20,000, 7 per cent; over $20,000, 7 per cent on $20,000, and on the excess up to $30,000, 6 per cent.

which I think the House will very readily grasp, is just what is desired.

Then, we have new clause C, which says:

Section 242A of the said Act, as enacted by chapter 13 of the Statutes of 1913, is amended by inserting the words "upon indictment or" after the word "liable" in the first line thereof.

I have here an explanation given by W. Stuart Edwards, Assistant Deputy Minister of Justice:

The purpose of the amendment is to remove a doubt which exists as to whether the provisions of the recent Supplementary Convention with the United States by which the offence of wilful desertion or wilful non-support of minor or dependent children was added to the list of extraditable crimes can be made effective in Canada. The offence covered by the Treaty is contained in section 242A of the Criminal Code, as enacted by chapter 13 of the statutes of 1913, and is punishable on summary conviction. Since the ratification of the Supplementary Convention representations have been made that the Treaty applies only to indictable offences, and that in order to make the Supplementary Convention effective it is necessary that this particular crime be made an indictable offence in Canada. While the question is not free from doubt, it is not unlikely that this view would be given effect to by the courts, and it is considered advisable, therefore, to amend section 242A so as to make this offence punishable upon indictment as well as upon summary conviction.

After having heard the opinion of the Law Officers of the Crown, the Committee felt quite justified in accepting the advice of the Deputy Minister of Justice and recommend the enactment of that legislation.

Then we come to clause D. We have had letters from the Clerk of the Legislative Assembly of the Province of Manitoba stating that it was the wish of the Government of that Province to do away with the Grand Jury. I understand that neither Alberta nor Saskatchewan have grand juries, and it is the desire of Manitoba to be in the same position as those Provinces, and the Committee passed that recommendation.

Then, we have new clause E, which I would ask the honourable member for Winnipeg (Hon. Mr. McMeans) to explain. Last year he introduced a Bill in this House which was thoroughly threshed out and passed. We have simply embodied that Bill in this report so that it may appear in a more uniform way.

There is another new clause which we have added, and which I desire to read. It has to do with the question of prohibiting the publication of what is known as racing news or racing tips in the Dominion of Canada. This clause was added, although the Committee was not absolutely certain that it would accomplish what was desired:

For clause 3 substitute the following:

"3. Section 235 of the said Act is hereby amended by adding to paragraph (f) thereof the following:

(ii) imports or brings into Canada any matter, whether printed or in writing, which from the nature of its contents or from other evidence adduced which is not a newspaper published in good faith mainly for the purpose of supplying news and comment, other than information intended or likely to promote, assist in, or be of use in gambling, bookmaking, pool-selling, betting or wagering upon any race of any kind, fight, game or sport whether held within or without Canada and whether published before, during or after such race, fight, game or sport; or is not a magazine or other periodical published in good faith mainly for the purpose of supplying literature and comment, other than such information as aforesaid; but is intended or likely to afford such information as aforesaid."

These are the recommendations contained in the Report on Bill 102, an Act to amend the Criminal Code, which the Committee has unanimously decided to present to this House.

The Report was concurred in.

THIRD READING

Hon. Mr. PARDEE moved the third reading of the Bill.

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

BUSINESS PROFITS WAR TAX BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 248, an Act to amend the Business Profits War Tax Act, 1916.

He said: Honourable gentlemen, this is a Bill of one clause. It reads as follows:

1. Subsection three of section thirteen of The Business Profits War Tax Act, 1916, is amended by striking out all the words after the word "liable" in the second line thereof down to and including the word "payable" in the third line thereof, and the words "within the said three years" in the seventh line thereof. The said Act shall be construed as if the words struck out by this amendment had never been contained therein.

If the Senate is agreeable to this amendment, clause 3 will then read as follows:

Any person liable to pay the tax shall continue to be so liable, and in case any person so liable shall fail to make a return as required by this Act, or shall make an incorrect or false return, and does not pay the tax in whole or in part, the Minister may at any time assess such person for the tax; or such portion thereof as he may be liable to pay, and may prescribe the time within which any appeals may be made under the provisions of this Act from the assessment or from the decision of the Board.

It will be seen that any person liable to pay a tax would continue to be liable for the period of three years from the time when such tax was payable. Three years have elapsed since the Act came into force, and out of $200,000,000 that was assessed under this legislation there is $8,000,000 still outstanding and to be collected.

Right Hon. Sir GEORGE E. FOSTER: On profits tax alone?

Hon. Mr. DANDURAND: On business profits war tax alone. By far the larger part of this $8,000,000 that is still outstanding comes within the three-year period; but there are a certain number of persons whose assessment has been unpaid for three years. When the Act was passed we set a prescription, so to speak, of three years, feeling that that was a long enough period for the Department of Finance to collect the tax. Yet some arrears are apparent, and it is sought to do away with that time limit so that the persons who have been owing the debt for the last three years, and who under the present law would have been freed from further liability, will fall back among the live debtors of the State, and collection will be possible. It is felt that it would be unfair to those who have made payment that these people should be free of liability. It may be argued that we are depriving these people of an acquired right. When Parliament fixed that time limit of three years, it did not immediately free the debtor from paying his debt. Because a date is fixed in our laws up to which a creditor will have the right to exact payment of a debt, it does not mean that the debtor upon the arrival of that date is immediately free from his obligation.

Hon. Mr. ROCHE: There are cases that have not been mentioned by the honourable leader, in which people who were taxed have questioned the law and defended their rights. How are they to be affected by the retroactive legislation?

Hon. Mr. DANDURAND: They are not at all affected by the Act. Their rights are reserved. Of course, if one had been sued after the expiry of the three years, and he had pleaded estoppel, his defiance could not avail him, since we are giving retroactive effect to this Bill.

Hon. Mr. TURRIFF: Take the case of a farmer's company, who owed the Government $1,000 on this account; the three years elapsed a month ago, and in the meantime before this Act was passed, the company had sold all their assets. Would the Government be out then?

Hon. Mr. DANDURAND: We have a French saying that where there is nothing the King loses his rights. I suppose that will apply.

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

THIRD READING

Hon. Mr. DANDURAND: I would ask that we take the third reading without going into Committee.

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

MONTREAL HARBOUR BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 250, an Act to provide for further advances to the Harbour Commissioners of Montreal.

He said: We last year voted an authorization to the Harbour Commissioners of Montreal to expend the sum of $5,000,000. They are before us again to-day asking us to authorize them to spend $10,000,000 on works which they feel are absolutely needed if the port of Montreal is to function properly and receive and expedite the crops of the West, and other merchanidse that reaches that port from the interior and the exterior.

I need not repeat what I have had occasion to say before—that the Harbour Commission of Montreal is prosperous, that it meets its charges in interest and amortization, and has still a surplus. The Commissioners feel that they would be reproached for not furnishing the necessary facilities if the work that they are called upon to do did not meet the demands of the trade as it developed. They would prefer developing ahead of the trade, but they have not been able to do so. They are just meeting the exigencies of the day.

Right Hon. Sir GEORGE E. FOSTER: What is the total amount advanced up to the present time?

Hon. Mr. CASGRAIN: $31,000,000 guaranteed—not advanced.

Hon. Mr. DANDURAND: The total amount authorized for advance on loan to date is $37,250,000. The last Act passed last year authorized $5,000,000. The total expenditure on improvements to date on items such as harbour, piers, dredges, buildings, electric freight hoist, grain elevator system, etc., up to December 31, 1922, was $35,733,000.

Hon. Mr. REID: What rate of interest will the Harbour Commission pay for this loan?

Hon. Mr. DANDURAND: Section 5 of the Bill says 5 per cent, payable half-yearly.

Hon. Sir JAMES LOUGHEED: You are not borrowing money for them?

Hon. Mr. DANDURAND: No.

Hon. Mr. WILLOUGHBY: What, in a general way, are the betterments to be made in Montreal?

Hon. Mr. DANDURAND: The whole programme is as follows:

1. Cold Storage Warehouse.. .. .. $350,000
This amount is to cover over-expenditures already made over the approved estimates, and is simply required to reimburse the Commissioners for this expenditure.

2. Railway, Victoria Pier to Queen City Wharf.. 237,000

(a) Elevator No. 3, (yard).. .. $85,000
In connection with proposed elevator No. 3, Tarte Pier, there is an expenditure of $85,000 to provide railway tracks in and around the elevator (yard).

(b) Shore wharf tracks, Sections 27 to 30.. 18,000
During 1922 the Commissioners extended their high level wharf a distance of 1,687 ft. from section 27 to section 30. This wharf is now being filled to proper length and upon it the Commissioners propose to lay railway tracks, without which, of course, the wharf will be useless.

(c) Pius IX subway extension.. 15,000
In providing tracks to elevator No. 3 for connecting trackage, it is necessary that an embankment above the present pier level be provided, upon which to lay the trackage. This embankment continues past Pius IX Avenue, and, if a subway were not provided, would block access to the port in that district.

(d) Aylwin Street subway extension and ramp.. 78,000
The explanation of item (c) also applies to this item.

(e) Richelieu Street subway ramp 12,000
The explanation of item (c) also applies to this item.

(f) Completing Papineau Avenue ramp.. 29,000
On account of the raising of sections 27 to 30, referred to in item (b) above, it is also necessary to extend the ramp in this location; extending from low to high level application.

3. New track work, McGill Street to Victoria Pier.. 200,000
Between 1918 and 1922, the Commissioners electrified their railway system between Victoria Pier and the Eastern terminus of the port at Montreal East, out of the appropriation of $500,000. An amount of some $40,000 was left at the end of 1922 with which the Commissioners are presently electrifying the railway on the Victoria pier and the tracks connected with elevator No. 2, so that the railway traffic to that elevator will be electrically operated at the opening of navigation 1923.

It is the desire of the Commissioners to complete the electrification of all the high level tracks in the port, and when they came to consider the electrifying of that portion between Victoria pier and McGill Street it was found that the rails and track work were in such condition that practically an entirely new set of rails would have to be laid in that section. The rails at present in service are 85 lb., and half of them require to be renewed at once. The Commissioners are asking for an appropria-

tion of $200,000 to relay this, the most intensely operated part of the port, in 100 lb. rails, which will be electrified at once, thus saving the bonding of the old rails and the rebonding of new rails in the course of twelve months or so.

4. Paving and track extensions:.. 131,000

(a) Paving at Elevator No. 3. $21,000
This is to provide a paved roadway 50 ft. in width in front of proposed elevator No. 3 from the subway at Aylwin St. to Pius IX Ave.

(b) Paving at new sheds, section 29.. 11,000
This covers paving of the roadway on the new high level wharf from sections 27 to 30.

(c) Paving at sheds Nos. 24 & 25, to Papineau Ave.. .. .. $27,000
Since 1914, when sheds 24 & 25 were put into operation traffic to these sheds has been over rough macadam road, which has now been chewed to pieces by the heavy traffic in that vicinity. The Commissioners, having completed the paving of the harbour, in front of the cold storage warehouse, from McGill Street to shed 24, now propose to carry on this paving programme in front of sheds 24 and 25 down to the present high level.

(d) Paving Bickerdike Pier.. .. 42,000
Bickerdike pier is utilized for the receiving and delivery of much the larger part of all coal which is handled in the port of Montreal, and no roadway. Up to the present time, no permanent roadbed has been provided on this pier, the traffic on which has increased very greatly during the past couple of years, and particularly during the past six months since the beginning of the construction of the mill of the British Empire Lumber Corporation at the extreme end of the pier. The amount provided is to build and pave a roadway 30 ft. wide from the in-shore end of the pier to its extremity.

(e) New tracks on Bickerdike Pier.. 30,000
This amount is to provide new railway tracks on the pier,—extensions from the present Grand Trunk Ry., for lease by the Harbour Commissioners to the allotees of the pier,—required by the different coal and lumber companies, which of course, will be rented to them at the rate of $2,000 per mile per annum.

5. Electrification of railways.. 766,000

(a) Overhead catenary trolley system, 20 miles high level tracks extensions, including track bonding.. .. .. $139,000
The amount of $139,000 is required to complete the overhead equipment for the electrification of about 20 miles of highlevel tracks, i.e. the portion between McGill Street and Victoria pier, including the length of piers, as well as the electrification of all the new railway lines and storage yards, required in connection with the proposed grain elevator No. 3.

(b) Railway Power House Equipment.. 115,000
In the Power House at present, attached to the cold storage plant, are sufficient generator sets to operate two electric locomotives on the main line between Victoria pier and Montreal East. It is now the intention of the Commissioners to operate four electric locomotives, which will require the installation of another generator set to double the capacity of the present equipment, which will cost $115,000.

(c) 5 Electric locomotives and charging set for batteries.. 355,000
This item is self-explanatory.

(d) Power transmission lines.. .. 44,000
These lines are required in connection with the enlargement of the Grand Trunk Railway elevator where additional power is required, and also for the transmitting of power to the ships berthing at both Windmill Point wharf and the Bickerdike pier, as well as for the operation, electrically, of the sawmill and timber mill at the end of the Bickerdike Pier. It also covers the erection of a line to the harbour mechanical shops on the Mackay pier, which it is intended to also operate electrically.

(e) Sub-stations at Nos. 1 and 3 Elevators, Elevator "B" and Bickerdike Pier.. 75,000
These sub-stations are required in connection with the increased loads placed upon the harbour power lines through the erection of the new elevator No. 3, and the enlargement of the Grand Trunk Railway elevator, as well as the operation of the ships and timber plant in the Western section of the port.

(a) Machine shops (Mackay Pier) 12,000
The amount of $12,000 required is for the providing of motors,

etc., for supplying power in the mechanical shops on the Guarde pier.

(g) Series lighting circuits, wharf extensions.. 26,000

Covers electric lighting circuits required on account of the extension of wharves in different parts of the port.

6. Dredging and filling in general.. 300,000

Inserted in the agreement with the Grand Trunk Railway Co., for the transferring of their elevator to the Harbour Commission is a clause to the effect that the Commissioners will deepen the Windmill Point basin for two berths to a depth of a least 30 ft. This basin has a rock bottom and varies at the present time from 25 to 27 feet of water on the North side, or the side upon which the elevator facilities exist. It is the intention of the Commissioners to blast and dredge this basin within the next two years to the extent of about 2000 ft., or four ships' berths, which will cost in the neighbourhood of $300,000.

7. Bickerdike Pier Approach.. 500,000

Some years ago an amount of $500,000 was appropriated for the dredging of the channel approach to the Bickerdike Pier. The amount appropriated having become exhausted, the Commissioners apply for a like appropriation of $500,000 to cover this work for the next two years. This work is absolutely necessary in order to obtain fill to complete the lengthening of the high level pier, as well as the high level wharf, from sections 27 to 30 and its continuation, already authorized, to be carried out during 1923, as well as for the construction of the railway embankment leading to and from the proposed grain elevator No. 3, upon which the tracks serving that facility are to be laid.

8. Shore wharves—Sections 38-42.. .. .. .. $1,700,000

(a) New quay wall.. .. .. .. $1,500,000

The Commisioners are providing elevator No. 3 with five shipping berths, four on the Tarte Pier and one at the shore wharf, section 45, i.e.—between Tarte and Sutherland Piers. The wharf from sections 37 to 42 is low level and in a dilapidated condition. The Commissioners propose in the next three years to raise this extent of wharf 2,500 ft. in length to high level so that both transit sheds and conveyor galleries may be erected on it to be served from elevator No. 3.

(b) Filling up to elevation.. 200,000

Provides for the filling at the rear of the new quay wall for the proposed high level, referred to in item (a).

9. New Transit sheds, and extension of existing Transit Sheds.. 1,735,000

(a) Three single storey sheds, sections 26 to 30.. .. .. .. $400,000

On the Tarte pier, at the present time, are four single storey sheds presently occupied by the Hudson Bay Company, the Elder-Dempster Co., operating services to South Africa and the West Indies, as well as by the New Zealand Company and the Ellerman-Buchanan Co. line, operating services to New Zealand and Australia. None of these lines carry grain, and it is proposed, in view of the construction of elevator No. 3 in the vicinity, to provide sheds, three single storey on the new high level from sections 27 to 30 for these services, which will permit of cargo lines taking general cargo and grain to be substituted in their stead at the Tarte pier.

(b) Extensions to sheds, Jacques Cartier Pier.. 475,000

This amount is to extend the sheds on the Jacques Cartier pier. These sheds are required at once. Applications for them have already been received from the Headon-Hughston Lines, as well as from the Canadian Government Merchant Marine, both of which companies cannot accommodate their vessels or their business in the space which the Commissioners have been able to allot to them for 1923.

(c) Extension to sheds, King Edward pier.. 460,000

(d) Extension to sheds, Alexandra pier.. 400,000

These amounts are to provide extensions to sheds on the King Edward and Alexandra piers, lengthening of which piers will be completed during 1923. In view of the fact that some time will be required for the settlement of the fill in the extensions to these piers, these appropriations can be left over for another year.

10. Works in connection with elevator No. 3.. 483,500

(a) New Jetty.. .. .. $430,000

(b) Embankment for tracks leading to elevator.. 53,500

In the original specification of elevator No. 3, it was provided to unload one lake vessel at a time lying along the bulkhead wharf in front of the elevator. The original plans have now been amended by the Commissioners, in view of the large number of lake vessels being constructed in the diffrent shipyards at the present time, to provide a jetty in front of elevator No. 3, at which two lake vessels can be unloaded at the same time, each vessel having two travelling marine towers to unload its grain.

The $430,000 covers the construction of this solid jetty, built solid on account of the travelling marine towers which operate upon it, as well as the fact that that a tunnel has to be con-

structed throughout its length to take the grain from the marine towers to the grain elevator.

The $53,000 covers the cost of the embankment for the tracks leading from the present lines of railway to and from the new grain elevator.

11. Saw mill and timber shed, Bickerdike Pier.. 175,000

This amount is to provide for the construction of a concrete sawmill and timber shed on the Bickerdike Pier, to be leased to the British Empire Lumber Corporation upon completion, arrangements as to conditions of lease having already been made

12. Elevator No. 2, extension of jetty & conveyors.. 75,000

This amount covers over-expenditure on the jetty and conveyors built during 1922 opposite elevator No. 2.

13. Windmill Point development.. 2,150,000

(a) Purchase of G.T.R. Elevator "B".. .. .. $1,100,000

(b) Extension to present annex to elevator, increasing storage capacity by 1,252,000 bushels, adding new Marine leg to working house, and providing 1,600 ft. of conveyor galleries to four additional berths.. 750,000

(a) and (b) are self-explanatory and are in accordance with agreement with the Canadian National Railway.

(c) Underpinning 2,000 ft. of existing wharf.. 300,000

This amount covers the underpinning of the Windmill Point wharf in front of the Grand Trunk Railway elevator and new conveyor galleries.

14. Industrial wharves.. 300,000

Is an item of $300,000 to cover an industrial wharf which is shortly to be expected to be called for within the next three years.

15. Water mains and drains.. 50,000

This is to cover the installation of water mains along the Bickerdike Pier, as well as in connection with the extension to the G.T.R. elevator and proposed grain elevator No. 3, as well as in connection with the wharf between sections 27 and 30 already raised to high level, and the continuation between sections 30 and 33 already approved.

16. New pier below Sutherland Pier, 1,200 ft. long, 300 ft. wide, built to elevation 107°, including dredging for pier foundations.. 1,350,000

This pier is to provide accommodation for the St. Lawrence Sugar Refinery and other industries in Maisonneuve which are now handling their business over the low level Sutherland pier, which latter pier is to be hoped will be raised to high level in future. Before work, however, can be done on the raising of this pier, it is necessary that some other location be provided upon which these industries can handle their business, hence the provision of a new pier in this connection.

Total.. .. .. $10,502,500

Hon. Mr. WILLOUGHBY: I am quite satisfied.

Hon. Sir JAMES LOUGHEED: Will my honourable friend say what supervision is exercised over the carrying out of the works in question by the Government of the Dominion?

Hon. Mr. DANDURAND: It is under the Department of Marine and Fisheries.

Hon. Sir JAMES LOUGHEED: Are estimates submitted to the Government, and are the works approved by the Government?

Hon. Mr. DANDURAND: Yes.

Hon. Sir JAMES LOUGHEED: And are they carried out under the supervision of the Government?

Hon. Mr. CASGRAIN: Everything is done under Government specifications.

Hon. Sir JAMES LOUGHEED: To what extent does the Government make inquiry into the manner of expenditure?

Hon. Mr. DANDURAND: Those estimates are received in a general way, indicating what works they will cover, but when they are prepared to do some extension or other work under those estimates they must obtain the approval of the Minister of Marine and Fisheries, who submits the estimates and obtains an Order in Council sanctioning the expenditure.

Hon. Sir JAMES LOUGHEED: Is there any rule that the work is to be let by tender, or what is the method?

Hon. Mr. DANDURAND: There are works which would be carried on by tender and contract, but there are very many others that are done by day work.

Hon. Mr. ROCHE: Are the charges on shipping for wharfage and storage very heavy, or not?

Hon. Mr. DANDURAND: I do not think I have the data.

Hon. Mr. CASGRAIN: They are sufficient to pay the interest on all the bonds, and for all the work, and leave a surplus. It is not like that in any other port that we know.

Hon. Mr. FOWLER: How will it be in the case of the $10,000,000, because that will add, for interest alone, some half million dollars a year, and then a sinking fund will have to be provided.

Hon. Mr. CASGRAIN: Yes, but there will be additional receipts for that, I am authorized to answer.

Hon. Mr. FOWLER: I will accept your answer without an authorization.

Hon. Mr. CASGRAIN: At the foot of the current they are now building an elevator which will be capable of holding 10,000,000 bushels, and as building now costs a dollar a bushel for labour and material, the whole $10,000,000 will be eventually spent. They are developing now for 2,500,000 or 3,000,000 bushels, and this elevator will be extended to the full 10,000,000 bushels, so that a greater part of the money will be expended on that elevator, which is badly needed. The congestion that made all the trouble about lake freight was caused by the boats having no place to put the grain last year. That resulted in congestion at Port Colborne, and caused all the trouble that the people are having there now.

Hon. Mr. FOWLER: How much sinking fund do you provide for?

Hon. Mr. CASGRAIN: I cannot answer that.

Hon. Mr. DANDURAND: I might say that there is the sum $1,100,000 provided for the purchase of the Grand Trunk Railway elevator, which will come under the estimate.

Hon. Mr. FOWLER: That is bought from the Government?

Hon. Mr. DANDURAND: That belongs to the Government.

Hon. Mr. FOWLER: What percentage will be provided for sinking fund?

Hon. Mr. DANDURAND: I have not that figure.

Hon. Mr. TURRIFF: Is it expected that this $10,000,000 expenditure will enable the Harbour Commission to handle the grain from the West and from the United States as quickly as it should be handled?

Hon. Mr. CASGRAIN: They will develop enough now to take care of the grain, and they will be able to keep ahead all the time, so that there will be no congestion for many years to come.

Hon. Mr. SMITH: How much has been set aside for interest and amortization fund?

Hon. Mr. CASGRAIN: The Government simply guarantees the bonds. The Government has never been out of pocket one dollar for the harbour of Montreal. The dues have always provided enough to take care of all the money that has been guaranteed by the Government.

Hon. Mr. DANDURAND: In answer to the honourable gentleman from Wentworth (Hon. Mr. Smith), I will say that I do not see any statement in the memorandum furnished me, except that the payments on the debt and the amortization fund have been regularly made, according to the statement of the Minister of Marine and Fisheries in the other Chamber, which I read this evening.

Hon. Mr. FOWLER: I was sorry to hear the honourable member for De Lanaudière (Hon. Mr. Casgrain) state that this $10,000,000 expenditure would make the port of Montreal efficient for many years to come. I should hope that the growth of trade would be so great at the metropolis of Canada that this $10,000,000 would not do for more than two or three years, so that we would be called upon again and again. The trade at the port of Montreal is the trade barometer of Canada, and I am very sorry that my honourable friend takes such a limited view.

Hon. Mr. CASGRAIN: With the regulation of rates under the Bill we passed, the grain may all go to Buffalo now, so that we may have space to spare in the port of Montreal.

Hon. Mr. DANDURAND: I will inform the Harbour Commission of Montreal of the happy state of mind of my honourable friend from Sussex (Hon. Mr. Fowler).

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Belcourt in the Chair.

Sections 1 to 6 inclusive were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

INCOME WAR TAX BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 249, an Act to amend the Income War Tax Act, 1917.

He said: Honourable gentlemen, this Bill is submitted for the purpose of bringing the Act into harmony with the change in the Income Tax which has been made recently Instead of explaining each clause at the second reading, I will defer the explanation until we go into Committee.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Taylor in the Chair.

Hon. Mr. DANDURAND: I may say, honourable gentlemen, that these amendments are mostly declaratory of the practice of the Department. Those which alter present conditions refer mainly to appeals, and have been submitted to one of the Judges of the Exchequer Court for his opinion. The proposed changes have been endorsed by that Judge, who has had considerable experience in this matter.

On section 1—income to be not less than income from chief occupation:

Hon. Sir EDWARD KEMP: I understood the honourable leader of the Government to say that in this Bill there is no change in principle—that it related rather to the interpretation of former Acts. Is that the position?

Hon Mr. DANDURAND: Yes.

Section 1 was agreed to.

Section 2 was agreed to.

On section 3—restriction on deductions; outlay of a capital nature not allowed:

Hon. Mr. DANDURAND: This merely declares the law and does not vary the practice of the Department.

Hon. Mr. ROCHE: Suppose that bad debts were incurred. Ought they not to be a proper deduction from the profits of a business?

Hon. Mr. DANDURAND: There is a reserve allowed for bad debts.

Sections 3 and 4 were agreed to.

On section 5—pensions:

Right Hon. Sir GEORGE E. FOSTER: That is an addition. What is the effect of it?

Hon. Mr. DANDURAND: There is this addition:

"or to any member of the military, naval or air forces of His Majesty's allies," and by inserting after the word "forces" in the fourth line thereof the following words: "or in the forces of His Majesty's allies."

The reason for the change is to grant equitable treatment to persons resident in Canada who served or whose husbands served, in the Great War.

Right Hon. Sir GEORGE E. FOSTER: That is, then, for Canadians who served with the Allies?

Hon. Mr. DANDURAND: It applies mainly to widows and to soldiers who were resident in Canada and who served during the war in the armies of the Allies.

Right Hon. Sir GEORGE E. FOSTER: It makes them eligible for pension?

Hon. Mr. DANDURAND: Yes.

Section 5 was agreed to.

Sections 6 to 9, inclusive, were agreed to.

On section 10, new section 25—taxes to be a lien:

Hon. Mr. WILLOUGHBY: Section 25 provides that the taxes shall constitute a lien. I have no objection to that: It has a priority over all other liens in favour of the Crown.

Hon. Mr. DANDURAND: As against the subject.

Hon. Mr. WILLOUGHBY: Yes. I am not objecting to that. What provision is there for registration in so far as it affects real property?

Hon. Mr. DANDURAND: There is no provision for registration.

Hon. Mr. WILLOUGHBY: The public should know of it.

Hon. Mr. DANDURAND: It is the general practice throughout the world that no registration is needed for a lien of the Crown.

Hon. Mr. WILLOUGHBY: I do not want to detain the Committee for more than a second. You have enunciated the principle of the priority of the rights of the Crown as against those of the subject, without registration. Take the case of a lien on real property. In our provinces in the West, where the Registrar of Land Titles issues a certificate of title, which gives a guarantee by the Crown subject to such conditions as are mentioned, how is the purchaser going to protect himself?

Hon. Mr. CASGRAIN: He has to find out.

Hon. Mr. WILLOUGHBY: How is he going to find out?

Hon. Mr. DANDURAND: He would have to inquire of the Government, just as he would inquire of a municipality.

Hon. Mr. BEIQUE: This would apply in the same way as it has always applied.

Hon. Mr. McMEANS: It might be impossible to put through a property transfer.

Section 10 was agreed to.

On section 11—When provisions of Act come into force:

Hon. Mr. ROCHE: The retroactive effect of this section might cause an injustice to a person who had good grounds for a certain interpretation of this Act. He may have been right in his interpretation of the existing Act, and the claims which he may make are perhaps absolutely legal, but this proposed amendment cuts the ground from under him by placing a new interpretation on the Act and making it conform to the interpretation placed upon it by the Tax Inspectors.

Hon. Mr. ROBERTSON: May I inquire of the honourable leader of the Government, what is the reason that the effective dates referred to in this clause range all the way from 1917 to 1924. The first subsection makes section 1 of the Act retroactive to 1917. There must be some good reason for making legislation retroactive for six years.

Hon. Mr. ROCHE: I would like to emphasize what the honourable gentleman has said. We have people who are right in their contentions as against the tax inspectors or tax levyers. By this retroactive clause a person who is now correct in his contention may be put in the wrong, and be deprived of his legal standing. That is very bad legislation, and legislation which would be resented by the country generally.

Hon. Mr. DANDURAND: The statement which I have from the Department is to the following effect. There have been a number of amendments made at various dates to the Act of 1917. The amendments now proposed are intended to be retroactive only to the date of the amendment:

(1) Section one of this Act shall be deemed to have come into force at the commencement of the 1917 taxation period and to be applicable thereto and to subsequent periods.

Hon. Mr. CASGRAIN: This does not change the position of those who may have had claims under the various Acts.

Hon. Mr. ROBERTSON: That perhaps explains fairly the reasons why the different dates appear. But does my honourable friend think that it is good legislation to change a statute by making its effect retroactive for six years? Take, for example, the Criminal Code, which we amended an hour ago. Suppose we were to say that the amendments were to be retroactive in their effect for six years. It would appear ridiculous, it seems to me.

Hon. Mr. BEIQUE: But I think there is no comparison to be made between the two cases. Here is a debt which should have been paid and was not; perhaps because the party liable was not duly informed or was granted a delay. At any rate, he should not, in fairness to other persons who are taxed and have paid their taxes, be allowed to escape payment. It is a debt to the Crown. As has been stated by the honourable leader of the Government it is a moral debt that still exists, notwithstanding the delay which was not supposed to prevent the collection of the tax, but was considered to be sufficient to enable the Government to collect it.

Hon. Mr. ROBERTSON: But if the taxpayer pays his taxes in good faith and in compliance with the law in force to-day, is it fair to call upon him six years later to pay six years' arrears of taxes simply because the law is changed?

Hon. Mr. DANDURAND: I may inform my honourable friend that there is no such case. Any legislation which would increase the obligation of the subject by a retroactive clause would be bad, but this is simply to maintain and preserve the rights of the subject in absolutely equality with those of his fellow citizens.

Hon. Mr. BELCOURT: Oh, no, that is not so. We must not pass this section on that interpretation, because it is not correct.

Hon. Mr. DANDURAND: That is the information I have from the Department.

Hon. Mr. BELCOURT: Well, the information is wrong. You are making this retroactive for six years.

Hon. Mr. DANDURAND: Give us one clause as an example.

Hon. Mr. BELCOURT: That is what I am trying to do if you will let me. Subsection one makes section one of the Income War Tax Act of 1917 retroactive, as my honourable friend from Welland (Hon. Mr. Robertson) has said, for six years. Now, what does it authorize the Minister to do?

1. Paragraph (f) of subsection one of section three of The Income War Tax Act, 1917, is hereby repealed and the following substituted therefor:

"(f) In any case the income of a taxpayer shall be deemed to be not less than the income derived from his chief position, occupation, trade, business or calling, and for the purposes of this Act the Minister shall have full power to determine the chief position, occupation, trade, business or calling of the taxpayer. Where a taxpayer has income from more than one source by virtue of filling or exercising more than one position, occupation, trade, business or calling, then the Minister shall have full power to determine which one or more, or which combination thereof shall for the purpose of this Act, constitute the taxpayer's chief position, occu-

pation, trade, business or calling, and the income therefrom shall be taxed accordingly and the determination of the Minister exercised pursuant hereto shall be final and conclusive."

That means that the Minister may to-day reopen every one of these cases even though payment has been made and say, "You have not been properly assessed; we are going to start de novo."

Hon. Mr. DANDURAND: I will read to my honourable friend the original section:

(f) Deficits or losses sustained in transactions entered into for profit, but not connected with the chief business, trade, profession or occupation of the taxpayer shall not be deducted from income derived from the chief business, trade, profession or occupation of the taxpayer in determining his taxable income, and the Minister shall have power to determine what deficits or losses sustained in transactions entered into for profit are connected with the chief business, trade, profession or occupation of the taxpayer, and his decision shall be final and conclusive.

The proposed Amendment does not vary the present practice of the Department. The phraseology of the present provision is rather obscure and infers that capital losses connected with the taxpayer's chief business may be deducted in determining profits, which is contrary to the intent and spirit of the Act. Further, the present provision does not give the Minister power in so many words to determine the taxpayer's chief business.

Hon. Mr. BELCOURT: But you are making that retroactive. Under this the Minister can reopen every single case that was settled six years ago, and alter completely the result of the assessment.

Hon. Mr. ROCHE: I can give a concrete case that would exactly apply. Take a dispute in which the person taxed was formerly clearly within the law. In the application of the proposed law to the condition existing in 1917, that person would be put out of court.

The motion was agreed to.

On the preamble:

Hon. W. B. ROSS: I would like to ask the honourable gentleman to look at section 15, the notice of dissatisfaction. It strikes me there is something wrong there. It says:

In re the appeal of of the of in the Province of stating that he desires his appeal to be set down for trial and shall forward therewith a final statement of such further facts statutory provisions and reasons, etc.

Hon. Mr. DANDURAND: When the taxpayer is dissatisfied, he gives notice of appeal to the Minister of Finance who answers his appeal. If he disagrees, then, the notice of dissatisfaction follows.

Hon. W. B. ROSS: He gives notice of dissatisfaction "in re the appeal of" etc., "stating that he desired his appeal to be set down for trial." That is the notice. Then he is to forward the final statement. If it were a new sentence after the words "for trial," I think I could make sense out of it.

Hon. Sir JAMES LOUGHEED: Suppose there are cases at times in which the appeal succeeds.

Hon. Mr. DANDURAND: I am informed that there are many of them, which may give us some encouragement.

The preamble was agreed to.

The title was agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

CANADIAN NATIONAL RAILWAYS CONSTRUCTION BILL

SECOND READING POSTPONED

Hon. Mr. DANDURAND moved the second reading of Bill 234, an Act respecting the Construction of Canadian National Railway Lines.

He said: Honourable gentlemen, it is some time since we have had a Bill of this character before us for review. I do not remember when we last voted to add to our railway system, and I realize that many have been under the impression that we had a plethora of railways, and that it would be some years before we would feel the need of adding to our present mileage. But there are stern realities which we must face, and, I hope there are enough members of the Senate who, coming as they do from all parts of this country, will confirm this statement, as they know the conditions and necessities of their respective provinces.

Hon. Mr. BELCOURT: Your hope is likely to be realized.

Hon. Mr. DANDURAND: There is absolute need for a number of railway branches throughout the West, and a few in the East, not only to draw population to the regions which they will serve, but to retain in those regions the population already there. It will be seen that in the majority of these cases several miles have already been graded. The work already done and to be executd, I will be able to state when we go into Committee.

I am informed that some of the lines have been graded for some time for the purpose of following up and serving a population that had gone into those regions in the expectation that the railways which were promised would soon follow. I am also informed that some of the people who have been waiting and waiting for the railway have been discouraged and are leaving those regions. If there are districts in the West that should be developed, regions where the land is good and which are capable of maintaining a fairly large population, and if they need these branches in order to retain their present population and to attract more population, I would take it for granted that these branches form part of the whole scheme of development of the Canadian National Railways, tending to increase our area of production through immigration.

Hon. Mr. BEIQUE: These things we have heard of for 25 years.

Hon. Mr. DANDURAND: It will be for each member of the Senate who has a greater knowledge than others of any particular region to bring in his testimony, because it stands to reason that a member from New Brunswick will know very little of conditions in Saskatchewan, or that a member from Prince Edward Island should not be expected to know very much about conditions in Manitoba.

Hon. Mr. BRADBURY: Or any other place.

Hon. Mr. DANDURAND: I am approaching this question with an open mind. The Senate has within it men of experience who know the needs of the country. When I looked over the list of branches to be developed or completed, I saw just one small branch that I knew of, and I said, "This one branch is a necessity." It was at my door.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DANDURAND: I will explain what it is, and if each member of the Senate who has a personal knowledge can bear testimony as to the necessity of the branch in his district, I will feel that the case is made and that everything is going on smilingly.

Hon. Mr. McMEANS: So would the rest of us.

Hon. Mr. DANDURAND: In order that my honourable friends may understand my point of view—

Hon. Mr. FOWLER: It is quite apparent.

Hon. Mr. DANDURAND: I will give this illustration. There are some 60 miles of railway belonging to the people of Canada that start two or three miles from the town of St. Jerome in Terrebonne County, and run from there into the interior of the County of Argenteuil. I visited this region in my first attempt at politically evangalizing the population. I was 17. In that region I met the Hon. Sir John Abbott, who was Prime Minister of Canada, and there I made my maiden speech. As the population was bilingual—and I must confess I am not very proud of the English I speak now, but I positively murdered the language then—I spoke in English against the ex-Prime Minister of Canada. But I got even when he started speaking French. Later on I used to meet Mr. Abbott, and I confess that I felt a feeling of pride when he recognized me on the street. This region, which some 40 years ago was undeveloped forest, is dotted with lakes, and is a splendid country for summer resorts. The people of Montreal have invaded that region.

Last spring I was with the Minister of the Interior, who happened to be the member for Argenteuil, when he received in Montreal a delegation, headed by a good friend of mine who is a member of this Chamber—and who does not sit behind me—representing to the Minister the necessity of building 12 miles of railway. He said: "We have 60 miles of railway that belongs to the Government of Canada. The railway brings trainloads of residents from Argenteuil county to the junction near St. Jerome; there is a considerable movement of freight and passengers and it is a paying line. Yet, when it comes to within 30 miles of Montreal the passengers are dumped off at a small station and handed over to the C.P.R., which carries the freight and passengers to the City of Montreal, while the main line of the Canadian National Railway is within about 12 miles of that station." I see in his seat my honourable friend the ex-Minister of Railways (Hon. Mr. Reid), who agreed that there should be a line linking the Canadian National branch with the main line at that point.

Hon. Mr. GORDON: Does my honourable friend mean that it would parallel the C.P.R?

Hon. Mr. DANDURAND: No; the Canadian National Railway parallels the C.P.R. running to Montreal or thereabouts; but a link is necessary to connect that 60 miles of railway running to St. Jerome with the main line passing near by. An attempt was made to build it; the ballasting was done, the ties

were bought and distributed along the line; yet here are the people of Montreal still going up to these regions by the hundreds and having to use the C.P.R. part of the way as far as St. Jerome so as to connect there with the C.N.R. branch line. It would be good policy and good business to build that line, in order that those 60 miles of railway could be linked up to the main line of the Canadian National railway for the purpose of providing a through route and a through rate between that region and Montreal. It seemed to me that that was a work that was commendable.

If there were before this House only a demand for the completion of that link in order to save the money invested in the roadbed and the cost of the ties, I would support it. That is the only part of the branch lines that I know personally.

The project is to vote an authorization for the construction of these branches on a plan to cover three years. I will not go into the details of the Bill, but I submit the proposition. It is said that those branches are absolutely necessary to serve the populations that are already there, and have been waiting for them for a considerable time. I know nothing personally of the absolute need of those various branches, but this program comes to us from the Canadian National Railway Board. This is the Bill we have before us. Will it make for the creation of feeders to our railways, and help to bring to them prosperity through increased population? It is for the honourable gentlemen who know most about those various lines in the West to express their views.

Hon. Mr. BEIQUE: May I ask if the Government has been furnished with information from the Board of National Railways as to the necessity for those railways?

Hon. Mr. DANDURAND: I have in my hand a memorandum that comes from the Railway Board, and I quote from the Minister of Railways in another place the following words:

What I have submitted is the Canadian National board's programme, as handed to me, and which I think is a good thing for the railways and for the country generally. One of the reasons for this three-year programme being placed on the statutes is that the people may understand exactly what they are going to get for some time. It has been stated, and quite properly so, that the psychology of those who advocate a thing has a great deal to do with influencing its promotion. Many of these branch lines in the West are not new structures; very many miles of these lines have been graded, some of the grades having been constructed since the war, although the rails have not been laid down. There are some four hundred miles of grading already done, and all we propose to do is to lay the rails. Surely, no one would suggest that it is bad business, if after investigation the previous board decided to build these lines, for the present board to complete the work. It will be a good investment for the company and for the country as well. If the committee will agree to my suggestion and let us get this matter embodied in a Bill I think it will expedite our business.

Hon. Mr. DAVID: Can the honourable leader of the House tell what the construction of those railways will cost?

Hon. Mr. CASGRAIN: A little more than half the cost of the Transcontinental.

Hon. Mr. DANDURAND: A little over $28,000,000.

Hon. Mr. CASGRAIN: For 1,000 miles.

Hon. Mr. GORDON: In view of the very weak plea the honourable leader has put up for the only road that he knows about, by stating that the 14 miles which are to be built will parallel the C. P. R.—

Hon. Mr. DANDURAND: No.

Hon. Mr. GORDON: I understood you to say that.

Hon. Mr. DANDURAND: No; the main line of the Canadian National railway passes at a distance of 12 miles from the junction where the C. P. R. and the Canadian National Railway branch meet, and the idea is to link that Canadian National Railway branch with the main line. I simply mention this as an example of the necessity for those branches. That one I know, because I happened to see an imposing delegation six months ago explaining it to the member for Argenteuil, Hon. Mr. Stewart, and urging that that branch be completed, inasmuch as it was graded and the ties were on the ground.

Hon. W. B. ROSS: Has the honourable Minister a map of this road that he could lay on the Table?

Hon. Mr. DANDURAND: Yes, the map is here and will be laid on the Table.

Hon. Mr. CASGRAIN: Both of those lines leave St. Jerome, and both come to Montreal, so they cannot be far from parallel.

Hon. Mr. DANDURAND: We cannot argue against the fact that they both run to Montreal, but that 60 miles of railway belonging to the Canadian National brings its freight and passengers to the C. P. R. near St. Jerome. If a small branch were built, it would enable those 60 miles to be linked with our own system, the Canadian National, so that it would have a through train for those 60 miles to Montreal, while, to-day the C. P. R. is being fed by that C. N. R. branch.

Hon. Mr. GORDON: If that question is addressed to me, in view of present conditions I would say it should not be done. I think the only possible excuse for building a link with our National road is to get feeders for business where there is absolutely no other railway now.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, one would naturally suppose that when the Government of the day at this, the eleventh hour of the Session, brought down this Bill for our consideration, particularly after Parliament had been in Session since the 31st of January last—a Bill involving, according to the schedule, an expenditure of at least $28,000,000—the Senate would have been furnished with such information as to satisfy themselves at least that there was some public demand for the undertakings which have been set out in the Bill.

There is a well-established practice in Parliament that when public moneys are voted the fullest information should be furnished by the Government and presented to Parliament; and not only that that information should be furnished, but that Parliament should be fully seized of the importance and advisability and necessity of proceeding with such an expenditure as is involved in this measure.

It was with the greatest surprise that this Chamber and in fact the House of Commons itself learned of the retention of this Bill in the hands of the Government until the eve of prorogation. Now entirely apart from the paucity of information—I will not even say the paucity, but I will say the utter absence of information—I should like to refer for a moment to a well-established parliamentary practice which has obtained from Confederation down to the present time touching the vote of public moneys, particularly in regard to the building of railways; and I would say to my honourable friend, in dealing with that phase of the question, that he will not find upon the Statute Book of the Dominion of Canada any precedent for what is submitted to us to-night. It has been the practice of Parliament, without exception, that the Government of the day should place upon the Table of Parliament or in the Estimates a statement of the specific sums required for the building of such undertaking's, and furnish Parliament with all necessary information. Furthermore, if the undertaking was not proceeded with, if the money was not expended during the fiscal year, the money would lapse, and Parliament would have the opportunity of again pronouncing upon the subject. Not only that, but Parliament would have the right, and has always exercised the right, of supervising with the minutest scrutiny the expenditure and application of every dollar which Parliament had voted for such purposes.

Now, we have had submitted to us, honourable gentlemen, a Bill which proposes apparently, to hand over to the National Railway Board the powers which hitherto have been exercised by Parliament. We are practically asked to abdicate those powers to this Board —of whom we know very little, and what we know is not very favourable—the extraordinary power of administering, entirely irrespective of Parliament, a fund which, as I hope to show very shortly, will be not short of $100,000,000.

Do honourable gentlemen know enough of the Canadian National Railway Board to entrust them with the expenditure of the public moneys of Canada? Have they demonstrated, since they came into office, their ability to administer an undertaking of the magnitude of the Canadian National system? Have they improved in the slightest degree upon their predecessors? And are you satisfied, is Parliament satisfied, are the people of this country satisfied, to hand over to those gentlemen —irresponsible gentlemen, men who are not in any sense responsible to Parliament, who have never distinguished themselves as administrators of business, as men capable of handling a situation such as this that presents itself to the public—the enormous expenditure involved in this Bill?

This Bill proposes that we should hand this power over absolutely to the Government of Canada—not the Parliament of Canada; that we should entirely eliminate for three years all Parliamentary action touching the construction of those roads, and touching the application and expenditure of the moneys; and, notwithstanding the fact that those moneys may not be expended this year or the following year, Parliament will be helpless in making any inquiry or any scrutiny whatsoever into the application of such expenditures.

Now, may I direct the attention of honourable gentlemen to section 7 of the Bill, and, for the purpose of better understanding it, may I read it? In view of the few remarks that I desire to make after reading it, I draw attention to the fact that this is the joker in the Bill. Honourable gentlemen who have participated in well-known games will understand what an important role the joker plays in some of our national amusements:

The mileage of the said lines of railway and the cost of construction thereof, as mentioned or referred to in the schedule to this Act, are merely estimated distances and costs for the information of Parliament, and shall not be taken to restrict the Minister in the issuance of

such certificates nor the Company in the performance of the work of construction and completion nor in the issue of its securities.

So that the information furnished to honourable gentlemen in the Bill itself, on page 3, is not to be relied upon at all. Section 7 says so. It is simply an estimate; and I would point out how distant the estimate is from the facts as we know them to be.

Now, this schedule makes provision for the construction of over a thousand miles of road —I think 1,011 miles to be exact. The estimate of the cost of constructing those 1,011 miles represents $28,300,000—in other words less than $28,000 a mile. Honourable gentlemen will recall that, in the building of the National Transcontinental, the then Minister of Finance, who is the present Minister of Finance, made an estimate as to what the cost would be; and it is rather an interesting coincidence that that gentleman who was then Minister of Finance, and made his famous prediction as to what the cost of the National Transcontinental would be, is to-day apparently playing the role of prophet and making a like prediction as to what the cost of these 1,011 miles will be.

The National Transcontinental was to have cost $24,000 a mile, or in all $61,000,000. It was established on sworn evidence that it cost at last $89,000 a mile. That was twenty years ago, when costs were very much below, one might say at least 50 per cent below, what they are to-day. And yet we are asked to accept the information furnished by the Government in this Bill, and to vote this money on the strength of the representation that is made to us that this thousand miles of road can be built for $28,000,000, or in other words, $28,000 a mile. We are safe, honourable gentlemen, in concluding that this road cannot be built for less than the Transcontinental cost twenty years ago, which was $89,000 a mile. In other words, honourable gentlemen, this thousand miles will cost at least $100,000,000. Any honourable gentleman who is interested in the building of public works, particularly the building of railways, can easily satisfy himself, from what he knows of costs to-day, that this thousand miles of road cannot be built at less than $100,000,000. Yet without any information at all before us, we are asked by this confiding Government to believe that this thousand miles of road can be built for $28,000,000, and to trust the present Board of the National Railways to carry out the project.

Hon. Mr. DANDURAND: The honourable gentleman is making an error. I have here a statement giving detailed information regarding each line. I did not desire to read 15 or 20 pages of foolscap describing all the lines and explaining the necessity for their construction. I thought that we might examine each line in committee to see what merit there is in the project. May I draw my honourable friend's attention to the Okanagan and Lumby Branch, on which there has been expended $5,330,000? The estimated amount required for the completion of it is $2,307,000. Here is the respectable sum of $5,330,000 of Canadian money invested on this line.

Hon. Sir JAMES LOUGHEED: I suppose it is in operation.

Hon. Mr. DANDURAND: No; there is not a mile in operation. It is only graded. Now the question is, will we try to save those 5½ millions by spending $2,307,000 on construction?

Hon. W. B. ROSS: When was it graded?

Hon. Mr. REID: May I ask the honourable leader a question?

Hon. Mr. DANDURAND: I am mentioning simply the case of one important district in which the Government has spent 5½ millions. There is a detailed statement about this Railway, with the whole history of it. I hope I was not expected to occupy two hours in reading a statement explaining in detail the necessity of each of these branches on the 2nd reading of the Bill.

Hon. Sir JAMES LOUGHEED: It would not be too long a statement on an expenditure of $100,000,000.

Hon. Mr. REID: Does the honourable leader of the Government say that $5,000,000 have already been spent on 100 miles?

Hon. Mr. DANDURAND: So I am informed.

Hon. Mr. REID: That is, $50,000 a mile have already been spent on 100 miles, and $2,000,000 more are required. It is evident that it will cost $70,000 a mile.

Hon. Mr. DANDURAND: As my honourable friend knows, that is in a mountain district.

Hon. Mr. REID: Yes, but a great deal of it is new road, and the new road is estimated to cost $28,000 a mile.

Hon. Mr. DANDURAND: But my honourable friend built that road—or it was under his supervision that it was built.

Hon. Mr. REID: I did not say it could be built at $28,000 a mile.

Hon. Mr. CASGRAIN: They say that is only half the cost.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, I think we may deal with the subject, now that it has reached this stage without entering into the details of the merits of each particular branch, inasmuch as they have been withheld from Parliament up to the present moment. I cannot too strongly express myself as to the failure of the Government to furnish this Chamber with the information necessary for the intelligent consideration of this very important subject. There is no information whatever before this Chamber as to the necessity for building those branches. But entirely apart from that, I desire to direct the attention of the House to this more important consideration, that in view of the position of Canada at the present time, we are not warranted in entering upon an undertaking involving the expenditure of $100,000,000 for the building of branch railways without having ample evidence of their necessity and full information as to the financial results. The Government of Canada assumed the biggest responsibility that it has ever undertaken when, during the war, it took over 22,000 miles of railway. In taking over those railways it never contemplated that extensions of the substantial character now proposed would be made until by wise administration and proper consolidation satisfactory results should be obtained. When the Government of Canada took over the railways the intention was to re-organize and consolidate them, and to obtain the fullest possible information as to whether or not they could be wisely and advantageously operated. But has that been done? The late Government during the short time it was engaged in the responsible task of administering the Railways, exercised caution, prudence and fair economy, but never did it dream of entering upon an undertaking such as is involved in this Bill. If the Government wishes to destroy the possibility of the National Railways being operated successfully as a public utility, all that it has to do is to proceed as is proposed in this measure, weighing down the country with a load of debt which must necessarily prove disastrous, not only to the railways, but also to Canada itself.

We have before us an expenditure of half a billion dollars for the present fiscal year. The Supply Bills which have been presented to Parliament, and which will doubtless reach this Chamber within a day or two, represent a proposed expenditure of no less than half a billion of dollars, and the Finance Minister in his Budget Speech declared that the revenue of Canada for the fiscal year would be $372,000,000. And now, honourable gentlemen, it is proposed to add to that enormous expenditure to which I have just alluded. I ask, how is the deficit to be met?

Hon. Mr. FOWLER: Borrow the money.

Hon. Sir JAMES LOUGHEED: That is precisely the design which has been worked out in this Bill, and in the working out of that design lies, in my judgment, the condemnation of the Bill. It is proposed to evade the responsibility of appealing to Parliament for the moneys necessary to build branches and to operate the Canadian National System. It is proposed in this Bill that Parliament shall practically hand over to the Canadian National Board, for no less a period than three years, the authority to issue all the necessary securities, the Governor in Council carrying out the behests of the Board, entirely irrespective of any limitation of expenditure. The limitation placed in this Bill is only an estimate. It is only necessary to point to the cost of building a thousand miles of railway to convince honourable gentlemen that the expenditure will easily reach $100,000,000.

Besides the Bill now before us, there is one regarding which my honourable friend has said nothing. The Government has introduced into the House of Commons a measure known as Bill 244, by which authority is given to the Government in the following terms:

> The said securities so approved may be guaranteed by His Majesty and any such guarantee may be in such form and on such terms and conditions as the Governor in Council may determine, and may be signed by the Minister or Acting Minister of Finance on behalf of His Majesty.

Thus it is proposed to supersede Parliament entirely.

Hon. Mr. BELCOURT: To what guarantees does that refer?

Hon. Sir JAMES LOUGHEED: This has reference to this same transaction on the Canadian National Railways. The Bill has not yet come up from the Commons, but it has been introduced there and has, I understand, received its second reading.

In all our railway operations the Government of the day never resorted to this method of financing its undertakings. As I said a few moments ago, from Confederation down to the present time all appropriations for railways, whether by guarantees or by payments in cash, appeared in the Estimates and from year to year lapsed, Parliament being thus given

authority either to re-vote the moneys or to refuse to re-vote them, and likewise to exercise the closest scrutiny of the application of all such supplies. If the Bill which is before us to-night is passed it will of course be followed by the Bill to which I have referred—an auxiliary measure which will complete the transfer to the Canadian National Railway Board, for the next three years, of power to deal with this enormous sum of money, and this power the Board will exercise without regard to the voice of Parliament.

The question is, what should Parliament do with this Bill? I fully appreciate the responsibility which rests upon us in revising measures of this character and perhaps in going to the extremity of refusing to pass them; but it seems to me it is the duty of the Government to submit to this Chamber measures which will appeal to the judgment of the House as embodying sane legislation, and to furnish this House with full information as to the necessity of proceeding with undertakings of this character. I doubt that any honourable gentleman will controvert the position taken by us. We should be recreant to our duty if we accepted such measures as this without having an opportunity to exercise our judgment on the fullest information available, and without being convinced of the necessity of the undertaking. We must also take into consideration the unfortunate position in which Canada stands to-day as to her public indebtedness and the load of taxation which we are bearing.

My honourable friend is fully aware of the extraordinary character of this measure. In view of its extraordinary nature the Government, anxious as it is to proceed with those branches, ought to be ready to adopt the practice which Parliament has followed for the last generation or more, by placing in the estimates specific information regarding each road. Thus Parliament would have an opportunity to determine whether or not the moneys should be voted for the purposes indicated, and could also exercise supervision over expenditures.

Therefore, honourable gentlemen, I express my disapproval of a measure of this kind and of the failure of the Government to fulfil its obligation towards this Chamber and the people of Canada by neglecting to furnish us with the necessary information regarding so stupendous an undertaking, involving an expenditure of $100,000,000. In view of Canada's inability to meet so huge an expenditure, I see no alternative but to urge upon my honourable friend that this Bill should be withdrawn and that the Government at next Session furnish the necessary information to warrant Parliament in assuming responsibility for the proposed undertaking. If my honourable friend does not see his way to furnish this Chamber with the information to which we are entitled, then, it seems to me, only one course is open to the Senate of Canada, and that is to reject this measure. I therefore, honourable gentlemen, move that the Bill be not now read a second time, but that it be read a second time this day six months.

Hon. F. L. BEIQUE: I feel, honourable gentlemen, that for my part I should not give a silent vote on the motion which has been made. We have been told that Government operation of railways was an experiment, and that within a year or two, or perhaps three years, it would be ascertained whether or not it would be possible to continue it. That led me to expect that the country would not be committed to a further expenditure for the building of new lines and the extension of a railway which already has taken on a great magnitude.

I am surprised at the way in which this Bill has been treated by both sides in the other House. One would have expected that a Bill of this importance, involving an acknowledged expenditure of $28,000,000—an amount which may be doubled if the experience of the past is followed—would have been carefully inquired into to ascertain in every case the necessity of building these lines. This Bill, for reasons that I cannot understand, seems to have been treated as a kind of necessity; but on reading the Debates of the House of Commons one is unable to find any satisfactory information in support of the present measure.

I believe that the time has came when this House should assert its power and its right to deal with matters of this kind—and to deal with them in an energetic manner. I think that no building of railways of this kind should be continued without proper information being furnished to this House, and furnished in proper time. I quite agree with the leader of the other side of the House that this Bill is coming too late—that it is not on the eve of prorogation that a Bill of this kind should be sent to this House; and I believe if it is sent again this House will affirm its right and will do its duty by referring the Bill to the Committee on Railways, Telegraphs and Harbours, where it will be possible to inquire fully into the necessity and advisability of building any number of miles of railway which may be suggested. This country has been brought to the brink of bankruptcy by the building of too many railways—railways which are

operated at a loss of about one hundred million dollars a year. Surely this House, which is an independent body, owes it to the country to assert its power and to do its duty. For my part, I will not hesitate in voting in favour of the motion which has just been made.

Hon. Mr. BELCOURT: Honourable gentlemen, I am going to speak but two words. I want to join with my honourable friend in his appeal for the withdrawal of the Bill.

Hon. Mr. DANDURAND: I need not apologize to the House when I state that I have been unable to give very much time to the study of this Bill. I have never before seen a Session so fruitful of legislation from the other House during the last two months.

Hon. Mr. BELCOURT: And so late.

Hon. Mr. ROBERTSON: 41 Bills in two weeks.

Hon. Mr. DANDURAND: I have simply glanced at the Bill. There is only one thing that disturbs me. When I look through the list of railway undertakings, I find that between $9,000,000 and $10,000,000 of the money of the Canadian people have been sunk into these branches up to the moment.

Hon. Mr. FOWLER: Would you sink $90,000,000 more?

Hon. Mr. DANDURAND: I therefore ask myself if there is not a pressing need in some cases to proceed with the work in order to save the millions that have already been expended in places where the finished work would be an asset to the country.

Hon. Sir JAMES LOUGHEED: May I point out this fact to my honourable friend? In the Estimates there is an item of $73,000,000 which has been voted the Canadian National Railways for betterments and other purposes. If there is any pressing need between now and the next Session of Parliament, surely my honourable friend can have his Government dip into that $73,000,000 as freely as the President of the Canadian National Railways dipped into the Exchequer a short time ago to buy an hotel in Paris. If the necessities of building branch railways be equally great, there is no reason why some of this $73,000,000 should not be made available for that purpose.

Hon. Mr. DANDURAND: I realize that the Senate has up to this moment received very little information as to the necessity of proceeding with any of these works. When I rose a moment ago it was to say that there was a sufficient knowledge in this Chamber of the needs of the various regions covered by this Bill to enable us to go into Committee and to examine into the necessities of all of these branches and pass upon them in sober judgment.

Hon. Mr. ROBERTSON: Does my honourable friend suggest that we should go into Committee of the Whole on this Bill, and that it should not be referred to and investigated by the Committee on Railways, Telegraphs and Harbours?

Hon. Mr. DANDURAND: I realize that this Bill comes to us very late in the Session.

Hon. Sir JAMES LOUGHEED: And would my honourable friend consider this phase of it that the most objectionable feature of the whole transaction is the character of the Bill itself?

Hon. Mr. DANDURAND: There again I would tell my honourable friend that we are here to put our stamp on a Bill when it comes to us. I will not stop to discuss the drafting of this Bill; when we have it in our hands we are masters of the Bill; and if it went to Committee it would be part of our duty not only to scrutinize the occasion for building each and every one of these lines but to see whether or not the Bill could be amended.

However, in view of the general expression of opinion that this is too important a matter for us to grapple with at this moment of the Session, I will ask that the debate be adjourned until to-morrow so that I may have an opportunity of consulting with my colleagues. I may say that in this we have perhaps an object lesson on Government ownership. We have promised a free hand to the Railway Board.

Hon. Mr. FOWLER: Not too free.

Hon. Mr. DANDURAND: And we have repeated that we would give them a free hand.

Hon. Mr. ROBERTSON: To operate, not to construct.

Hon. Mr. DANDURAND: —and a fair trial. We are confronted with a proposition of some magnitude, and I am not ready to say that it is without merit even in one instance, because I have not the direct knowledge. I was relying upon the members in each locality to help us to pass judgment. I did intend to duly weigh their opinions; but, after hearing the protests that have been expressed, I will move the adjournment of the debate.

Hon. Mr. BEIQUE: I hope Parliament is not committed to the Board of Directors

of the National Railways to such an extent that it will vote blindly any amounts that are asked for the building of railways.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BEIQUE: They may be given a reasonably free hand, but surely Parliament is entitled to know whether the demands made and the expenditures suggested are warranted.

Hon. Mr. McMEANS: May I suggest to the honourable gentleman that when he is bringing this matter before Council he might ask them to take into consideration the question of whether it would not be better to remove some of the rails where there are duplicate roads and put them on some of these roads that are in such great need?

Hon. Mr. DANDURAND: And I would ask if our western friends include the Hudson Bay Railway in their condemnation?

Hon. Mr. WATSON: Honourable gentlemen, I trust that the request made by the leader of the Government will appeal to the sense of this House. The invitation was extended by him to any member to express his opinion in regard to the necessity of building any of these branch roads. The Parliament of Canada decided some time ago to enter into the Railway business. They have taken over what is now the Canadian National system, and any person looking at the map which is before us, will observe that all the branches referred to in this Bill are feeders of the Canadian National Railway.

Hon. Mr. FOWLER: No, bleeders.

Hon. Mr. WATSON: I do not want to see the House summarily dispose of this measure in this way. I have a personal knowledge of some of the lines proposed, and of the necessity of building them, and it seems to me that if we went into Committee we could, if necessary, eliminate some of them. As has been stated, a number of them have been graded for some five or six years.

Hon. Sir JAMES LOUGHEED: Is my honourable friend serious in thinking that the Senate will go into Committee and decide to accept one road after rejecting another?

Hon. Mr. WATSON: Why not? That is our business. I know that settlers have been located in the vicinity of some of these proposed lines for 25 years.

Hon. Mr. ROBERTSON: If a man went to the North Pole, that would be no reason for building him a railway.

Hon. Mr. WATSON: When these men went in the roads were promised to them, and the charters were granted, and in some cases the roads were graded. I think we should not summarily reject the Bill without considering what would be a fair mileage to build this year and what could be put over for the future.

Hon. Mr. ROBERTSON: I wish to call attention to another phase of the matter that would be bound to follow. We all know that a railway once constructed must be operated.

Hon. Mr. BELCOURT: We are finding cut that it costs some money too.

Hon. Mr. ROBERTSON: On the 22,000 miles of the Canadian National Railways there are 2,486 locomotives, or approximately 11 to every 100 mines, which means that 110 locomotives would be necessary for these branches. Locomotives cost from $50,000 apiece upwards. There are 2,600 odd passenger cars in operation on the Canadian National Railways, or 12 to every 100 miles of tracks. Those cars cost from $10,000 to $20,000 apiece, according to their class. The system to-day has 130,000 freight cars, or 5.45 to every mile of track, which means 5,450 freight cars of all sorts that would have to be built in order that there might be the same percentage of rolling stock on these branch lines. The cost of that motive power and rolling stock at present prices would be approximately $20,000,000 more. I suggest that my honourable friend should call that to the attention of the Government when they are taking this matter into consideration.

Hon. Mr. BELCOURT: I move that the debate be now adjourned.

The motion was agreed to, and the debate was adjourned.

HALIBUT FISHERY TREATY

RESOLUTION OF APPROVAL

The Senate proceeded to consider a message from the House of Commons requesting the Senate to unite with that House in a resolution that Parliament do approve the Treaty between His Majesty and the United States of America with respect to the preservation of the Halibut Fisheries of the northern Pacific Ocean.

Hon. Mr. DANDURAND: A treaty was signed on March 2nd at Washington by plenipotentiaries representing His Majesty the King and the United States with reference to the preservation of the halibut fishery on the Pacific Coast. Early in March it was laid on this Table. The treaty provides for a close season for halibut in waters contiguous to the Pacific Coast in the United States and Canada. A period of close season is de-

clared for 3 months, from November to February, for a period of 5 years, but it may be denounced after the 5 years by a 2 years' notice by one of the contracting parties.

Halibut, under the treaty, may nevertheless be caught during prohibited season for purposes of food by crews of vessels fishing for other kinds of fish, the balance caught being transferred to officers of the Marine Department of Canada and the Uniter States, to be disposed of by those officers at such prices as they may be able to obtain. This provision is made in order to eliminate the element of profit in the catch of halibut by those fishermen. They will not be able to dispose of their surplus for their own profit.

There is a further provision by which an International Fisheries Commission will be established in order to study the life history of the halibut, and the best means of preserving this important natural resource.

This treaty, by virtue of one of its clauses, is to be approved by legislation by the Parliaments of both countries.

The Senate of the United States has assented to the treaty, with the following reservation, added to it.

Resolved (two-thirds of the Senators present concurring therein) that the Senate advise and consent to the ratification of Executive D. 67th Congress, fourth Session, Convention between the United States and Great Britain, signed March 2, 1923, for the preservation of the Halibut Fishery of the Northern Pacific Ocean, including the Behring Sea, subject to the understanding, which is hereby made a part of this resolution of ratification, that none of the nationals and inhabitants and vessels and boats of any other part of Great Britain shall engage in halibut fishing contrary to any of the provisions of this treaty.

I need not say that extraordinary circumstances must have accompanied the passing of this rider, as indicated by the phraseology and the description of the other part of Great Britain, and it was written in the dying hours of the last session of that Congress.

The reason for that addition to the Treaty seems to be found in the fear, which was expressed by a western Senator, that ships from Great Britain would or could come into those waters and fish for halibut. This fear was groundless, because Canada and the United States have agreed to provide that their nationals and citizens of all other countries shall be prohibited from operating from a Canadian or an American base, or attempting to fish in those waters. This prohibition to use any Canadian or American port will ensure full protection against all comers.

Parliament is now asked to ratify this treaty, and the Government has reason to believe that the reservation added to the treaty by the Senate will be withdrawn at the next session of Congress.

The Address which we have before us is for the purpose of confirming the treaty. I may say that, in connection with this resolution, which is offered to the Senate for the confirmation of this document, we will have presented to us an Act for the protection of the Northern Pacific Halibut Fishery. That Act is brought to us in Bill 247, to give effect to this treaty.

There are certain conditions surrounding the recall of a vote in the American Senate that would be necessary for retracing its steps and abandoning this condition; but if the American Government feels that it is an easier way to get around the difficulty, it may—and I understand it has allowed the Government of Canada to be informed that it may—proceed as we are doing, by concurrent legislation. So we are confirming the treaty between His Majesty the King and the United States that was signed in March last; but if, through some difficulty, it becomes inoperative, the legislation which we are submitting to the Senate at the moment will be duplicated by similar legislation on the other side, and the same result will be obtained.

I have the honour to move:

That the following Joint Address be sent to His Excellency the Governor General:

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

May it please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, beg leave to approach Your Excellency with our respectful request that you will be pleased to transmit our Joint Resolution that Parliament do approve of the Treaty between His Majesty and the United States of America providing effective measures for the preservation of the halibut fishery of the Northern Pacific Ocean, which was signed at Washington on the second day of March, one thousand nine hundred and twenty-three, a copy of which has been laid before Parliament, and which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiary therein named, and that the Senate do approve of the same, and requesting that the Commons will unite with the Senate in the said Resolution by filling up the blank therein with the words "Commons and."

Right Hon. Sir GEORGE E. FOSTER: May I ask a question as to the treaty itself? With the rider which has been added by the American Senate, does the treaty become operative on the part of the United States when we pass the legislation which is asked here?

Hon. Mr. DANDURAND: Without having had very much time to deliberate over the question, I would think that the treaty is inoperative until that addition has been withdrawn, or until Canada has consented to the addition.

Right Hon. Sir GEORGE E. FOSTER: But Canada does not propose to assent to the addition, as I understand?

Hon. Mr. DANDURAND: Canada could not well assent, because it would need the confirmation of this addition by the Parliaments of Australia and of South Africa and of New Zealand.

Hon. Sir EDWARD KEMP: What need would there be for that? As I understand it, the treaty that was made was signed by a Canadian Minister. The Government did not want the British Ambassador to have anything to do with it.

Hon. Mr. DANDURAND: It was signed by a Canadian Minister, but it was signed by a Minister Plenipotentiary, with credentials from His Majesty the King.

Hon. Sir EDWARD KEMP: Certainly, and if the King authorizes a Canadian Minister to sign such a treaty it must necessarily apply to all British subjects in the world.

Hon. Mr. DANDURAND: No. His Majesty the King authorized his delegate to sign a special treaty, and that treaty covered a matter which exclusively interested Canada and the United States, so there would be no reason for calling the other Dominions to join in this instrument.

Hon. Sir EDWARD KEMP: But supposing that the treaty had been completed, and, as my honourable friend says, only Canada and the United States appeared for the time to be interested, yet if British subjects from islands in the Pacific Ocean, or from Hong Kong, or Singapore, or Australia went up there, that would not be very satisfactory to Canada or the United States. It seems to me the Senate of the United States was perfectly justified in inserting a section there, and it would have been an easier way of getting out of the difficulty if the Canadian Government had accepted the Senate's view, and gone on with the treaty.

Hon. Mr. DANDURAND: But my honourable friend will realize that this was hurried legislation, in the dying hours of a session. We have had similar examples of resolutions that did not do much honour to the parties who contributed to bringing them into being in the last hour of the session. I would ask my honourable friend if the United States would like to have that addition reviewed by the Parliament of Great Britain. Great Britain does not mean the British Empire.

Hon. Sir EDWARD KEMP: It is the Empire in description.

Hon. Mr. DANDURAND: But this would not comprise the other Dominions beyond the Seas, and I think—and I have reason to know—that Senators of eminence in the United States intend to do their utmost to have this reservation withdrawn, because of its form and matter.

The motion was agreed to.

Hon. Mr. DANDURAND moved:

That a Message be sent to the House of Commons by one of the Clerks at the Table to acquaint that House that the Senate have agreed to the said Resolution, by filling in the blank space therein with the words, "Senate and".

The motion was agreed to.

HALIBUT FISHERY BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 247, an Act for the protection of the Northern Pacific Halibut Fishery.

He said: Honourable gentlemen, I have just explained the purpose of the Bill,

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

CONSIDERED IN COMMITTEE

On motion of Mr. Dandurand, the Senate went into Committee on the Bill.

Hon. Mr. Blain in the Chair.

Sections 1 to 13 inclusive were agreed to.

The preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

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

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

DAIRY INDUSTRY BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 241, an Act to amend the Dairy Industry Act, 1914.

He said: Honourable gentlemen, we can reserve a discussion of the Bill in detail until we go into Committee.

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

The Senate adjourned during pleasure.

The sitting was resumed.

SOLDIERS' PENSION, INSURANCE, AND CIVIL RE-ESTABLISHMENT BILLS

REPORT OF SPECIAL COMMITTEE

Hon. Mr. BEIQUE: Honourable gentlemen, I have the honour to present the report of the Special Committee to whom Bills 203, 204 and 205 were referred. I would suggest that the report, which is somewhat lengthy, be printed during the night, so that we may have it to-morrow, and be able to take it into consideration to-morrow with the Bills. I would move that it be taken into consideration at the first sitting of the House to-morrow.

The motion was agreed to.

Hon. Mr. ROBERTSON: It is not probable that this report will be printed and distributed before 11 o'clock to-morrow.

Hon. Mr. BEIQUE: Yes, it will be printed during the night, and if it is not ready to-morrow morning we will wait till the second sitting.

Hon. Mr. DANIEL: Will the evidence be printed with the report, or not?

Hon. Mr. BEIQUE: Oh, no, just the report.

Hon. Mr. DANDURAND: I would suggest that the Printing Bureau be ordered to suspend our Hansard for to-morrow, and give preference to this work, if necessary.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Friday, June 29, 1923.

FIRST SITTING

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

INTERNAL ECONOMY

Hon. Mr. DANDURAND: I may state that the Senate has sat with closed doors to consider the internal economy of the Senate.

FEEDING STUFFS BILL

FIRST READING

Bill 238, an Act to amend the Feeding Stuffs Act.—Hon. Mr. Dandurand.

SECOND READING

Hon. Mr. DANDURAND: I would move the second reading of the Bill.

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

THIRD READING

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

Hon. Mr. McCOIG: I would say that the amendments made to this Act are such as were recommended by the feeders and stock raisers from all parts of the country. The Bill is intended to prevent frauds in supplying feeds that are adulterated instead of being pure.

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

POST OFFICE BILL

FIRST READING

Bill 246, an Act to amend the Post Office Act.—Hon. Mr. Dandurand.

SECOND READING POSTPONED

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

He said: This Bill reduces the postage rates on certain newspapers and periodicals from one and a half cents a pound to one and a quarter cents. I believe that this is an amelioration of the heavy taxation which reaches publishers through the sales tax. Representations have been constantly made to the Post Office Department for a reduction of both the tax and the postal rate. The Government has refused to reduce the Sales Tax on newsprint, but it is making this reduction in the postal rate.

Hon. Sir JAMES LOUGHEED: I have not the good fortune to have the Bill before me, but I understand the purport of it from what my honourable friend has said. He is doubtless aware that for some years the policy of the Post Office Department has been to increase rather than decrease the rates for the carriage of newspapers. I recall that recommendation after recommendation has been made for some years past in that direction, and that it has been conclusively established that we are carrying newspapers and periodicals, or published matter of that character, at a very substantial loss, thus causing a heavy deficit in the Department. Now, if for the purpose of imposing a tax in one direction we are to put our hands in the public pocket and pay for it in another direction, we had better not impose the tax. If the law could be administered strictly as to legitimate newspapers there would not be very much

objection. Public sentiment would probably approve of the policy of the Government in reducing the rate as far as that could possibly be done. But the difficulty is that there is an evasion of the law in this particular regard, that advertising matter which does not come strictly within the term "newspaper" makes use of the privilege of distribution throughout the entire Dominion at the expense of the public exchequer. There is no reason why this matter should not be worked out on a scientific basis if for the purpose of furnishing a public service to those who profit by it, the Government of Canada has to make up a deficit out of the public exchequer. It cannot be justified; it is indefensible.

This is an age of commercialism, an age in which taxation is imposed upon the public for absolutely necessary purposes; and why there should be a reduction in an impost which should be governed entirely by commercial considerations I cannot understand. If it has been wise to impose a sales tax on newsprint, why should an exception be made in regard to the carriage of newspapers that pass through the mails? To strike a blow at an important policy of raising revenue for the purpose of offsetting a small tax that has been placed upon a general commodity is, it seems to me, a policy that is anything but sane, and one that must be subversive of good government.

I appeal to my honourable friend. I say that this is a matter that should not be dealt with at this period of the session; that it should receive every consideration; and that this is peculiarly no time for reducing our revenues and thus bringing about a deficit and a disturbance in our postal conditions.

Hon. Mr. REID: Honourable gentlemen, I wish to raise an objection to this Bill and to other Bills that may come before us at the present time. I think it most unfair that we should be asked to proceed with Bills before they have been distributed to the members of the House. Bills are sent over here and we are asked to put them through, without having been furnished with copies of them. There should at least be a number of copies placed upon the Table of the House so that we might have some idea of what we are discussing. I suppose more Bills will be brought over this afternoon. We cannot know what we are discussing at all until we have the Bills before us. Until we get them I do not think we should proceed.

Hon. Mr. CASGRAIN: The leader of the Opposition knows that every issue of a paper is scrutinized, and that only so many columns of advertising are allowed to so many columns of reading matter.

Hon. Sir JAMES LOUGHEED: For the purpose of facilitating further discussion of this matter, I intend to ask my honourable friend whether a computation has been made as to the additional revenue to be derived from newspapers by reason of the increase of the sales tax. I understand that the increase is only one and a fraction per cent.

Hon. Mr. CASGRAIN: From 2¼ to 6.

Hon. Sir JAMES LOUGHEED: Oh, no.

Hon. Mr. CASGRAIN: And the sales tax on newsprint is 6 per cent. On a ton of paper that amounts to $4.50.

Hon. Sir JAMES LOUGHEED: But you have increased your advertising rates and your subscription rates very substantially.

Hon. Mr. FOWLER: Is it not a rule of this House that Bills should be distributed?

Hon. Sir JAMES LOUGHEED: Yes. Would my hon. friend tell me what this reduction in the postal rates will represent?

Hon. Mr. DANDURAND: The figure may have been given in the other House—

Hon. Sir JAMES LOUGHEED: Would my honourable friend let the Bill stand until we get full information? This is an important matter.

Hon. Mr. DANDURAND: I will withdraw my motion for the second reading, and will ask that the Bill be put down for second reading at the second sitting.

Hon. Mr. FOWLER: I suggest that the Bill be distributed in the meantime.

Hon. Mr. DANDURAND: And the question my honourable friend puts is what?

Hon. Sir JAMES LOUGHEED: I want to know what the increase of revenue would be by reason of the sales tax, and what would be the total amount of the reduction in postal rates.

The motion for the second reading was withdrawn.

SALE OF GOVERNMENT SHIPS

INQUIRY

On the notice:

By the Honourable Mr. Bennett: That he will call attention to the advertised sale of some twenty old Government ships and inquire if the Government propose to sell the said vessels.

Hon. Mr. BENNETT: I would like to ask the leader of the Government whether or not

he has a list of these vessels owned by the Government.

Hon. Mr. DANDURAND: Yes, I will give my honourable friend that information.

Hon. Mr. BENNETT: I would ask that the notice stand until I get the information.

CANADIAN NATIONAL RAILWAYS CONSTRUCTION BILL

INQUIRY

Right Hon. Sir GEORGE E. FOSTER: I would like to ask the leader of the Government if he will place on the Table of the House the estimates, etc., with reference to the Bill that was brought down yesterday for the construction of railways. We have not a shred of information except a little that was given to us—and that was very little—by the leader of the Government himself. I tried to find in the Debates of the other House what were the real calculations, but I found scarcely anything but appeals by individual members for their particular pet railway; but data was not given to the lower House and it has not been given to us.

We have taken certain action on that Bill, one ground for that action being that we had no information, and you cannot find any information in the Senate records. The papers which were prepared for my honourable friend, and from which he read to us some slight extracts, ought to be placed on the Table of the House along with the railway map, as a permanent record.

Hon. Mr. DANDURAND: I think I handed back to the representative of the Railway Department the document that I had last night. If I have not kept it, I will ask for it this afternoon.

DAIRY BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 241, an Act to amend the Dairy Industry Act, 1914.

He said: Honourable gentlemen, I was mistaken when I explained this Bill upon the second reading. I had hurriedly gone through the Bill and was under the impression from reading the newspapers that it still contained a clause allowing the Department to make regulations for the renovation of butter. That clause was struck out, and my mistake was because of the erroneous marginal note, "Renovated Butter." Section 2 contains only the definition of "Inspector," and of "Provincial analyst."

Hon. Mr. BENNETT.

Section 3 is an amendment concerning the minimum standard of fat in butter, and provides that:

> No person shall manufacture, import into Canada, or sell, offer, expose or have in possession for sale any milk or cream or substitutes therefor which contains any fat or oil other than that of milk.

Section 4 bears the side notes: "minimum standard of fat in butter imported or sold;" "fat in manufactured butter;" "weight of butter in prints, blocks, etc." Section 5 increases the penalties for violation of the regulations. Section 6 has to do with: "Establishment of guilt for violation of Act," and "procedure to be followed; samples, analysis and certificates." I think this Bill is a move in the right direction. It does not contain any prescription concerning renovated butter, although those words appear in the marginal note.

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

SENATE AND HOUSE OF COMMONS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 232, and Act to amend the Senate and House of Commons Act.

He said: Honourable gentlemen, this Bill is based upon the recommendations of a Joint Committee of both Houses. Those recommendations were endorsed unanimously by the two branches of Parliament. After the second reading of the Bill, I will ask that it go to Committee, because I have an amendment to submit to the House.

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

CONSIDERED IN COMMITTEE

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

Hon. Mr. Willoughby in the chair.

Sections 1 and 2 were agreed to.

On section 3—deductions for non-attendance:

Hon. Mr. FOWLER: I am opposed to this Bill altogether, and I do not want it to pass without registering my protest. I believe that the Indemnity Act as we have it to-day is giving good service. It has increased the average attendance of members very considerably. I have not been a member of this Senate for very many years, but under the loose regulations prevailing at the time of my becoming a member, the attendance was very bad. Under the more stringent regu-

lations now in force the attendance has been excellent. The work of the Senate has been tremendously improved by reason of the increased attendance, and I am afraid that if we relax these regulations—because that is what we are doing—we will fall back into the old slip-shod ways that prevailed before the Act of 1920 was passed. I have no more desire to be here than anybody else, but I recognize my responsibility and the duty that I owe to the people of this country in the position which I occupy as a Senator of Canada; and I protest against any change, because I am afraid it will be for the worse.

I know of no reason why there should be such a change. The honourable gentleman who proposed the Bill has not given any reason why the relaxation should be made. You are breaking a solemn contract entered into with the people of this country—more than an implied contract, an actual contract, entered into for a very important and valuable consideration, to wit, the increase of the indemnity from $2,500 to $4,000 per year. You are breaking that contract in the face of the people of this country. You are relaxing the law in a way which, I greatly fear, will reduce the efficiency of this chamber. You ask the people of Canada to let you out of the contract that you entered into by the Act of 1920, and you say you are going to make certain regulations. You ought to produce those regulations so that it may be seen whether or not you make up for what the country loses by the breach.

I am here very often at as great an inconvenience and injury to my private business as any other member of the Senate, but, in accepting appointment I realize that unless I could fulfil the duties and responsibilities attendant upon the position, I ought not to accept it. In accepting the position I undertook to fulfil those duties and responsibilities, and this I have tried to do. There are many members of this House who are regular in their attendance and take an interest in the proceedings. There are other members who take no interest whatever; and that is true, I suppose, of every deliberative assembly. It is not necessarily the man who is silent that is not taking interest; it is the man who absents himself.

If you revert to the old regulations, a member may draw almost the full indemnity, if the Session lasts only 65 days, even though he may have been here only one day. That is something that is absolutely wrong. If any member of this House is so conscienceless as to be willing to take his full indemnity under those circumstances, you should not permit him to do so. It is almost equal to stealing to take money under such circumstances, yet it has been done. You are reverting to the regulations that prevailed before you entered into the contract set out in the Act of 1920, for this Session at least, because there is not time in the last days of the Session to make new regulations.

I quite understand that this is not a popular speech that I am making, but there are in this Chamber some honourable members to whom it will appeal. There are some—I hope there are a good many—honourable members who have a proper idea of the solemnity and importance of a contract and their duty to endeavour to keep it. You are absolutely violating the contract. You are discarding it for this Session at least, and members who have been hardly ever in attendance will draw considerable sums to which they would not be entitled under the existing Act. Is that right? Do honourable gentlemen think that is right?

I would suggest to the honourable leader of the Government and the honourable leader of the Opposition, who seem to be in perfect harmony in this matter, that they add some sort of rider to this amendment that will permit of the existing Act applying to the present Session, because you have not provided regulations to modify the amended Act. Does the honourable gentleman follow me?

Hon. Mr. DANDURAND: I understand the point.

Hon. Mr. FOWLER: You understand it? I hope my appeal does not fall upon deaf ears. I hope that you not only understand it but will adopt the suggestion. There is the difficulty. I say that the change in the Act is not fair to the country.

Now let me repeat, at the risk of being somewhat prolix, the argument which I have advanced. I think it important, though my honourable friend may not. In 1920 this Senate entered into a contract with the people of Canada, agreeing, in consideration of the indemnity being increased from $2,500 to $4,000, to abide by certain regulations which were incorporated into the Act, with regard to attendance and other matters. Now you are changing that Act without any mandate from the people. You, a party of the one part, are changing a contract between two parties, namely, the people of Canada and the Senate. Instead of doing that, would it not be honest to adhere to the Act of 1920 at least for this Session, until it is possible to put into force the regulations which you say you are going to supply to make up for the relaxation of the former requirements? What does my honourable friend think of that proposition?

Hon. Mr. DANDURAND: My honourable friend forgets that when we were discussing the question of adjourning over last Monday in order to permit members of this House to register their votes in Ontario—which was a fair proposition—I suggested that a Bill which was coming over from the Commons would free them of the penalty for non-attendance at that time and they might safely go and register their votes as good citizens of Ontario. I am bound by that statement.

Hon. Mr. FOWLER: I remember that at that very time it was pointed out as a warning that if honourable gentlemen went they would be absent at their own risk. Their attention was called to the possibility that the Bill might not pass, and the honourable leader could give no assurance that it would pass.

Hon. Mr. DANDURAND: I was in the hands of the Senate.

Hon. Mr. FOWLER: Yes, in the hands of the Senate, and you still are, and you are in good hands, I must say. But, after all, supposing the honourable gentleman did say that, and had the right to say it and the power to back it up, does it alter the case so far as the country is concerned? What mandate had you from the party of the other part?

Hon. Mr. DANDURAND: The same as in 1920.

Hon. Mr. FOWLER: Ah, but you gave a quid pro quo in 1920; you increased and tightened up the regulations with regard to attendance. But you are giving nothing in return now, and that is why I say this measure should not apply to the present year. You have not the regulations which are to supplement the new Act. To the extent that members have been absent this session they should forfeit their indemnity under the Act.

Hon. Mr. DANDURAND: All I will say in answer to my honourable friend is that when the Act of 1920 was under consideration, in the last hours of the Session, I drew the attention of the honourable gentleman opposite (Hon. Sir James Lougheed), who had presented the Bill, to some gross imperfections in it, and he replied that if imperfections were found to exist the Act could at the following Session or at any time be amended. We are now dealing with it for the first time. If the honourable gentleman from Sussex will bear with us until we have reached a certain section, he will find that we are seeking power to make more stringent regulations if they are found necessary.

Hon. Mr. FOWLER: But you are not going to make those regulations this Session. If you were, I should have nothing further to say on this point. For this Session honourable members who have been absent are to go scot free: the lid is off.

Hon. Mr. BEIQUE: After the Bill is passed it will be open to us to make regulations this Session.

Hon. Mr. FOWLER: Yes, and it will stay open. That is the intention. It is not going to be done. If my honourable friend will assure us that those regulations will be made, I shall have nothing further to say on this point. What is the good of saying it will remain open? Anybody knows that it is open, but the question is whether it is going to be closed or not. That is the point we have to consider, and that is the point that is important.

New section 37 was agreed to.

New section 38 was agreed to.

Hon. Mr. DANDURAND: I move that the following be added to section 3 of the Bill as new section 38A:

38A. The Senate or the House of Commons may respectively make regulations from time to time, by rule or by order, rendering more stringent upon its own members the provisions of this Act which relate to attendance of members or to deductions to be made from the sessional allowance.

In order that the Commons may know why we propose this amendment to authorize the making of these regulations, I may explain that there are conditions peculiar to each House which should be dealt with in each case by the House concerned. We are asking power, not to relax the requirements, but to make the amended Act more stringent in its application. I think that the Commons will agree with this proposal of the Senate.

The proposed amendment was agreed to.

On section 4—application of this Act:

All the provisions of the said Act as enacted by the present Act shall apply to the present session of Parliament except the provisions of section thirty-four, which shall only apply to the sessions of Parliament held subsequent to the date of the passing of the present Act.

Hon. Mr. FOWLER: I move that that be stricken out and that these words be substituted:

This Act shall not come into force until the first day of January, one thousand nine hundred and twenty-four.

I do not think it should apply to this Session at all.

Hon. Mr. DANDURAND: We ought not to break faith with the House of Commons, which has accepted the report of the Joint

Committee and sent this Bill to us. We are amending it only in order that we may, if we deem proper, make the provisions regarding attendance and deductions more stringent upon our own House.

The proposed amendment was negatived.

Section 4 was agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

THIRD READING

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

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

INTERPROVINCIAL TRADE

MOTION—DEBATE CONCLUDED

The Senate resumed from June 15 the adjourned debate on the motion of Hon. Mr. Barnard:

That at least two of the vessels now owned by the Government be placed on service between British Columbia in the west and Quebec ports during summer months and Nova Scotia and New Brunswick ports in the winter months, for the purpose of assisting in the development of our Natural Resources, and to increase the interprovincial trade between Eastern Canada and Western Canada, and that such service shall be increased as business demands.

Hon. Mr. DANDURAND: I adjourned this order from day to day with the constant hope that I would have some time to examine into the question which was raised in the course of the very interesting debate which took place on the motion of the honourable member from Victoria (Hon. Mr. Barnard). Unfortunately, I have had very little time—indeed, I should rather say I have had no time—to give to this matter. The Bills which came from the other House monopolized all the time that I could command, and I should perhaps have given still more to some of those Bills if I had been able to do so.

I asked the Railway Department for a memorandum on the main questions that were submitted to this House, and I have received one. At the threshold of this memorandum we find that the Canadian Merchant Marine is not being administered by a department of the Government, but by the Canadian National Railway Board. The following is the memorandum:

The arguments put forward by the honourable gentlemen who have spoken in support of the establishment of a service by the Canadian Government Merchant Marine between British Columbia in the west, and eastern Canadian ports, by way of the Panama Canal, will be brought by the Government to the attention of the President of the Canadian Government Merchant Marine (Sir Henry Thornton), who will be asked to have the representations as to latent traffic carefully investigated and to see that the possibilities of such a service are fully considered.

It is claimed by the Management that the co-operation of the fleet has proved of advantage to the National Railways; that shipments turned over to the Railways for the eleven months ended November, amounted to 172,577 tons, to which should be added 36,949 tons of import freight handled over the Government dock at Vancouver during the same period.

The total value of commodities exported from Canada by the Canadian Government Merchant Marine for the 12 months of 1922 was $41,064,148, and from the United States $2,361,367. The value of traffic carried by these vesels from the inception of the service in 1919 to November, 1922, inclusive, was,—Canadian, $145,511,343; American, $10,971,828, a total of $156,483,171.

Revenue accruing to the Canadian National Railways from passengers carried to and from the steamers for the 11 months ended November last amounted to $32,101, business which the Management feel would have been handled through other channels and by other roads had the company's facilities not been in operation.

At the present time the fleet consists of 64 steamers, three of which are of 2,800 tons dead weight; six of 3,400 tons; three of 3,500 tons; ten of 3,750 tons; eight of 4,300 tons; eight of 5,100 tons; twenty-four of 8,100 tons and two of 10,500 tons.

At present the following services are being operated:

Montreal to St. John's, Nfld. (every three weeks)—Canadian Sapper.

Montreal to Barbados, Trinidad and Demarara (fortnightly)—Canadian Carrier, Canadian Runner, Canadian Squatter, Canadian Otter.

Montreal to Bermuda, Nassau, Jamaica, Belize (every three weeks)—Canadian Fisher, Canadian Forester.

Montreal to London and Antwerp (fortnightly)—Canadian Victor, Canadian Commander, Canadian Planter, Canadian Conqueror.

Montreal to Cardiff and Swansea (fortnightly)—Canadian Challenger, Canadian Mariner, Canadian Explorer, Canadian Leader.

Montreal to Australia and New Zealand (monthly)—Canadian Pioneer, Canadian Cruiser, Canadian Constructor, Canadian Miller, Canadian Ranger, Canadian Seigneur, Canadian Spinner.

Vancouver to Australia and New Zealand (monthly)—Canadian Winner, Canadian Importer, Canadian Scottish, Canadian Traveller, Canadian Prospector.

Vancouver to Japan and China (monthly)—Canadian Transporter, Canadian Highlander, Canadian Freighter, Canadian Skirmisher.

Vancouver to India—(as occasion warrants)—Canadian Britisher, Canadian Inventor.

Vancouver to California Ports (weekly)—Canadian Volunteer, Canadian Rover, Canadian Observer, Canadian Farmer.

Operating in Great Lakes, carrying grain from Head of Lakes to Port Colborne and Bay Ports—Canadian Adventurer, Canadian Sower, Canadian Trader, Canadian Sailor, Canadian Engineer, Canadian Pathfinder.

Special charters—Canadian Navigator, Canadian Logger, Canadian Coaster, Canadian Harvester, Canadian Beaver, T. J. Drummond, J. H. McKee and Sheba.

Respecting special charters, with the exception of the T. J. Drummond and J. H. McKee, which are leased on the bare boat basis, the Company is operating and handling all of the same.

The foregoing comprises the presently active fleet. In addition, there are the following vessels at present tied up;

At Montreal: Canadian Aviator, Canadian Hunter, Canadian Trapper, Canadian Rancher, Canadian Raider, Canadian Trooper.

At Goderich: Canadian Warrior, Canadian Signaller.

At Halifax: Canadian Gunner, Canadian Miner, Canadian Sealer, Canadian Settler, Canadian Voyageur.

Services cancelled since May 1st: Montreal to Liverpool, fortnightly: Montreal to Glasgow, fortnightly.

New service inaugurated since May 1st: Montreal to Antwerp, fortnightly.

The deficit in connection with the Canadian Government Merchant Marine for 1922 was $9,649,478.72; but, as pointed out by the honourable Senator for Grenville, this includes interest and depreciation. The actual deficit from operation was $2,384,189.17.

Route	Number Voyages	Receipts	Disbursements	Balance
		$ cts.	$ cts.	$ cts.
United Kingdom	82	2,566,573 69	3,040,915 95	*474,342 26*
West Indies (Freight)	29	855,947 20	744,526 52	111,420 68
West Indies (Passenger)	18	344,559 53	599,880 49	*255,320 96*
Newfoundland	21	216,409 85	176,571 10	39,838 75
Pacific Coast	38	653,755 91	517,433 68	136,322 23
Australia-Pacific	15	1,280,421 79	1,569,866 05	*289,444 26*
Australia-Atlantic	13	1,761,669 10	1,982,881 39	*221,212 29*
Orient	14	638,004 52	858,672 44	*220,667 92*
South America	2	69,159 77	121,213 69	*52,053 92*
India	3	518,791 89	517,204 62	1,587 27
Mediterranean	4	146,153 10	194,675 71	*48,522 61*
Russia	5	239,730 41	357,472 15	*117,741 74*
Continent	3	68,318 32	97,782 54	*29,464 22*
Lakes and Pulp Charters	12	312,918 23	306,759 51	6,158 72
	259	9,672,413 31	11,085,855 84	*1,413,442 53*

The balance of the operating deficit is made up of overhaul and lay-up expenses	*$ 352,301 37*
General expenses, wharf expenses, etc	*651,818 93*
Less the following credit items:—	
Profit on operation of Vancouver wharf	30,754 13
Commission handling outside steamers	2,619 53
Operating deficit	*$2,384,189 17*

A number of the smaller vessels have been of service in the grain trade on the upper Lakes. They are not suited for the St. Lawrence route as, structurally, they are not adapted for service through the St. Lawrence Canals under full load.

To assist in relieving the acute fuel situation last season, vessels of the fleet were used in transporting coal to Canada from British ports. The total tonnage of coal thus imported was 108,139 tons.

The loss on account of the West Indian passenger service during 1922 amounted to $255,320.96, not including interest or depreciation. This service was established as a result of the Canada-West Indies trade agreement, and as against the loss, there were received from the Governments of the Bahamas, Jamaica and British Honduras subsidies amounting to $59,090. The Canadian Government Merchant Marine vessels, both freight and passenger, were put on the West Indian route to retain for Canadian channels Canadian traffic which was going out of American ports, as well as to carry forward any other traffic offering. That the business is regarded as desirable is indicated by the fact that the Canadian Pacific Railway have now put on steamers.

The Canadian Government Merchant Marine Australian service was commenced in February, 1921, in the interest of Canadian trade, in the development of which it has performed useful service. The subsidy previously paid to the New Zealand Shipping Company of $140,000 a year was cancelled in March, 1921.

The ships have carried a goodly share of Canada's export lumber trade in recent years, though lately lumber shipments have declined. Arrangements have been made to cater to the prospective cattle trade between Canada and Great Britain which is expected to result from the recent change in the Imperial regulations governing the admission of Canadian store cattle into Great Britain.

The Management have made several important recommendations; one is that interest due the Government be regarded as payable only if earned, allowing for depreciation, such remission of interest to be payable for a period of five years. On the notes at present in the hands of the Government this would reduce the deficit to the extent of $4,263,952 a year.

But of course this would not alter the charge upon the public treasury; it would simply change the method of bookkeeping.

But the Management recommend also that the capital cost of the vessels be reduced to what may be considered present replacement value, which they estimate to be in the neighbourhood of $50 per deadweight ton. The capital cost of the ships averaged $191 per deadweight ton.

Again I would remark that this would not alter the obligations of the Federal Government, but would simply be a matter of different bookkeeping.

The Management have also under consideration the possible disposal of a number of smaller vessels of the fleet which are unsuited to successfully compete in overseas trade with vessels of the larger type and which, while suited to coasting trade, are not suited

for Canadian inland trade, being too deep in draft for the canals, and of the wrong type. The Canadian coasting trade is limited, and the Management of the Merchant Marine feel that they have more vessels of the smaller type than can be utilized to advantage, while to try to operate these small boats in foreign trade would, they feel, result in serious losses.

There is nothing in this report from the Management which covers the inquiry as to the advisability of installing in New York a Customs agent to allow for freight going from the East to the West, from Vancouver to Halifax or other eastern ports, and from eastern ports to Vancouver, through the Panama Canal, when they have to stop in New York and break bulk.

I may say that personally I am favourable to the idea of establishing customs facilities at the port of New York to allow of this operation being carried on. The matter has not been finally decided by the Government, and is being studied from various angles. I realize that there may be some loss to the railways in certain directions, but I doubt if they will be affected to any degree. As has been well stated by honourable gentlemen who have taken part in this discussion, there will be considerable freight that will move from the East to the West, and from the West to the East, which would not otherwise be exchanged, owing to the heavy railway rates. I believe we must take a large view of the question, and all that will make for the greater prosperity of Canada should, in the last analysis, make for greater prosperity to our whole railway system.

I will convey to my colleagues of the Cabinet the suggestions that have been made and the representations that have come from the members of this House who have spoken on the subject, when the question is finally taken up and decided by them.

Hon. Mr. REID: Some of those vessels have been constructed so that they will carry passengers. Some of them are now on the West Indies route, and are advertised for sale about the first of August. This is the particular season when they might be put on that route—the summer season for tourists. May I ask the honourable leader of this House if he will give this matter personal consideration, and take it up with the Cabinet, and if possible urge that those vessels be given a trial for at least a year? In my opinion those vessels that have been fitted up for passengers are suitable for this service. The loss, if any, would be very small; indeed, I do not think there would be any. The policy of having a Customs Officer at New York would, in addition to promoting good feeling between the East and the West, be of great service to both of those districts, and would afford to British Columbians the opportunity of calling at New York and getting goods shipped either by Canada or by New York.

Hon. Mr. DANDURAND: I am very much impressed with the argument that has been made in favour of such a policy, and I will try to carry to the Cabinet the conviction that is within me, for their benefit.

The Senate adjourned until 3 p.m. this day.

SECOND SITTING

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

Routine proceedings.

SOLDIERS' PENSION, INSURANCE AND CIVIL RE-ESTABLISHMENT BILLS

REPORT OF SPECIAL COMMITTEE

On the Order:

Consideration of the Report of the Special Committee to whom was referred:

Bill 203, "An Act in respect of the Returned Soldiers' Insurance Act."

Bill 204, "An Act to amend the Department of Soldiers' Civil Re-establishment Act."

Bill 205, "An Act to amend The Pensions Act,"

Together with the amendments made to the said Bills.—(Hon. Mr. Beique.)

Hon. Sir JAMES LOUGHEED: That is not the first item. Cannot my honourable friend give an answer to the question as to whether he is going to withdraw the Railway Bill or proceed with it?

Hon. Mr. DANDURAND: I am not ready to withdraw the Bill, and I will have to give explanations why; so, although it appears as the first Order, I think it should give way to this. My honourable friend does not intend to withdraw his amendment for the six months hoist?

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. DANDURAND: If he carries it, that disposes of the Bill.

Hon. Sir JAMES LOUGHEED: If my honourable friend withdraws the Bill, the amendment falls to the ground. All I want to know is whether my honourable friend is going to withdraw or proceed.

Hon. Mr. DANDURAND: It is my intention to proceed after I have given some explanations. I have been asked to follow that course, and I suggest that we take the Order as called.

The Senate proceeded to consider the Report of the Special Committee.

Hon. F. L. BEIQUE: Honourable gentlemen, when this important Committee was formed I hesitated very much in accepting the Chairmanship, because I felt that many members of this House were much better qualified than I was to do the part of the work that always falls to the Chairman; and I must confess that, when I was called upon to exercise the functions of Chairman, I found, even more than I expected, that my mind was not sufficiently prepared for the work, and that it would have been better to have made another choice. However, I have done what I could, and I think I have given enough time and attention to the matter to understand it thoroughly, and to have become possessed of the facts to a sufficient extent. I was helped by the members of the Committee, who were numerous, and amongst whom were several who had had a large experience in the working of the law.

Our attempt in dealing with the Pension Bill as passed by the House of Commons was to render full justice, as far as could be, to the returned soldiers, and, in their own interests, to decrease as much as possible the expense of working out the law. We thought also that it was our duty to see that the Act was not used for the purpose of giving benefits to persons who had never been in contemplation, and who, in justice, should not derive benefits from that law.

It has always been the opinion of Parliament, I take it, that the law should deal liberally with returned soldiers or members of the forces and their dependents, in regard to injuries or disabilities arising from service. This principle has been jealously maintained by the Committee, and I think there should be no ground for criticism in that respect.

It was stated in the press that the Bill as passed by the House of Commons was the Bill as presented to Parliament by the Minister who had the responsibility in matters of that kind. At the outset we found that this was not the case; that there were in the Bill as passed by the House of Commons no less than four different sections which were not in the Bill when it was presented to Parliament, and which were introduced by members in the House of Commons without proper consideration, as the Committee believes.

Right Hon. Sir GEORGE E. FOSTER: Is it a fact that any or all of those four clauses which were introduced were recommended by the Ralston Commission?

Hon. Mr. DANDURAND.

Hon. Mr. SHARPE: None of them.

Hon. Mr. BEIQUE: No. We have ascertained from the Report of the Commission, and from examining the Chairman of the Commission himself, that the Commission knew nothing about those. They were never considered by the Royal Commission.

I will refer in a few moments to those four different sections and shall give the clause which the Committee has adopted, as intended to cover such cases as should be taken care of.

The Committee finds that one of the main questions is the effect on pension of Bill 205. The Committee find that under the existing law every soldier disabled during service is pensionable, but under the proposed legislation, that is, under the Bill as passed by the House of Commons, the pension privilege would extend to dependents of all such men upon their death. The evidence before the Committee indicated that the adoption of this new legislation would involve an expenditure which in the course of 25 years would amount approximately to $32,000,000. The Committee thought that it was worth its while to see that the returned soldiers were properly treated, but that the expenditure be curtailed, if it was possible to curtail it.

Hon. Mr. BRADBURY I would like to ask just one question. When the honourable gentleman states that the expenditure would amount to $32,000,000 in 25 years, does he mean the expenditure for administration, or does he mean the payment of the claims that would come in?

Hon. Mr. BEIQUE: The amount that would have to be paid.

Hon. Mr. BRADBURY: In 25 years?

Hon. Mr. BEIQUE: In 25 years.

Hon. Mr. BRADBURY: That is not very serious.

Hon. Mr. SHARPE: Under that one clause.

Hon. Mr. BEIQUE: Under that one clause. The Committee found that under the law as it is now on the Statute Book, ex-service men are entitled to pensions for any disability, whether it was attributable to service or incurred or aggravated during service, and that this provision should be maintained; but that the pension should not pass to dependents unless the disability was attributable to service.

I repeat; the Bill as recommended by the Committee provides that pensions be paid

in all cases of disability, whether attributable to or incurred or aggravated during service, but that pensions be not paid to dependents except in the case of attributability to service. That is the distinction which is made between the Committee's recommendation and the clause in the Bill as passed by the House of Commons, which will be found at the foot of page 1 and at the top of page 2 of the Bill as reprinted.

Hon. Mr. FOWLER: Do you give your reasons for that?

Hon. Mr. BEIQUE: Oh, yes, the reasons are given in the report, which is printed. I do not think I should take up the time of the House in reading the reasons. Copies of the report as printed in the Minutes are in the hands of every one of the members.

The second important point relates to insurance. The Committee found that under the original Act ex-service men were under all conditions entitled to take out insurance up to $5,000 without medical examination. The law provided, however, that the Minister might refuse the insurance contract if after investigation the circumstances warranted it. In certain cases it was held that insurance had been taken out in favour of interested people other than dependents, under the 1922 amendment. The Committee decided that of 71 cases 50 would be rejected on this score. The Committee came to the conclusion that the intention of the law was that the insurance should be granted only to ex-soldiers in favour of their dependents, and that ex-soldiers without dependents were ineligible. That is the second ground on which the recommendation of the Committee is not in accordance with the Bill as passed by the House of Commons.

The third ground is this. The Bill as passed by the House of Commons provides for nine different Review Boards and for a Federal Tribunal of Appeal. The Committee, after inquiring what would be the expense—the yearly expense in the operation of that part of the Act alone would be about $500,000—came to the conclusion that one tribunal of appeal, composed of not less than five and not more than seven members, would be able to cope with the work. The members of the Board of Appeal would divide up the work among themselves, and one member would go to one part of the country and another to another part of the country to hear any appeals that would be presented and to pass upon them, subject to review by a tribunal composed of a majority of the Board. That is, if the Board is to be composed of five members, there would have to be three of the members; and the member of the Board who had originally passed upon the case would not form part of that tribunal or Board. The case would be reviewed by men who had not taken part in the original decision. The Committee recommends that those appeals should be limited to cases of entitlement. That is, there would be no right of appeal in cases that concerned only medical opinion, or the question of ratability or the amount to which the party is entitled. In such cases the rates to which a person is entitled are covered by Order in Council and have to be determined by medical men, and the decisions of one Board of, say, three medical men, A, B, and C, should not be reviewed by another Board composed of three other medical men. That would create confusion and open the door to any number of appeals, which would increase considerably the work and expense. With that change the Committee is satisfied that the expense will be considerably reduced, because the number of appeals will be considerably less, and the applicant will have an opportunity to be heard in his own district, and also an opportunity, if he so desire, to be present and to be heard when the appeal is finally passed upon by the Board of Appeal composed of a quorum.

The next point deals with the four sections to which I have referred. I will give the text of the clause which your Committee recommends as meeting such cases. It is to be found on page 541 of the Minutes:

> Any individual case which in the opinion of the majority of the members of the Pension Board and the Appeal Board acting jointly appears to be especially meritorious and for which in said opinion no provision has been made in this Act, because such case did not form part of any class of case, such meritorious case may be made the subject of an investigation and adjudication by way of compassionate pension or allowance irrespective of any schedule to this Act.

Under this clause it will be left to the majority of the members of the Pension Board and of the Board of Appeal, acting jointly, to pass upon any individual cases which have not been provided for under the Act, because they could not properly come within any class. The Committee think that this will enable the Board of Appeal to deal with all meritorious cases which are not otherwise provided for by the Act.

Hon. Mr. LAIRD: Of what nature would the cases be that would not be covered by the Act, and of which the honourable gentleman speaks as being possibly meritorious?

Hon. Mr. BEIQUE: The four sections to which I have referred are these. The first

is subsection 2 of section 2 of the Bill as passed by the House of Commons, namely:

(2) Paragraph (p) of section two of the said Act, as enacted by chapter thirty-eight of the statutes of 1922, is amended by adding the following thereto: —"and also a mother whose husband is in a helpless and dependent condition."

It was proved before the Committee that this amendment would open the door to abuse and to a large number of cases—we could not determine what would be the number—in which dependents would receive very large amounts. I think there was one case in which the amount would have been exorbitant. Such cases would have fallen under this section.

The next section referred to is section 15 of the Bill as passed by the House of Commons. It again refers to pensions of widows:

15. Subsection one of section thirty-three of the said Act, as amended by chapter sixty-two of the statutes of 1920, is further amended by inserting after the words "married to him" in the second line thereof, the words "within one year after date of discharge from the forces or."

This would have opened the door for the pensioning of large numbers of members of the forces who, being very ill, would have married for the purpose of bringing a dependant wife under that provision.

The next clause is 16—widows' pension again:

Clause 16 of the original Bill has been struck out. It read as follows:—

16. Subsection two of section thirty-three of the said Act is amended by striking out the words "provided that the death occurs within five years after the date of retirement or discharge or the date of commencement of pension."

Clause 17 of the original Bill has been struck out. It read as follows:—

17. Subsection two of section twenty-six of the said Act, as enacted by chapter sixty-two of the statutes of 1920, is amended by adding the following proviso thereto:—

"Provided, however, that the Board of Pension Commissioners shall have discretion to pay the pension to any person who was being, or was entitled to be, supported by the pensioner at the time of his last examination."

The meritorious cases which were intended to be provided by these different clauses can be provided for under the new clause which I have read.

Hon. Mr. LAIRD: Would this clause making provision for meritorious cases cover any other case than those provided for in the 4 subsections you have mentioned?

Hon. Mr. BEIQUE: Yes, the clause is general; it is intended to cover all such meritorious cases as would come within the clause. It would not be restricted to the 4 sections of the Bill.

Now, I have but one word to add. When the Bills are in Committee of the Whole there are members of the Committee who will be much better able than myself to answer any further questions which may be asked in connection with the Bills. I desire to say, in fairness to the officials of the Department connected with this matter—and in this I am expressing merely my own opinion—that I was impressed by the intelligence, the fairness, and the ability displayed by them. Those officials limited themselves, as was their duty to do, to answering questions of fact. On several occasions questions were asked as to their opinion, and the invariable answer was a refusal to give an opinion, they saying that they were to answer facts and not to give opinions.

Hon. Mr. DANDURAND: The witnesses likewise.

Hon. Mr. BEIQUE: All the witnesses the same, except one witness, Mr. MacNeil, who stated his opinion.

I move that the report be concurred in. In the last part of the report we ask that 5,000 copies of the report be printed for distribution to the soldiers themselves and the public.

It will be found on the face of the report how members of the force are treated in Canada as compared with the treatment given to the forces in other countries. Honourable gentlemen will have the satisfaction, as I had myself, to find, on reading the report, that our soldiers are treated very liberally, as they should be, as compared to those of other countries.

I move that the report be received, and that the Bills referred to in the report be committed to the Committee of the Whole House, with the three Bills.

Hon. W. A. GRIESBACH: Honourable gentlemen, I was a member of the Committee which dealt with this report, and with some portions of the report I am in agreement, and with others I am not. With respect to those portions with which I am not, I shall have an opportunity of discussing them on the second readings of the respective Bills; but there are a few observations with respect to the whole matter embraced in the report which I should like to offer now, as an opportunity may not present itself later.

As a matter of fact, as disclosed by the report of the Royal Commission, that Commission appears to have concerned itself in its travels throughout the country with questions of rights and justice, and of such amelioration as Parliament might provide. It does not appear anywhere in the report or in the proceedings of the Commission that there was an inquiry or a discussion as to

what the financial implications would be if the numerous proposals as to amelioration were put into effect by Parliament. I think I may say at once that if the Royal Commission had concerned itself in what the cost to the country would be of carrying out the various schemes and proposals which were laid before them, and which the Royal Commission discussed with the persons who put those schemes before them, we should have a very much more valuable report before us, and a better understanding of the whole matter so far as the public and press are concerned.

I desire to offer a few observations with respect to the Board of Pension Commissioners, and the officials of the Government generally, in addition to what my honourable friend the Chairman of the Committee has just said. I agree with what he has said with regard to those people. The complaint has been made throughout this whole country, and so far as I am aware it has not been controverted, that the Board of Pension Commissioners, in the administration of pension law, were lacking in sympathy. Well, I desire to say far myself at once that I do not ask this Board to interpret the law sympathetically, or sentimentally, or in any other way than according to the well-known principles of interpretation of law. If we are to permit or expect that any body of men charged with the administration of the law will allow sympathy or sentiment to interfere with the interpretation of the law, then a great and incalculable injury will be done not only to ex-service men but to the country as a whole. Therefore I say, if those men interpret the law according to the well-known principles of legal interpretation we shall have an opportunity of knowing whether the law is right or not. If it is not, we can change it.

In my opinion, the Board has been unjustly and unfairly attacked on that count, and on a number of other counts. The Board is silent, necessarily; it cannot defend itself. In agreement with the honourable Chairman, I have found throughout this discussion, and previous to the discussion, as one having to do with hundreds of cases of pension claims, that the members of this Board and the other members of the Department of Soldiers Civil Re-establishment who came before us, and with whom I had dealings previously, are capable, honest, industrious, efficient, and deserve well of this country, and the country is well served by them. On the whole, I do not believe it would be possible to get men who are more able and more conscientious to discharge this difficult task, than the men who came before us, the officials of this Board.

In that respect I am not alone. The Ralston Commission itself, on page 129, says this:

> On the other hand, the heavy responsibilities of the Pension Board have already been referred to. It is obvious that it has nothing to gain by refusing pensions. It could have courted popularity and lightened its work by taking a less determined and zealous attitude, and following the line of least resistance; but that the action taken was bona fide, and in the course of what is considered to be its duty, the Commission is satisfied.

Again I say, Canada is fortunate in having men of this type in the administration of a most intricate law, involving vast sums of money, and dealing in considerations which touch the heart and the conscience and the mind of the people of this country very deeply indeed.

With respect to these three Bills, these facts were disclosed. In the first place, we learned that these Bills had been prepared by the Government without reference to some of their responsible officials, and with very brief and cursory reference to other officials. These Bills were not considered by any Committee of the House of Commons. No member of that House during the discussion made any serious inquiry as to what these Bills would cost the country if put into effect; and no member of the Government volunteered any information to the House of Commons as to what the financial implications of those Bills were.

Bill 205 received in the House of Commons, in one sitting, its second reading, its commitment to the Committee of the Whole House, and its third reading.

These Bills reached the Senate in the closing days of the Session under these circumstances, and I venture to say that when these facts are known the action taken by this House in appointing a Committee to go as fully as possible into the circumstances will be fully concurred in by the general public.

The inquiry has disclosed that these Bills are badly drawn and ill-considered; that it is difficult to know that the results will be so far as ex-service men are concerned, and what the financial effects will be on the country. We find in two of the Bills that an expensive and cumbersome machinery is built up, the result of which is that it will cost one dollar to pay three dollars to the ex-service men of this country. In other words, 25 per cent of the total expenditure contemplated by the House of Commons is deflected from the ex-service men into a costly and cumbersome bureaucracy; and the extent to which the report of the Committee deals with this has my entire approval.

Lastly, we find that these tremendously important measures are brought to this House in the closing days of the Session, necessitating an inquiry which must necessarily be hasty, which must necessarily be incomplete, and which, with the best will in the world on the part of the members of this House, must result in a certain inefficiency in dealing with the matter of the proposal before us.

I am hopeful that, with respect to those matters wherein I disagree with the report—a disagreement which is shared by other honourable members of this House who are overseas men—that with an opportunity for reflection, with the passing of time, other members of this House, hustled as they have been in the matter, may in a year or so agree with us.

I am perfectly satisfied that in the Committee the members approached the matter in the very best frame of mind, with a genuine desire to be of service to the ex-service men, and at the same time with an eye to their obligations to the people of this country as a whole. That is all I wish to say at present; but as the various phases of the Bills come before us I will have more to say.

The motion of Hon. Mr. Beique was agreed to.

Hon. Mr. DANDURAND: Do I understand that the three Bills are now committed to the Committee of the Whole?

The Hon. the SPEAKER: Yes.

RETURNED SOLDIERS' INSURANCE BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 203, an Act in respect of the Returned Soldiers' Insurance Act.

Hon. Mr. Bennett in the Chair.

On section 1—where applicant died prior to delivery of policy, the insurance is payable if application approved and premium paid:

Hon. Mr. GRIESBACH: Page 544 of the Minutes of the Preceedings.

Hon. Mr. CALDER: The amendments to Bill 203 will be found at page 546.

Hon. Mr. BEIQUE: I move that Bill 203 be amended as follows:

Page 1, line 8.—After "persons" insert "with actual dependents."

Page 1, line 11.—After "that" insert "certain of."

Page 1, line 15.—After "dead" insert "provided such applicant had any person actually dependant upon him at the date of making application for insurance."

Page 1, line 30.—After "death" insert: "Provided such applicant had any person actually dependant upon him at the date of making application for insurance."

Page 2, line 10.—Leave out from "applicants" to "they" in line 11, both inclusive, and substitute therefor: "applicant now living shall be given the right to insure, provided such applicant had any person actually dependant upon him at the date of making application for insurance, whether he."

Hon. F. B. BLACK: When this Bill was introduced into this Chamber I made some remarks indicating my views with regard to it and the other Bills referred the special Committee for consideration. At that time I stated that Bill 203 in my opinion should be passed as it came to us from the other Chamber. My reasons for saying that are as follow.

The Act of 1920 gave the impression to the returned ex-service men that, irrespective of any conditions, every man was eititled to insurance. I am quite aware that if the Act is read from beginning to end there are conditions which limit that. Nevertheless, that impression was broadly disseminated among the returned men; and, further than that, for a period every individual soldier who applied for insurance got it. For that reason, and for no other, it occurred to me that the 71 cases affected by Bill 203 ought to be considered not entirely as a correct interpretation of the law would indicate, but sympathetically.

Some very pertinent remarks have been made by the honourable member for Edmonton (Hon. Mr. Griesbach), with all of which I agree. There are some things to which perhaps all of us who served overseas take exception, and my opinion with regard to this Bill is still as I expressed it in this House on another occasion. What reconciled me to this Bill as amended is the fact that each of these 71 cases will be considered and will be given an opportunity to establish claims which, in my opinion, are just claims.

Hon. W. H. SHARPE: Before this clause passes, I wish to add a word of protest. I feel, and have felt all along, that this Bill should pass as it came from the House of Commons some days ago. There are 71 cases of returned men who made their applications under regulations formulated by the Department, some of whom died before the Department had an opportunity to act. As they came in under the regulations laid down by the Department, I think it is only fair that the Bill should be passed as it came from the Commons.

35 out of 71 men have passed away, and there are 36 that are supposed to be still living, and the Ralston report recommends

that payments be made at once in the case of the 35 men who have died, and that investigation be made into the other 36 cases.

Hon. J. A. CALDER: Will the honourable gentleman allow me just a moment? He states that these applications were all in, and that under the regulations in existence they would have been accepted. As a matter of fact, in so far as the officials dealing with the matter were concerned, some of the cases were actually rejected. They were referred to the Minister of Finance, and because of the fact that the House of Commons was sitting and that a Committee of that House was going to deal with the matter, he said: "Just wait and we will refer the whole matter to that Committee." But, as I said, as a matter of fact some of those applications had been actually rejected. Let me give you one example. A man applied for $1,000; the application was received on April 22nd, 1922; death occurred on October 3rd, 1922; the application was rejected on May 18th, 1922, on account of serious illness. In other words, we must not assume that all those opplications were simply received and were lying there. Some of them had been rejected. But, as I say, the Minister of Finance, instead of putting his final stamp of approval or disapproval on them, said: "We will let the Parliamentary Committee deal with them."

Hon. Mr. LYNCH-STAUNTON: What is the exact difference between the Bill and the proposed amendment?

Hon. Mr. CALDER: The Bill that came from the Commons provided that all of the 71 applicants should be granted insurance, and that the dependents of the 35 who have died should receive the insurance money.

Hon. Sir JAMES LOUGHEED: The 35 had no dependents.

Hon. Mr. LYNCH-STAUNTON: How is it changed, then?

Hon. Mr. CALDER: The amendments propose that we should go back to what was the apparent intention of Parliament when the Returned Soldiers Insurance Act was passed. While it is quite true that every soldier had the right to apply for insurance without medical examination, no matter what his condition was, and while it is true that throughout the country all the soldiers were under the impression that they could get insurance by simply applying for it, that is not the law and never was. That is where a great many people have gone wrong in their impression of the Statute. In the original statute, section 13 gives the Minister of Finance absolute discretion to refuse any application.

Hon. Mr. LAIRD: For what reason?

Hon. Mr. CALDER: For any reason he pleases. Let me read it. It is as follows:

The Minister may refuse to enter into an insurance contract in any case where there are in his opinion sufficient grounds for his refusing.

So it is not the law and never was intended to be the law that every soldier could get insurance to the extent of $5,000, regardless of his condition and all other circumstances, simply by applying for it.

Hon. G. V. WHITE: Was there any refusal made by the Minister under that provision?

Hon. Mr. CALDER: I have had the record of these 71 cases placed in my hands by the responsible officials of the Department. This record shows that even the cases of those who were actually refused, and whose applications were not accepted, were each referred to the Minister for approval, and he said: "We will wait and hand it over to this Parliamentary Committee."

Hon. Mr. LAIRD: Were those applications refused or just held in abeyance?

Hon. Mr. CALDER: I think they were simply held in abeyance until such time as the Parliamentary Committee would deal with the law.

Hon. Mr. BRADBURY: The Minister was the only one who could refuse.

Hon. Mr. CALDER: Yes.

Hon. Mr. STANFIELD: Under this recommendation of the Committee, how many of those 35 cases will be able to get their insurance?

Hon. Mr. CALDER: You mean of the 71?

Hon. Mr. STANFIELD: I mean of the 35 now dead.

Hon. Mr. CALDER: Under our recommendations on this Bill, every one of those who had immediate dependents—a wife, children, father, mother, dependent brothers or dependent sisters.

What we have tried to safeguard against is what you might call the commercializing of this law. From the evidence that came before us it would appear that certain persons who are not dependent upon soldiers at all would get a man to insure at the last minute, when death impending, in order that some person who was not a dependent would get the benefit of the insurance.

Let me give one of two examples of what actually happened. Take this case—I will not give his regimental number or his name: "Amount applied for, $5,000. Beneficiary, parents. Application received February 7th, 1922. Application rejected March 12, 1922, on account of serious illness. No dependents". In other words, the parents were not dependent upon this man in any way according to the information in the possession of the Department.

Here is another one: "Amount applied for, $5,000. Beneficiary, future wife—brother, alternative." That is, if he had no wife, his brother was the alternative. "Application received, November 10, 1922. Application approved, November 11, 1922. Death occurred November 19, 1922. The policy had not been delivered, and claim not admitted in view of the fact that applicant was in hospital when he signed application, evidently in very serious condition, and no one dependent upon him."

We tried to lay down the principle—and I am convinced it was the intent of Parliament at the time the original Act was passed—that insurance would be granted to those men when there were dependents who would get the moneys accruing from the policy in case of death. It was never intended at all that collaterals, more or less disinterested persons, should come in at the last minute and acquire that benefit. That principle is carried out in the amendment of 1922, and we are simply trying to amend this Bill so as to carry out the intent of Parliament as shown in the amending Bill of 1922.

Now let me ask this. If we adopt this clause, who is going to suffer? Is there any reason why Parliament should provide by law that this class of soldier, many of them practically on their death-beds, should get insurance up to $5,000 and pay it over to someone not dependent on them?

Some Hon. SENATORS: No.

Hon. Mr. GILLIS: I think it is very important that a number of these cases should be put on record so that the public may know exactly what is the situation.

Hon. Mr. SHARPE: There is no doubt in the world that when this law or regulation was brought into effect it was to give insurance, not to the well man who had returned from overseas, but to the man who had been wounded or had taken sick, or something along that line. That was the whole idea from the very first, of giving this insurance, because if a man was in such shape that he could get insurance from an insurance company he would not be bothered with the regulations in connection with the Government insurance. This was for wounded returned soldiers, and I claim, and always have claimed, that every one of those 71 applicants who came properly under the regulations is entitled to his insurance.

My honourable friend from Regina (Hon. Mr. Calder) says that they never came under these regulations. I will admit that the boys out in the country, or the boys in the city, unless they took particular pains to find out, did not know the regulations but I want to tell you that 90 per cent of the boys who went overseas and returned were under the impression that no matter what the condition of a man might be he was entitled to insurance.

Hon. Mr. GIRROIR May I ask for information? What was the object of this insurance? It was to provide against what, or for what? That seems to be the point.

Hon. Mr. SHARPE I suppose the object was the same as that of any other insurance. Why does any man insure?

Hon. Mr. LYNCH-STAUNTON: Was not the real object the protection of his dependents?

Hon. Mr. SHARPE: I do not think so. I will admit that there has been some fraud in connection with this matter; from what I have heard I do not think there is any doubt about that. But what is there that we go up against to-day in which there is not some fraud? I say that if these boys came in under the regulations laid down by the Department, they are entitled to their insurance, and we have no right to amend the Bill and cut them off.

Hon. Mr. GRIESBACH: I support the amendment for several reasons. I believe there has been fraud in a most repellant form. That is to say, a man lying at the point of death has been insured by interested persons who subsequently endeavoured or succeeded in drawing the insurance. After all, the pension was to benefit a dependent, and as a matter of fact, the present situation arises—I will not say from a neglect of duty or from indifference, but from a certain sort of carelessness on the part of the Department of Finance. Here the Act stood; applications were coming in; the Board expressed some doubt as to the propriety of certain applications, and the matter was referred to the Department of Finance. The Department hesitated. They delayed taking

action. Then they referred the matter to the Committee. The 71 cases have accumulated in that way.

Now, I support the amendment for this reason, that these cases will now be referred back to the Finance Minister. He or his deputies are responsible for the situation that has arisen, and if he looks up Hansard of the Senate he will find therein the opinion which I now express, that, having got the Government and the country and himself into the difficulty that now exists, he should give to the amendment which we are about to enact an interpretation which will do substantial justice to all the deserving cases under the Act.

The proposed amendment of Hon. Mr. Béique was agreed to.

Hon. Mr. BEIQUE: I move further that section 2 of the Bill be amended by striking out the words "applicants who are now living shall be given the right to insure, whether they," and by substituting the words "applicant now living shall be given the right to insure, provided such applicant has any person actually dependant upon him at the date of making application for insurance, whether he;" and by inserting after the word "shall," in line 15, the words, "subject to the above proviso;" and by inserting after the word "applicants," in line 19, the words "actually had dependants and had."

The proposed amendment was agreed to.

The preamble and the title were agreed to.

The Bill was reported as amended.

THIRD READING

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

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

PENSION BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Commitee on Bill 205, an Act to amend the Pension Act.

Hon. Mr. Bradbury in the Chair.

Section 1 was agreed to.

Subsection 1 of section 2 was agreed to.

On subsection 2 of section 2—"the war":

Hon. Mr. BEIQUE: I move that subsection 2 be struck out of the Bill. That is the provision regarding the widowed mother. It is one of the clauses to which I referred.

Hon. Mr. GIRROIR: Has a provision to that effect been recommended by the Royal Commission?

Hon. Mr. BEIQUE: No, it was not before the Royal Commission.

Hon. Mr. DANIEL: The mother whose husband is in a helpless dependent condition will, as I understand, be able to come before the Board and have the case considered?

Hon. Mr. BEIQUE: Yes, there can be consideration of any special cases.

Hon. Mr. GRIESBACH: I did not hear what the honourable gentleman said, as there is a good deal of noise down here; but before the amendment is carried I desire to say that the intention was to make a wife whose husband was entirely crippled rank as a widow. We—that is to say, the ex-service men—considered that without doubt an amendment of this sort should carry, for the reason that the woman whose husband is absolutely paralyzed is worse off than a widow. On consideration, we are inclined to think that such a case—

Hon. Mr. GIRROIR: Is the honourable gentleman speaking of subsection 2, or of the amendment now proposed?

Hon Mr. GRIESBACH: The amendment is merely to strike out subsection 2, and I am speaking to subsection 2 as it now stands. We consent to the amendment on the distinct understanding—and we are placing on Hansard what I am now saying for the purposes of interpretation—that this is a meritorious case which it will be proper for the tribunal we are about to create to consider with a view to amelioration. That is the understanding on which we would consent to the striking out of this subsection.

Hon. Mr. MITCHELL: If her husband got better, what would you do?

Hon. Mr. GRIESBACH: That is a matter of medical opinion. If the husband completely recovered, then the case would not longer be meritorious.

Hon. Mr. MITCHELL: There would have to be another Act?

Hon. Mr. GRIESBACH: Not at all. Pensions are constantly increased and lowered or cancelled. That is a matter of rating.

The proposed amendment was agreed to.

On section 3—disabilities in respect of which pensions claimed:

Hon. Mr. BEIQUE: I move;

That section eleven of the said Act, as enacted in by chapter sixty-two of the statutes of 1920, and

amended by chapter forty-five of the statutes of 1921, and by chapter thirty-eight of the statutes of 1922, is repealed, and the following section is substituted therefor:

"11. (1) The Commission shall award pensions to or in respect of members of the forces who have suffered disability in accordance with the rates set out in Schedule A of this Act, and in respect of members of the forces who have died in accordance with the rates set out in Schedule B of this Act, when the disability or death in respect of which the application for pension is made, was attributable to military service as such. Any disability from which a member of the forces who served in an actual theatre of the Great War was suffering at the time of his discharge, shall for pension purposes be deemed to be attributable to or to have been incurred or aggravated during his military service, unless and until it be established by the Commission that the disability was not attributable to or incurred or aggravated during such service."

(1920, c. 62, s. 3. as amended by 1921, c. 45, s. 1 and 1922 c. 38, s. 5).

"(2) No deduction shall be made from the degree of actual disability of any member of the forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the forces provided that no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious, was not of a nature to cause rejection from service, or was a congenital defect;

"(3) An applicant shall not be denied a pension in respect of disability resulting from injury or disease or the aggravation thereof incurred during military service or in respect of the death of a member of the forces resulting from such injury or disease or the aggravation thereof solely on the ground that no substantial disability or disabling condition is considered to have existed at the time of discharge of such member of the forces;

(d) * * * * * * * * *

(e) * * * * * * * * *

"(4) Subject to the proviso in subsection (2) of this section, when a pension has been awarded to a member of the forces who has served in a theatre of actual war, it shall be continued, increased, decreased or discontinued, as if the entire disability had been incurred on service.

(2) * * * * * * * * *

"(5) The Commission may require a pensioner to submit periodically in such form as may in the opinion of the Commission be necessary or advisable, a statutory or other declaration that he is the person to whom the pension is payable, and that his dependents in respect of whom he is in receipt of additional pension are living and are being supported and maintained by him, and in the event of his refusing or neglecting to submit such certificate, the Commission may suspend future payments of pension until the same is received."

Hon. Mr. GRIESBACH: Does the honourable gentleman, the Chairman of the Committee, intend to lead the discussion of this question?

Hon. Mr. BEIQUE: No, I leave it to the honourable gentleman.

Hon. Mr. GRIESBACH: This clause, honourable gentlemen, may be described as the essential meat of this Bill. The situation is this. There are two pension principles, of which the House has heard a good deal in the last few days,—the insurance principle and the "due to service" principle. The insurance principle may be described as giving entitlement to a pension for any injury producing a disability which is due to the man's service in the army; that is to say, from the date of his enlistment to the date of his discharge It is called the insurance principle because, in effect, the State says, "Anything that may happen to you during your period of service will be made good by the State." That is the so-called insurance principle. The other principle of pensioning is described sometimes as the "due to service," which in effect means that a man is pensionable for a disability resulting from an injury received by him while in the service, due to some form of military service. An example will be given of each case. First of all, as to the insurance principle. A man joins the army, finds his way to England, goes to London on leave and is injured in a motor accident. Under the "due to service" principle he would not be pensioned, for the reason that he had not been injured while engaged in military service. Under the insurance principle, however, he would be pensioned, because he was injured while in military service.

Hon. Mr. BEIQUE: We maintain that.

Hon. Mr. GRIESBACH: I have made that plain. The next step is to deal with the period 1919, in which our Parliament legislated that members of the forces who had a disability resulting from an injury received while on service, or in accordance with the insurance plan, were entitled to a pension, and, flowing from that entitlement, the dependents of such men, in the event of death, were also entitled to a pension. Such was the law from 1919 until the 1st day of September, 1920. An amendment in the year 1920 produced a different state of affairs. Then it was enacted that the dependents of a man who had suffered a disability due to any injury sustained while in the service, but whose injury was not attributable to military service, should not have a pension; that the only dependents who might continue to be pensionable in the event of the death of a pensioner, were the dependents of those pensioners whose injury, whatever it might be, was due to military service. You see at once that by the passing of the Act of 1920 there were cut off a class of dependent persons who previous to that date had been entitled to pension. Now we have before us a Bill which in effect restores the pension principle of 1919—the pension principle whch was withdrawn in 1920.

Now, honourable gentlemen, in considering whether or not we should pass the amend-

ing Bill, there are, it seems to me, only two questions: the question of justice and right on the one hand, and the question of cost on the other.

I realize that while I may establish the justice and right of granting certain pensions, the House may decide that it is just and right, although the country cannot afford to do so. I will deal with that question separately. In the meantime, I address myself to the question of justice and right.

I go back to the beginning of things, in a search to ascertain what was the contract between the people of this country and the men who constituted the Expeditionary Force. I shall not look for that contract in any written document, nor in any Act of Parliament. I shall look for it—and I think I shall find it—in the statements of 10,000 recruiting officers, in the statements of public men, in the statements of societies and organizations and newspapers from coast to coast, made in an endeavour to secure men for the Expeditionary Force. It was stated that any man who gave up his civil occupation and joined the Force for the purpose of proceeding overseas would be fully and absolutely protected, not only in himself, but also as to all those dependent upon him. What difference, after all, does it make, now that the war is over, now that it is an episode of the past—what difference does it make whether a man lost his leg in a bus accident in London or lost it on the field? It is more than probable that that man may have been on leave from the trenches in France for eight days—

Hon. Mr. MURPHY: I would like to ask the honourable gentleman a question. Why were not the venereal conditions taken into consideration? I do not know why the position of things as respects venereal diseases was not gone into, because that was as much a war fatality as anything else. Although I had four sons there, they did not belong to that category, but I wanted to hear what the honourable gentleman had to say on it.

Hon. Mr. GRIESBACH: I think the argument is that a man may escape venereal disease if he wishes to. I was dealing with the contract that existed. I leave it to the judgment of the House whether it was not the fact that all the discussions that took place, and the whole attitude of the people, related to the insurance principle. The people of this country in effect pledged themselves to men who took up military service and went to the war that their dependants would be looked after, as well as themselves. There can be no escape from that by any man who had anything to do with the war, either in Canada or elsewhere. Now we have the Act of 1920, which alters the principle of the Act of 1919. Parliament having accepted the principle and having carried out the contract in that Act, the Act of 1920 breaks the contract.

Hon. Mr. LYNCH-STAUNTON: What was the justification alleged for the Act of 1920?

Hon. Mr. GRIESBACH: What I think happened was this. I think the amendment was slipped in, and it passed without observation—because all the members of Parliament and the members of this House are continually learning more about this Pension Act. Five or six days ago it would have been possible to make many statements to our Committee which could not have been made five days later. If any of us feel now that we failed to ask any questions in Committee that we should have asked, it was because we did not know of them. I do not know how this amendment got in, and perhaps it is not germane to the discussion how it got in, but the fact is it got in, and it constitutes a breach of contract.

Let me pass from that for a moment to discuss the unwisdom, shall I say, and the unfairness, of endeavouring to make a distinction between the two sorts of injured men and their dependents. Suppose a man is injured in a bus accident in London when on leave from the trenches. Now, leave to England or some other place was as essential a part of a soldier's life as was his food and his clothing; it was as important to his morale that he should leave the trenches for a period as that he should have food and be clothed and properly housed. Those of us who were there know that absolutely, and honourable gentlemen who have imagination will know that it must be so

Hon. Mr. GIRROIR: Was the soldier on leave still under pay?

Hon. Mr. GRIESBACH: Oh, yes. The man was sent to England or elsewhere in order to recuperate him and build up his health; yet if he suffered an accident under those conditions we say his accident is not attributable to military service as such, and consequently, under the Act of 1920, although he may receive a pension for his injury, his dependants do not receive a pension.

Hon. Mr. LYNCH-STAUNTON: Take the case of a man who was in the trenches and had to walk back to a resting camp, say

five miles, and on coming back he stumbled into a hole and broke his leg; he would partake, would he not?

Hon. Mr. GRIESBACH: I think he would, if he was walking along the road. But suppose, for the sake of argument, that he was passing an orchard in which there was a good deal of fruit hanging from the trees, and he climbed the fence and climbed a tree to get a couple of apples, and he fell off the tree and broke his leg, he would get a pension, but his dependants would not, because, though he had been injured while in military service, his injury was not due to military service.

Hon. Mr. FOWLER: If he was entitled to a pension, his dependants should be entitled to a pension.

Hon. Mr. GRIESBACH: Quite so. The Act of 1919 gave to the man injured on service a pension, and provided that in the event of his death his dependants should receive a pension. The Act of 1920 continues that provision with respect to the man injured due to service, but it provides that the dependants of the pensioner injured while on the service in the way I have described are not entitled to pension. Therefore, looking back on the war as an episode, you have in this country, living side by side, two women. The husband of one woman had his leg broken in a runaway accident by the artillery running over him; he got a pension; he is dead, and she gets a pension. The other woman's husband, we will say, climbed an apple tree to pick an apple, or was injured in a bus accident in London; in his lifetime he got a pension, but on his death his wife does not get a pension.

Now, it is a question of contract, and I think I have established the contract. It is a question of right and justice as one looks at it in retrospect, so to speak; and I think I have established my case, to my own satisfaction at all events, and I believe to the satisfaction of the ex-service men in this House. It is to be borne in mind that from 1919 to 1920 the pensions were running on the insurance principle. In 1920 that is cut off, so that you have people in Canada today, women and children, drawing pensions for husbands and fathers who were pensioned on the insurance principle between certain dates, and not pensioned after the year—a form of injustice and unfairness that will be apparent to every one of you.

Hon. Mr. LYNCH-STAUNTON: How will these amendments affect the ex-service men—that is, the Act of 1920 and the amendments proposed now?

Hon. Mr. GRIESBACH: The Bill proposes to restore the conditions of 1919 as altered by 1920—the repeal of the 1920 Act, and restoring the conditions of 1919.

Hon. Mr. FOWLER: What about the Committee?

Hon. Mr. GRIESBACH: The Committee proposes to strike out the paragraph in the Bill, and leave the law as it was in 1920.

Hon. Mr. LYNCH-STAUNTON: They do not intend to legislate.

Hon. Mr. GRIESBACH: They do not intend to legislate in respect to that portion of the Bill. I should add that at the present moment, under the interpretation of the law, all men who suffered an injury while on service, resulting in disability, are pensionable, but only those dependants who belong to a man who suffered an injury due to military service receive a pension.

Hon Mr. LYNCH-STAUNTON: How wide is military service? What is an injury received in military service?

Hon. Mr. GRIESBACH: Due to military service? Give me any case you like.

Hon. Mr. LYNCH-STAUNTON: I do not mean physical injury. What is the extent?

Hon. Mr. GRIESBACH: Here is a man who desires to go from one place to another, and he is run over by a motor car. He can suffer injury that is not due to his military service. That is my argument. Now, having turned to the question of justice and right, I must in fairness turn to the question of cost, because trouble has been that everybody is willing to discuss the rights of soldiers, but very few people are willing to discuss with any degree of courage and common sense the question of cost, and we will never get anywhere in endeavouring to put our ex-service men in a proper position unless at the same time that we discuss the rights and obligations we also discuss cost.

Hon. Mr. FOWLER: I go with you all the way except that. I think the question of justice and right is more important than the question of cost.

Hon. Mr. GRIESBACH: Quite so. The question of justice and right is of paramount importance, but what good is it to arrive at a conclusion as to justice and right when we have exceeded the financial ability of the country? And, after all, a bankrupt Canada is no good to anybody, and least of all to the ex-service men. Now, I want to discuss the cost that has been given. We have been given

the cost involved in the passing of the Bill as it stands, without the amendment proposed by this Committee.

Hon. Mr. LYNCH-STAUNTON: The additional cost?

Hon. Mr. GRIESBACH: I am talking about what it would cost if we passed this clause.

Hon. Mr. LYNCH-STAUNTON: Additional to what we are paying at present?

Hon. Mr. GRIESBACH: Yes; whenever I speak of cost I mean additional cost.

Hon. Mr. FOWLER: You mean the cost additional by restoring the condition of 1919?

Hon. Mr. GRIESBACH: 1919 on top of of the present expenses. I said that the law of 1919 stood to September 1920, and at that time the law was altered, and if we pass the Bill and reject the amendment we have to deal with the arrears. We have to deal with those people who, had the law not been changed in 1920, would continue to have been dealt with under the Pension Act; so I shall refer to those people as the arrears to be dealt with.

We asked the Board of Pension Commissioners what it would cost to deal with those arrears, and I take it that the Board of Pension Commissioners could give us precise information on that point. The information that they gave us is that it would cost $450,000 in a lump sum to compensate or to deal with those arrears.

Right Hon. Sir GEORGE E. FOSTER: Up to date?

Hon. Mr. GRIESBACH: Up to the 31st of March of the present year. That, I take it, is definite and known amount to settle with them,—$450,000. Then the question arises, what would the obligation be with respect to the future? Upon that score it was apparent to the members of the Committee that only an estimate could be given. It is obvious to the Committee that men die, and that the pension of a man thereupon ceases. I you consult the tables in the Act, you will see a pensioner gets a pension himself during his lifetime according to his disability, and according to his disability his wife gets something, and his children get something. On his death the pension to him ceases, and the widow goes off what is called the Married Women's Allowance, and comes on the pension; and I fancy, although I have no information on that score, that the pension to the widow and the pension to the children after the husband's death will exceed what the pension to the husband and the allowance to the woman and the children were before the death. That is why we have an increase due to this clause.

Hon. Mr. FOWLER: At what age does the pension to the children stop?

Hon. Mr. GRIESBACH: Seventeen and sixteen; under very special circumstances there may be provision for a year or so longer to provide for higher education.

Now, the Board of Pension Commissioners estimate that for the fiscal year ending March 31st, 1924, the amount required in respect of this class will be $100,000; and then they make this assertion, which I am not able to controvert, and which honourable members will find a little difficult to understand—they make this extraordinary assertion, and it may be perfectly sound, based upon tables of mortality, that $100,000 would be required to cover the period from March 31, 1923, to March 31, 1924, and that every year thereafter the amount will be increased by $100,000. That is to say, the first year, $100,000; the second year, $200,000; the third year, $300,000; and so on; the tenth year, $1,000,000; the twentieth year, $2,000,000; the twenty-fifth year, due to mortality, a larger amount. In the twenty-fifth year, when the decrease will begin, the total amount which will have been paid, according to this estimate, with respect to this class, will be $32,000,000 in 25 years. In the twenty-fifth year I suppose the amount paid would be $2,500,000.

I may say that this estimate is questioned. I have examined the questioning, and I am bound to say that the questioning is no stronger than the estimate. The questioning may be right or wrong, and this estimate may be right or wrong. After all, these man are the advisers of the Governement in matters of this sort, and we must deal with their information as correct.

Hon. Mr. TODD: Quite a small percentage in number would come under this clause.

Hon. Mr. GRIESBACH: Quite a small percentage.

Hon. Mr. TODD: What I am trying to get at is this. If this class of pension, which I imagine would be small in proportion, amounts to $32,000,000 in 25 years, what would the total be?

Hon. Mr. GRIESBACH: Our pensions now are $31,000,000 odd a year, and if they were not increased or decreased they would amount in the aggregate to $310,000,000 in 10 years. I was going to say that, after the consideration of $32,000,000, one is apt to be staggered.

Hon Mr. LYNCH-STAUNTON: Have we not paid out at the end of 25 years $325,000,000?

Hon. Mr. GRIESBACH: You pay $100,000 the first year; $200,000 the second year—that is $300,000; we pay out $300,000 the third year—that is $600,000. You pay $100,000 each year and add $100,000 each year. I have not made the computation. I have accepted these figures, and I think the Board of Pension Commissioners is prepared to stand by them.

I have discussed the justice of the case. The cost is before us. It is represented to me, first, that an injustice was done in cutting these people off, and that there are in Canada to-day a number of wives and children and not a few dependent parents who are urgently in need of this assistance by reason of the loss of the breadwinner of the family. Having regard to the cost of the present Pension List, which stands at $31,000,000, I would say this with respect to this clause. If we were to strike out all the other provisions of this Bill that involve cost or were to strike out this clause, personally I would prefer this clause. It would increase your Pension bill $100,000 the first year, as I have described, and so on. It increases the Pension bill no more than $2,500,000 in any one year, and that is in the 25th year.

The question is whether we, in addition to all the other charges we have to meet, can afford to add to our present Pension bill a sum of money which in the first year amounts to $550,000, which at no time throughout the whole period amounts in any one year—and that only in the last year—to more than $2,500,000. As I say, this clause is the meat of this Bill. If we are to increase the Pension list anywhere, I submit here is the place to do it.

I have given the matter thought and consideration, and I have undertaken to differ from my colleagues on the Committee, and, with respect to this clause, I will support the Bill.

Hon. Mr. LAIRD: Mr. Chairman, as a member of the overseas forces, I am very much interested in the explanation of the honourable gentleman from Edmonton (Hon. Mr. Griesbach) of the various clauses of this Bill. It must be apparent to members of this House that those who had the opportunity of serving on this particular Committee were in a much better position to familiarize themselves with the terms of it and what was proposed than those who were not acting on the Committee and who had to wait for the information contained in the Report.

I do not propose to enter into any discussion in detail as to the information which has been advanced by the honourable gentleman from Edmonton. I could not throw any more light on the subject than he has done. But, having received the information which he has given us, I must say that he has created an impression upon my mind to the extent at least of encouraging me to support the Bill as it was introduced into this House.

I not only commanded a unit overseas, but I enlisted thousands of men in Western Canada and encouraged them to join the overseas forces. In doing so I had to give certain assurances to them and their families before they entered the service. I told them, as almost everyone did who recruited men for overseas, that in cases of emergency their families and dependents would be properly protected and cared for. I did not tell them, and I would have been ashamed to tell them that, if it so happened that they met with an accident while on leave or when they happened to be disengaged from military service, their dependents at home would not receive the protection of the people of Canada. I assured them, as I have no doubt other men recruiting overseas forces did, that they would be amply protected if they gave their services for war purposes.

When they went overseas the people at home broke into song, and said they would keep the home fires burning; but they did not say they would only keep them burning while the men were actively engaged in the front line trenches, and that they would entirely neglect a man who might be injured in a football game while in reserve, and physically incapacitated. The contract, as stated by the honourable gentleman from Edmonton (Hon. Mr. Griesbach) between the people of Canada on the one part and the men who served overseas on the other, was that the State should own the services of the men who enlisted from the time they enlisted until they were discharged. That was the contract, whether stated or implied; and that is the contract which the people of this country are morally bound to maintain in any legislation that may be brought before this House.

The best evidence that that was the contract is the fact that it was embodied in the law; and I must confess that I am not very proud of the action taken—although I must have been a party to it, for I was a member of the Chamber at the time—when this Parliament reneged from the contract and passed the legislation of 1920, possibly because they felt it was costing too much money. But,

having done what I did, now that this Bill is before us for making right what in my opinion was an injustice, I am prepared to make amends by supporting the Bill as originally brought to this Chamber.

Hon. Mr. FOWLER: While I am in accord with both of the amendments proposed by the Committee, on this point I propose to vote for the Bill as it originally stood. I am a great believer in the carrying out of contracts, and, as pointed out by both the honourable gentleman from Edmonton (Hon. Mr. Griesbach) and the honourable member for Regina (Hon. Mr. Laird), a contract was entered into the people of Canada and the soldiers that the dependents of the soldiers would be looked after. I shall vote for the Bill.

Hon. Mr. POPE: As one of those who did not go overseas owing to the age limit and some other conditions, I repeated very often, upon every platform upon which I stood in an endeavour to induce men to go overseas, that if the opportunity ever came to me when I could do anything for them or their dependents I would avail myself of that opportunity. I am going to do so to-day by supporting the Bill.

Hon. Mr. GIRROIR: Honourable gentleman, I want to make it clear what amount is involved in this proposition to restore conditions to what they were in 1919 $32,000,000?

Hon. Mr. GRIESBACH: The arrears are $450,000; there is $100,000 for the first year, and $100,000 is added each year afterwards, so that 10 years from now the payments will have been $10,000,000; 20 years from now they will have been $20,000,000; and by the 25th year, when the decline commences, we shall have paid with respect to this class a total sum of $32,000,000.

Hon. Mr. GIRROIR: As I have to vote upon this question, I suppose I should give some reasons before I cast my vote in favour on the proposition embodied in this Bill, which is to restore conditions as they were under the Bill of 1919.

We had a proposal before us the other day to build branch lines of railway, involving an estimated expenditure running into $100,000,000. No one could exactly foresee what amount would be spent; but anybody who knows anything of the cost of building a railway under present conditions, and the cost of equipping and running it, can figure out fairly well the enormous expenditure that is involved in such a proposition. There was not a single reason advanced in support of that proposition; there were no details given and nothing that would convince anyone of the necessity for it; yet the House of Commons, including the Minister of Finance, did not hesitate to pass the Bill and send it over to us. If, in the opinion of the Minister of Finance, a proposition of that magnitude could be put through without sending this country into bankruptcy, I do not see why we should hesitate for one moment to support a proposal to restore conditions as they were in 1919 to the men who served this country in a great emergency.

I cannot say anything that would strengthen the position of those who are arguing in favour of restoring those conditions, more than has been said by the honourable gentleman from Edmonton (Hon. Mr. Griesbach). It seems to me that he puts the case so very strongly that anything I can say would not add any strength to his case, but might weaken it.

I was not eligible for military service when the war was on; I did not raise any battalions; and I did not go overseas. Others went overseas and foutht my battles, and I think the very least I can do is to endeavour to assist the dependents of those who took part in the war and fought to preserve to me the conditions as they exist in this country and throughout the Empire to-day. I heartily support this proposition, and I think every honourable member of this House will feel that it is his duty to do his utmost to place the dependents of the men who died from injuries received overseas, no matter what may have been the cause, in the very best condition that this country can afford.

There are votes sanctioned in the House of Commons, and have been during the present Session, that are not nearly as deserving as this, and for that reason I am heartilly in accord with the honourable gentleman from Edmonton in his proposal to restore the Act of 1919.

Hon. Mr. TURGEON: Honourable gentlemen, I have not gone to war either, but I am responsible for hundreds in my riding who went at my request. My promise to them was that they would be well rewarded, and that their dependents would be looked after.

I was greatly interested in the explanation given by the honourable gentleman from Edmonton, whose career as a soldier is well known, not only in Canada but in other parts of the Empire, and I may say that it will be my pleasure to vote with him on this Bill and to ask the country and the Government,

both present and future, to economize in other lines and to develop our ressources in every way possible in order that we may pay a just debt to those who saved us from the slavery of the Germans.

Hon. Mr. CALDER: We have under consideration at the present time section 3 of the Bill, which, without question is the most important part of all these Bills, and the one, possibly, that involves the largest expenditure. When you come to take into consideration the amount of money involved, I think I may say that, so far as the Committee is concerned, and, if I am not much mistaken, so far as the great majority of the members of this House are concerned, it is not worrying us very much, because, after all, it is not very great.

I ask that this body do not too hastily come to a conclusion as to what should be done with this section. I will go further than that, and say that, outside the members of the Committee, who have for four or five days wrestled with this question in all its bearings, I doubt very much if many members of the Senate clearly understand what it means; and I would ask that we be not carried away simply by sentimental appeals and that sort of thing. We should clearly understand exactly what we are doing, and why we are doing it.

It is quite true that in 1919 the Parliament of Canada gave to a certan class of dependents the right of pensions; but subsequently, one year afterwards, the other Chamber appointed a Committee, and that Committee wrestled with this question day in and day out, along with other questions, for weeks. and finally came to the conclusion that the decision which Parliament had previonsly given- should be reversed. Am I stating the position fairly? I say that in the year 1920 a Parliamentary Committee was appointed in another place for the purpose of considering this question which we are now trying to settle in an hour's debate, many of us not knowing the facts at all; and I say that after full deliberation in the other House the conclusion was reached that the pensionability right that had been given previously, and perhaps without due consideration at the time, should be taken away.

The problem came before the Committee of the Senate, and, so far as I am concerned, I regret very much that we had not a great deal more time in which to consider all the questions that are raised by these three Bills. I consider it unfortunate indeed. I do not blame anybody. The Ralston Commission's Report came down late. Parliament had not these Reports before it. But I say it is unfortunate that in dealing with these various problems, which are exceedingly technical and complicated, these reports did not come down to us, and that the members of the other House had not the fullest opportunity to examine every phase of the propositions, from top to bottom, in order to understand their nature and effect.

The position is very simple, and I would like to state it in such a way that every member of the House may understand what is the real problem before us;—and I will not state it in the language of the Bills, because that is rather technical.

A man who is in the forces goes on furlough or holiday to visit friends up in the North of Scotland. He goes out shooting, and he is shot somewhere in the body by one of his companions, and is injured permanently. The injury is not due to military service in any sense. That man, under our law and practice as they are now, and as they always have been, gets a pension, and it will continue as long as he lives. But, he dies, under the existing law, his dependents will not receive a pension.

Another man goes on furlough to Paris. He is walking along or crossing a street and a motor bus hits him. He is not on military service at all, but is in Paris on leave—enjoying himself, if you like—when he is struck by the motor car. Under our law and practice, that man himself gets a pension as long as he lives, but if he dies his dependents are not pensioned.

Now, the question that is raised by the present section is this: should the dependents of those two men, injured as they were, receive a pension when those men die?

What do we find? We tried to get evidence as to the law prevailing elsewhere, and we find that in Great Britain and in the United States the law is a little different. For example, we find that, if I remember the evidence correctly, in certain classes of those cases in Great Britain the man does not get a pension at all, but if he lives for 20 years and then dies his dependents will be pensioned.

Hon. Mr. GRIESBACH: Seven years.

Hon. Mr. CALDER: Seven years, is it? For seven years the man himself does not get

any pension, but if he dies at the end of the seventh year, his dependents are pensioned.

Hon. Mr. GRIESBACH: No, no; at any time within the seven years.

Hon. Mr. CALDER: Oh, he must have died within the seven years? Well, it just shows the position we were in, so far as evidence was concerned. At any rate, under the English law and practice, that class of men, as I understand, does not himself get a pension, but if he happens to die within seven years, his dependents will. On the other hand, so far as the United States is concerned, the most that we could gather from evidence given by one of the chief officers of the Pension Bureau—Dr. Rogers, was it not?—was to the effect that they stretched their law and regulations to such an extent as to give pensions to dependents in some of these classes.

Hon. Mr. BEIQUE: Not in some of these classes, but in some cases.

Hon. Mr. CALDER: Yes, in certain cases. That is the way I understand the evidence. You must remember, honourable gentlemen, this question was thrown at us at a very late stage. I would have liked to have had another three weeks to examine it. For the past four or five days we have worked night and day in order to get at the bottom of the question. So far as we can learn, the practice of the United States as regards the dependents of men of that class, that is, men whose injuries were not attributable to service, is to stretch their laws and regulations so as to make provision for individual cases, or certain kinds of cases.

What do we say in our report? Read our report. We have not committed ourselves one way or the other as regards this principle. We are not asking Parliament to commit itself. We simply say that at this time we should hesitate to write this permanently in our law. All those other countries have thoroughly considered and thoroughly discussed the principles upon which pension law should be based. Surely it cannot be said by anybody, even the honourable gentlemen who have spoken, that the Parliament of Canada has shown any disposition whatever to do anything but justice to our returned men. You have only to read the schedule in our report, which shows clearly that in regard to pensions Canada has gone further than any other country in the world.

Hon. Mr. BEIQUE: Much further.

Hon. Mr. GIRROIR: It is to our credit.

Hon. Mr. CALDER: I do not think we should allow a question of sentiment to carry us away at this time. All our Committee asks is that Parliament should pause and think, and that it should get exact and reliable evidence upon which to base its judgment. Such evidence we have not at the present time. I think we are asking for only what is right.

Hon. Mr. SCHAFFNER: What will be the result of that?

Hon. Mr. CALDER: We simply ask that the matter be allowed to stand for one year, until Parliament is placed in possession of the evidence and information which we think it should have.

Hon. Mr. GIRROIR: My honourable friend deprecates sentiment in dealing with this matter. May I ask him this question? Was it sentiment or was it cool business that sent our boys overseas?

Hon. Mr. CALDER: That is clearly apart from the question, if I may be allowed to say so.

Hon. Sir JAMES LOUGHEED: This is an Act of Parliament.

Hon. Mr. CALDER: There is a sentiment, and there has always been a sentiment, behind this whole problem, and Parliament has acted on that sentiment. The Parliament of Canada has shown, by great majorities in both Houses, that sentiment has led them a long way in dealing with this question.

Hon. Mr. GIRROIR: Why say that sentiment did not enter into it?

Hon. Mr. CALDER: I do not say that, but I say we should not allow ourselves to be carried away by sentiment alone on this question.

Hon. Mr. GIRROIR: I agree with you there.

Hon. Mr. LYNCH-STAUNTON: I have listened attentively to what the honourable gentleman has said, it seems to me there is no necessity to make further inquiry into this particular phase of the Bill. The question is entirely one of cost. Everybody admits that there is merit in the proposed legislation. No person that I have heard speak has distinguised between the merits of the case of the man who is killed in the fight and the merits of the case of the man who is killed while on leave. To my mind the one question for us to decide is not what distance other nations have gone in granting pensions, or on what principles

they have acted, but whether or not, when we have ascertained the cost—and I assume that the honourable gentleman from Edmonton (Hon. Mr. Griesbach) has given us the correct total—whether or not it is too great a burden for us to bear. Granting the merit, the only question remaining is that of cost.

Now, if the Committee fought for a year, they would get no further enlightenment on that part of the question than they have to-day, and it does seem to me that if we are not afraid to place on the Statute Book an amendment increasing the pension cost to this country by the amount which has been stated to us as the ultimate liability, we should vote for the Bill as it stood.

Hon. Mr. TAYLOR: Honourable gentlemen, I think it is true that the pension scale in Canada is the most liberal paid anywhere, but what satisfaction is that to the widows and orphans of the men whose pensions were cut off by the legislation of 1920? The cost is stated to be $100,000 a year. As to the $2,500,000 in 25 years, I am very sceptical. I have seen no authority for that estimate. To my mind it cuts no figure whatever. Twenty-five years is a long time and we shall have many, many opportunities of revising our legislation between now and the end of that period. As I see it, the question is this. There is at present a cost of $100,000 a year being borne by the widows and orphans of the men who served this country when we needed the service of real men. We have a report of a Committee that has given a great deal of attention to this subject, recommending to us as a nation to assume that $100,000 that these widows and orphans are now bearing. For my part, I desire to support the recommendation of that report and to oppose any suggestion that because of timidity we should further suspend a measure of justice to those widows and orphans.

Hon. GEORGE GORDON: Honourable gentlemen, I cannot understand at all why there should be any distinction between the dependent of the soldier killed at the front and the dependent of the soldier who, having been at the front and become exhausted, has been sent back to Paris or elsewhere to rest, and is killed while on leave. Without that rest, the soldier would be of no further use. Perhaps after a rest of three or four weeks he is able to go back to the front again. As I understand, if anything happens to the soldier while on leave, his dependents are treated differently from those of the soldier whose death is attributable to service. It seems to me that this is one of the most ridiculous propositions that has ever been put before this House, namely, to cut off the dependents of that man and treat them differently from the dependents of the man who was killed at the front.

The next thing to be considered, we are told, is the matter of cost. We are told that it will take $100,000 a year to place these men or their dependents in the position in which they ought to be placed.

Hon. W. B. ROSS: That is not so. The expenditure is increased at the rate of $100,000 a year.

Hon. Mr. GORDON: I know it is an increase of $100,000 a year. As a citizen of Canada, I would be ashamed if I were unwilling to shoulder my share of the cost. I hope that this Senate will put the Bill through in such a form that justice will be done to these people.

Hon. Mr. DANIEL: Honourable gentlemen, I quite agree that the Committee are entitled to a great deal of thanks for the time and trouble they have taken in order to bring in this report but, as to this particular amendment, I must say that I cannot support it. I think the dependents of a soldier, a man who was enlisted for the war, whether his death occurred right at the front or during a period of leave, ought all to be treated on the same basis. So far as the dependents are concerned—and this question refers only to the dependents—it appears to me that it makes no difference whatever whether the injury or death occurred in the trenches, or whether it occurred when the man was on leave. I think that we as a people should take care in every possible way of the dependents of soldiers who have died or become disabled in the discharge of their duty while under enlistment and in uniform, whether they happened to be in the trenches or on leave.

The very case mentioned in the report is one that convinced me that I ought to vote against the amendment. Let me state the instance. A man on leave in London was injured in a street accident. His injury occurred on service, but is not attributable to service. Now, that man, to my way of thinking, is just as much entitled to his pension, supposing he were run over by an auto, or something of that sort; he is on service, he is on duty; he has dependants, his wife and family. Surely the right is just as great in that case in regard to his dependants as if he had been actually killed or disabled in the trenches. That is my view of it, and I shall not be able to support that amendment.

Hon. Mr. CALDER: There is one phase of the discussion that we should get quite clear, and that is the question of expense. As I said, so far as that is concerned, it does not bother me very much. But the law was changed in 1920. Certain of those soldiers who received injuries not due to service have died; but if we say we should go back and restore that law, immediately there is $450,000 to be paid on that account to their dependants.

Hon. Mr. McMEANS: What of that?

Hon. Mr. CALDER: The House does not understand the financial position, and I want to make it clear. I say there is $450,000 to be paid on that account.

Hon. Mr. MURPHY: That we owe the widows and orphans.

Hon. Mr. CALDER: No, not that we owe them. The existing law has been carried out. During the present fiscal year it is estimated that the liability will be $100,000 in addition to the $450,000, and that next year and succeeding years up to 20 or 25 years there will be an increasing amount each year. It is estimated that in the tenth year the amount to be voted by Parliament will be $1,000,000 and in the twentieth year $2,000,000, and at the end of twenty-five years the total amount that will have been expended on this account will be $32,000,000.

Hon. Mr. TURRIFF: Will that be the end of it?

Hon. Mr. CALDER: Practically.

Hon. Mr. ROBERTSON: I think that perhaps every honourable member in this House has distinct views on this question. I listened to some of the evidence submitted when the Committee was in session, and the difficulty that I cannot overcome is that if a soldier while on leave in London, for example, meets with an accident, whether through his own carelessness or not, he is given a pension, but when he dies his dependants are not given a pension. In my opinion, if there is to be any discrimination between accidents while off active service and on active service, the discrimination should be against the man himself, and not against his dependants. If a soldier met with an accident that disabled him, either by injury in battle or while travelling in the streets of London, his wife and children should be entitled to a pension, providing he was injured while on his country's service, though not actually on duty at the moment. I cannot agree with the report of the Committee in this regard, and must of necessity vote against it, although I do agree with some of the other recommendations made by the Committee in other matters.

Hon. Mr. TURRIFF: If the report of the Committee was such that we either had to vote for the Bill or throw it out, my inclination, after listening to the evidence, would be to support the Bill; but the report does not propose to throw the Bill out altogether. The Committee feel that this subject is one on which they have not had sufficient time or full information, and all they are asking for is that this particular question be left over for one year.

Hon. Mr. CALDER: That is all.

Hon. Mr. TURRIFF: I would like to point out that we have an example before us in the American pensions. I do not suppose a greater scandal ever occurred in this country or the United States than that relating to their pensions. They started in moderately, but though the war ended in 1865 the American Government is paying out today to the dependents of soldiers who were killed or wounded in the war from 1862 to 1865 more than they paid when the war closed. Now, are we in danger of running into something of that kind? We are facing one increase after another all the time, and our pension bill is rising, and rising very high. I would be the last to suggest that we should not deal fairly and liberally with those who suffered during the war, but the fact remains that we have been more liberal with them than any country on earth has been with its soldiers; probably 50 per cent more liberal than the United States, 50 per cent more than Great Britain, and double and treble as much as some other nations.

Hon. G. V. WHITE: Does the honourable member think we have been too liberal with them?

Hon. Mr. PARDEE: That is not the point.

Hon. M. TURRIFF: It is not whether we have been too liberal or not, but it is whether it is the proper thing to pass this legislation that is going to put an extra cost of $32,000,000 on the country, without getting all the information we should have. I think there would be no injury to anybody if this matter were left over till next Session, when we could get all the information that could be brought, and take up both sides of the question, and see at that time what is the proper thing to do.

Hon. Mr. GORDON: Can the honourable gentleman assure us that none of those de-

pendents will suffer during the next year if this matter is left until next Session.

Hon. Mr. TURRIFF: No, I cannot assure him.

Hon. Mr. GRIESBACH: I would like to know just exactly what we are dealing with. I have just discovered that we have two Bills before us: we have the Bill as introduced in the Senate two days ago, and the Bill as amended by the Committee. What Bill are you putting before us?

Hon. Mr. CALDER: Bill 205.

Hon. Mr. GRIESBACH: As amended by the Committee?

The Hon. the CHAIRMAN: No; Bill 205, and then the amendments.

Hon. Dr. BEIQUE: We are on clause 3 of the Bill as passed by the House of Commons, and I beg to move that clause 3 be amended.

Hon. Mr. GRIESBACH: Those who desire to vote for the Bill will vote against the amendment; that is all there is to it.

Hon. Mr. DANDURAND: Honourable gentlemen, the Government has charged me with the mandate of presenting this Bill to the House. It had passed through the Commons. It was the outcome of an inquiry by Royal Commission. The principle underlying Bill 205 is contained in this clause which is sought to be amended. I represent the Minister of Pensions or Soldiers' Civil Re-establishment. He has responsibility for this Act. His mind is settled on the principal of the Bill which we are now reviewing. The Bill came into the House of Commons and was amended there. I take for granted that I am a freer agent in discussing the value of these amendments from the Commons than when I stand face to face with the principle which is contained in the Bill.

Machinery has been provided for the carrying out of the Act. That machinery is indicated by the conclusions of the Royal Commission. But more than one system was presented to the Royal Commission for carrying out the conclusions of that Commission as embodied in this Act. I feel free to adhere to one system rather than to another, when it comes to the working of the Act and the end to be attained. If I am convinced that the machinery offered to this House by the Committee, is more simple and less costly, I feel free to adhere to the conclusion of the Committee. I do not feel free to relinquish the principle, the vital part of the Bill which is in this clause; and therefore, having the statement of the Minister of Solders' Civil Re-establishment that he desires to embody this principle in the Act, I shall be obliged to stand by the Bill as to this clause.

The proposed amendment of Hon. Mr. Béique was negatived: contents, 20; non-contents, 41.

Hon. Mr. DANDURAND: I suggest that we proceed with the Bill.

Hon. Sir JAMES LOUGHEED: No; the House has taken the Bill out of the hands of the Committee. It changes the entire Bill. Take charge of the Bill, Mr. Leader; it is your Bill; it is the Government Bill; they did not support it.

Hon. Mr. BEIQUE: Subsection 2 of section 2 was omitted with the understanding that a new provision would be substituted for it; and I would now move that the Bill as passed by the House of Commons, with clause 3 that was adopted by the Committee, be amended by inserting as 3A the following amendment:

3A. Section 12 of the Pension Act, as amended by section 4 of chapter 62 of the statutes of 1920, and by section 2 of chapter 45 of the statutes of 1921, is further amended by adding thereto as subsection (2) the following:

"(2) Any individual case which in the opinion of the majority of the members of the Pension Board and the Appeal Board acting jointly appears to be especially meritorious and for which in said opinion no provision has been made in this Act, because such case did not form part of any class of case, such meritorious case may be made the subject of an investigation and adjudication by way of compassionate pension or allowance irrespective of any schedule to this Act."

Hon. Mr. DANIEL: This amendment is to take care of those cases that are mentioned in paragraph 2, of section 2?

Hon. Mr. BEIQUE: Yes.

The proposed amendment was agreed to.

In section 4—pension in accord with extent of disability:

Hon. Mr. BEIQUE: As far as I am concerned, I am not in a position to grasp the effect of the rejection of the amendment suggested by the Committee to clause 3, of the Bill; therefore I cannot take the responsibility at this moment of suggesting that clause 4 be either amended or adopted. I could take the responsibility for the parts of the Bill referring to the Appeal Board, and I am willing to deal with them; but, so far as the rest of the Bill is concerned, I am not in a position to deal with it any more. The Government will have to see to that, because I cannot grasp at this moment the effect of disturbing the Bill as reported by the Committee.

Hon. Mr. BELCOURT: May I say that the Report of the Committee was a compromise. Some members of the Committee were not in favour of some of the dispositions contained in the Report. There was one part of that Report with which I did not agree, but the members of the Committee compromised their views in order to get at some definite conclusion and to make a unanimous report. If that is not the case, I feel that I have lost all interest in the Bill.

Hon. Sir JAMES LOUGHEED: I may say as a member of that Committee that it laboured, I think, during the whole week, sitting up until 12 and 1 o'clock almost every night, in addition to which the members attended to their duties in this Chamber. I had not the opportunity of attending all the meetings of the Committee and was not present when this particular principle was discussed. I was under the impression that while some of the members dissented from some other principles embodied in some of the clauses, that, as my honourable friend from Ottawa (Hon. Mr. Belcourt) has stated, it was a compromise; otherwise we could not have arrived at any conclusion.

This Bill involves a subject which has absorbed the exclusive attention of a Royal Commission for I think at least six months, and in perusing the report of that Commission we found nothing that was satisfactory to our minds to give to us a clear opinion upon the subject now in controversy. We therefore regarded this question as one of the most complex questions which we could deal with; and, knowing that the ex-soldiers have represented to Parliament from Session to Session their additional needs, a recommendation was made that at the ensuing Session this matter should be fully considered, when it could be taken up at the early part of the Session and threshed out and the practice followed in other countries adopted if necessary.

The leader of the Government sat on that Committee, and I am bound to say that if I had thought that my honourable friend would not have supported the Committee in this report, I would not have sat upon the Committee five minutes. I understood, when my honourable friend sat there, that he represented the Government and supported the findings of the Committee in this matter and did not dissent from them.

If I thought the honourable member from Edmonton (Hon. Mr. Griesbach) was going to move against this report—he did reserve to himself the right to speak upon it, as he has done—yet if my honourable friend was going to pursue this course, he should have brought in a minority report and should have intimated to the Committee that he was going to do so. Authough I heard my honourable friend say that he would express his dissent, I never understood that the matter would resolve itself into a test motion as to whether this clause should be adopted or defeated.

This is a complex Bill. During the time it was under consideration we had the Law Clerk of this House and the legal advisers of the Departments—

Hon. Mr. BEIQUE: The Law Clerk for two or three days.

Hon. Sir JAMES LOUGHEED: —and I recall no measure that has been before this honourable House for years that received the expert attention that this question did.

The sections of this Bill are largely interdependent; you strike out one prop, and down comes the edifice; and to say that the work we bestowed on this matter last week, from early morning to midnight, must go for naught, and that sentiment must assert itself to the extent of striking out this section, thus destroying the expert work done upon it, is, to say the least, disappointing to me.

I voice only my own feelings upon the subject. I think that when a Committee of this House gives serious attention to such a problem as this, its members are entitled to consideration and the support of their fellow members. It is an easy matter for honourable gentlemen who have not given very close attention to this subject to rise instantaneously to their feet and say they differ from the Committee. The tendency of human nature is probably not to consider that the midnight oil has been burned to try to work out these very problems. If this were a conclusive matter that could not be remedied at some future time, it seems to me that a very much stronger case would lie against the Committee; but without having taken any stand on the principle involved—and I must say that I sympathize with the view held by the honourable gentleman from Edmonton—when I learned that in my absence the majority of the Committee had viewed the matter in another way, I freely accorded my support to the Report which had been prepared.

I certainly think it is due to the members of the Committee who laboured early and late to prepare a report and a Bill which, in my judgment, is a most carefully prepared piece of legislation upon this subject, and a credit to them, that it should be adopted and should not go for naught.

Hon. Mr. CASGRAIN: I was going to propose that we should adopt the Report of the Committee. They were much better informed than we could possibly be, and if we have confidence in the Committee we should adopt the report.

Hon. Mr. DANDURAND: Before the Chairman rises, I desire to draw the attention of my honourable friend to the fact that when I entered the Committee I entered it as the representative of the Government. My honourable friend knows the limitations with which I am surrounded. I received this morning from the Minister who has charge of this Bill a letter representing that the Government in the House of Commons would be unable to accept the abandonment of the insurance principle. How, as leader of the Government in this Chamber, can I do otherwise than state the view of the Government?

Hon. Sir JAMES LOUGHEED: If my honourable friend had stated that in the Committee, we would not have laboured on this section for the hours and the days that we did.

Hon. Mr. DANDURAND: My honourable friend does not forget that, from the time when I first took charge of the work of the Government in this Chamber, I stated that I recognized no followers and no opponents —that the Senate was a free body that could alter Bills coming from the other Chamber; but, trying to be logical and to follow the clear course of duty, I suppose it is imposed upon me also, so long as there is in this Chamber a representative of the Government, to state what is the view of the Government. Can I take two courses when I lay down the view of the Government? When I have explained a Bill and the view of the Government, I endeavour to leave every member sitting on this side free to act as he pleases. Ever since I have sat here I have refused to recognize or tolerate the action of a whip in this Chamber representing my views.

Hon. Mr. GIRROIR: As I supported the Bill and voted against the amendment, I wish to say that I voted in that way from conviction, believing the amendment was not a proper one to make to the Bill. I did not intend it in any way to reflect upon the Committee who were appointed by this House to examine the Bill, and I have yet to learn that when a matter is referred to a Committee for a repart the finding of the Committee is final. I have always thought that it was a matter for consideration by the House, and that the members of the House, examining that Report and taking into account the arguments adduced in support of it, still had the privilege and opportunity of voting as they thought proper and just in respect to the matter in hand. I do not think it is fair to intimate that the members who voted against the amendment are going back on the Committee which they appointed. We who had the benefit of the Report were in a very fair position to judge. We may be wrong. We judged according to our best knowledge, and I do not think for a moment it should be said by anyone in this House that we have been disloyal.

At 6 o'clock the Committee took recess.

The Committee resumed at 8 o'clock.

Hon. Mr. Bradbury in the Chair.

On section 4—pension in accord with extent of disability; how extent of disability estimated; when no deduction of pension:

Hon. Mr. GRIESBACH: My understanding, Mr. Chairman, is this. The report of the Committee contemplated the substitution of a new subsection for subsection 1 of new section 11, of section 3 of the Bill. The Committee having decided that the subsection as in the Bill shall remain, I take it that there will be no further amendment until we come to clause 9, which deals with the District Review Boards, with the exception of a small amendment here and there.

Hon. Mr. BEIQUE: The provision as to ratability, as printed in the Bill, may be changed. The Report was to the other effect, that no change be made in the ratability. That comes under section 4.

Hon. Mr. GRIESBACH: Will the honourable gentleman kindly state that again?

Hon. Mr. BEIQUE: Subsection 2 of new section 25, of clause 4, reads:

2. The estimate of the extent of a disability shall be based on the Instructions and a Table of Disabilities to be made by the Commission for the guidance of physicians and surgeons making medical examinations for pension purposes.

Section 4 was agreed to.

On section 5—date of coming into force; review; pensions to be granted under present legislation; effect upon payment of insurance benefit:

Hon. Mr. TURRIFF: How much is that going to add to the payment?

Hon. Mr. GRIESBACH: The whole of section 5 consists of retroactive clauses bringing into effect the benefits which were denied between the period of 1919 and 1920, and

with reference to them the Board of Pension Commissioners in their statement say:

The retroactive provisions of this section will result in increased expenditure, as stated.

With respect to this section, on which we had a discussion this afternoon, these are the retroactive clauses that make effective the payments of pension, that is to say, the arrears of $450,000 and the $100,000 per year, mounting up by $100,000 each year.

Hon. Mr. TURRIFF: Do I understand that that estimate is correct, and is the same?

Hon. Mr. GRIESBACH: The same thing.

Hon. Mr. TURRIFF: This does not add anything?

Hon. Mr. GRIESBACH: No; these are merely the clauses that make the other clauses effective.

Section 5 was agreed to.

On section 6—jurisdiction of Board of Pension Commissioners:

Hon. Mr. GRIESBACH: I move to amend by striking out the words "District Review Boards or" in line 24, in accordance with the report of the Committee.

The proposed amendment was agreed to.

Section 6, as amended, was agreed to.

Section 7 was agreed to.

On section 8—appeals and rehearing:

Hon. Mr. TURRIFF: What does the repealing section mean?

Hon. Mr. GRIESBACH: The Board of Pension Commissioners say:

This section repeals the right of personal appeal to the Board of Pension Commissioners. No additional expenditure is incurred thereby.

Section 8 was agreed to.

On section 9—District Review Boards:

Hon. Mr. GRIESBACH: From here onwards for some distance we have the report of the Committee, which I think may be followed, at least with respect to the striking out of the clause in regard to the District Review Boards and the constitution of the new Board of Appeal which is provided for in the report. I think this was unanimously agreed to by the members of the Committee.

Hon. G. V. WHITE: I would like to inquire as to the difference in cost between the proposals submitted by the Committee and that contained in the clause as it stands now with regard to the reduction of the number of Appeal Boards.

Hon. Mr. GRIESBACH: Under this clause 9, District Review Boards were constituted in each of the 9 districts, with 3 members for each Board. The estimated cost of those District Review Boards was $480,000 per year, approximately. The committee propose to strike out that paragraph, and at the same time eliminate those Boards. Then, in section 10 we take that section which deals with the appointment of a Board of Appeal, and we amend it so as to increase the membership from 3 to 7—our amendment says from 5 to 7 appointed by the Governor in Council. The cost of the Federal Appeal Board, standing at 3 members, with their secretariat, and so on, was estimated to cost $100,000. We are increasing that Board by 4 members, and consequently the expenditure will be increased proportionately over the estimate of $100,000. But we have wiped out the $480,000, and we have that to the good, and the difference between the increased cost of the Federal Appeal Board and the $480,000 is saved by this proposal.

A vast quantity of evidence was given before the Royal Commission as to the right of personal appeal. Three incidents were stressed in support of these District Boards of Review. The first was the right of personal appeal on the part of ex-service men; secondly, there was facility, that is, the court was to come to the appellant, as it were; thirdly, there was the speed in winding up these cases. The committee feel that we shall meet those conditions by substituting for those District Boards the increased membership of the Federal Appeal Board; that is, the ex-service man shall have the right of personal appearance; the court will, as it were, come to him; and, by reason of the numbers on the Board, the business will be taken care of with all reasonable speed.

We were induced to take this course primarily by the desire to save this sum of money, and thereby make it available for distribution to the ex-service men themselves. I stated this afternoon that 25 per cent of the money under consideration was deflected to costly, and as we thought unnecessary, bureaucratic machinery.

Under the heading of the third essential—that there should be uniformity of decision—it is obvious that 9 Boards sitting separately would scarcely be able to accomplish uniformity, while under our proposed scheme of 7 members travelling about the country, very much as the members of the Railway Commission do, and hearing these appeals, uniformity would be secured through the medium of the secretariat of the Board. We have provided further, as you notice by the amendment, for a quorum of three. We leave that

to the Government; but three members of this Board shall frequently be sitting as a quorum hearing appeals from single members, as provided for, and as these members come together to hear those appeals they will still further standardize procedure and secure uniformity in decisions. We think, therefore, that we have secured the three essentials which the soldier asked for—the right of personal appearance, the right of convenience, speedy determination of these matters, and also what is very important, uniformity of procedure and decision from coast to coast.

Hon. Mr. BLACK: As I understand, section 9 of the Bill is now wiped out?

Hon. Mr. BEIQUE: Yes, it is replaced.

Hon. Mr. BLACK: What is now section 10 of this amended Bill becomes section 9?

Hon. Mr. GRIESBACH: It will, on being redrafted. The new clause 10 is to be found on page 547, about 10 lines from the bottom of the page.

Hon. Mr. BLACK: Section 9 disappears from the old Bill?

Hon. Mr. GRIESBACH: Section 10 of the old Bill is partially amended, and new section 10 is to be found on page 547.

Section 9 (new section 10) was agreed to.

On section 11—appeals to District Review Board:

Hon. Mr. GRIESBACH: Section 11 is now amended in a number of particulars to carry out the provisions of section 10 and the report of the Committee. The Committee are unanimous in their report on that clause. I move the adoption of that as printed in the new Bill.

Section 11, as amended, was agreed to.

Sections 12 to 14 were agreed to.

On sections 15, 16 and 17:

Hon. Mr. GRIESBACH: Just a few words with respect to sections 15, 16 and 17. These are the clauses which were introduced in the House of Commons, the subject-matter of which was not dealt with in the Report of the Royal Commission, and the Special Committee struck them out, and substituted the clause which refers to meritorious cases. It is clause 3A. If the situation that has developed had not arisen, we might have had a good deal to say in regard to these clauses; but in view of the situation that has developed, I think we shall have to take the ground that the clause which provides for meritorious cases must be tried out for the present year, in the hope that the Board of Pension Commissioners and the Federal Court of Appeal sitting together and empowered to give amelioration in these particular cases will exercise their powers and deal with them.

At this late hour of the Session, with the desire of getting the Bill through as it is, I think we may concur in the Report.

Sections 15, 16 and 17, as reported from the Special Committee, were agreed to.

The preamble and the title were agreed to.

The Bill was reported, as amended.

SOLDIERS CIVIL RE-ESTABLISHMENT BILL

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Dandurand, the Senate went into Committee on Bill 204, an Act to amend the Department of Soldiers Civil Re-establishment Act.

Hon. Mr. McMeans in the Chair.

Section 1 was agreed to.

On section 2—appeals, and review and appeal tribunals:

Hon. Mr. GRIESBACH: I move that this clause carry, with the amendment.

Section 2, as amended, was agreed to.

Section 3, the preamble, and the title were agreed to.

Hon. Mr. GRIESBACH: I also move the adoption of the Report of the Special Committee as modified by this Committee.

The motion was agreed to, and the Bill was reported as amended.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time, and passed.

Hon. Mr. GRIESBACH moved that the Report of the Special Committee as amended by the Committee of the Whole House, be concurred in.

The motion was agreed to.

CANADIAN NATIONAL RAILWAY CONSTRUCTION BILL

DEBATE ON MOTION FOR SECOND READING —BILL REJECTED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Dandurand for the second reading of Bill 234, an Act respecting the Construction of the Canadian National Railway Lines.

Hon. Mr. DANDURAND: When we adjourned the debate last evening on the amend-

ment moved by my honourable friend that this Bill be not read a second time now but be read this day six months, it was suggested that the situation be examined into anew to see what would be the action of the Government in view of the position taken by some honourable gentlemen in this Chamber. It is now my duty to state that the Government has adopted as its policy, heralded to the public, the principle of giving a free hand to the Board constituted to administer the railway business of Canada. It has appointed a President who has experience and a high reputation in the railway world. That President and his Board, surrounded by a Management composed of old officials of the three systems that have been amalgamated, have gone through the country from the Atlantic to the Pacific to see what reforms could be made in the way of an amelioration of the physical and financial conditions of the system. The new railway Management, having surveyed the ground, has suggested a certain policy to the Government. That policy consists of building a certain number of branches, upon which the country has already spent some $10,000,000, and to develop a scheme of construction in order to complete those railways within a term of three years. The Government has obtained information from its own railway officials, and, after a close study of the request of the Railway Management, has decided to submit to Parliament the programme of the Railway Board.

That programme was accepted by the House of Commons, and it is now before us. I stated last evening that it was late in coming before this Chamber, and that I expected that if and when this Bill went into Committee, every member of this Chamber who had a personal knowledge of a line of railway projected in his locality or region or Province should give his opinion upon the necessity of the work. It seemed to me that we might examine closely into the value of the propositions before us; that if there was merit in any of them, we should so declare; that if it was doubtful that any of these various branches were absolutely needed to-day or in the near future, we could withhold our assent. But I thought that when the Railway Management submitted to the Parliament of Canada a plan of development which, in their minds, would improve the financial condition of the railway and help to increase the population by attracting immigration to the regions which will be served by these branches, we should not refuse to examine into the proposition.

I did not go further, and I now say to the Senate that it is the desire of the Government that Parliament should give its attention to the proposition.

Hon. Mr. CALDER: Would the honourable gentleman allow me a question? It has been stated to me that unless we accept the whole programme we are not in a position to do anything. Do I understand the leader of the Government in this House to say that if in the opinion of this Chamber any one of those lines should be abandoned we have the right to express our views, and it will be abandoned? Is that the position?

Hon. Mr. DANDURAND: I have no mandate to answer in the affirmative; but I have the right to say that I hold the view that the Senate has power thus to act. Holding that view, I feel that the Government is on safe ground when it brings this legislation before this Upper Chamber and asks: "Will you kindly give your ratification if you deem it proper?" I would not object if this Bill, going to Committee of the Whole, were deemed of such importance as to be referred to a Standing Committee of the House in order that persons and papers might be called for and the Senate might reach a decision regarding it. I believe it to be the duty of the Senate of Canada to scrutinize this Bill carefully, and all the more so because of what it means at present and for the future. It is more important than most Bills that come before us. It needs our ratification. I believe we have the right to say how far we will go in approving of it.

Hon. Mr. CALDER: The honourable gentleman has stated his personal views. On the other hand, we have before us a motion that this Bill be given the six-months hoist. I am not in favour of that motion if I am in a position to vote for such portions of the Bill as I think should be passed; but when we come to a vote to amend the Bill, the ruling may be given that we have no power to do so. Before we vote on the motion to give this Bill the six-months hoist I would like to know exactly where I stand, because I am in favour of a large portion of this Bill and would like to see some parts of it passed.

Hon. Mr. DANDURAND: Honourable gentlemen, I stated in the first speech which I made from this place that I accepted entirely the principles laid down in a resolution which had been passed unanimously by this House, and which may be called the Ross resolution. While standing by the conclusions arrived at by the Senate, I feel that this Chamber might well declare, for instance, that it will agree to the policy of completing railways that have already been begun, or that have already

been graded, and upon which money has been spent, but will not agree at present to sanction the construction of new roads.

Hon. Mr. CALDER: Will the honourable gentlemen permit me? Suppose I move when we go into Committee that, for instance, item No. 17 in the schedule be struck out, where am I? The Speaker may rule that the Senate is not competent to strike it out.

Hon. Mr. CASGRAIN: Why?

Hon. Mr. DANDURAND: Of course I cannot control the decisions of the Chair. Perhaps my honourable friend, if he looked in the Debates and Minutes of this House, would find that His Honour the Speaker is somewhat bound by a vote that he gave on this question.

Hon. Mr. CALDER: We shall have to be content to wait.

Hon. Mr. DANDURAND: We shall have to wait. But I wonder if we have a right under the present circumstances to say that this Bill shall be given the six-months hoist. It may be important to proceed this summer with the construction on some of those branches.

As I have stated, I am not personally familiar with the conditions prevailing in provinces other than the one in which I live; but I have appealed to my honourable colleagues in this Chamber to give us the benefit of their experience and judgment as to the value of the branches which it is sought to develop in their own provinces. That does not mean that the majority in this House will readily and blindly accept the opinion of one of their colleagues, who may be more interested in a branch near his home than in branches farther away, but it would be useful to have information from honourable gentlemen representing the various provinces.

Therefore I ask my honourable friend who has moved the six-months hoist to reconsider the desirability of allowing this Bill to go to Committee of the Whole, so that we may examine into the merits of the proposition before us.

Hon. Mr. McMEANS: Surely the honourable leader of the Government can give us a straight answer. This is a very important point. Can we, if this Bill goes into Committee of the Whole, strike out one line of railway and adopt another, or can we strike out several lines and adopt others? That is the question that was put to the honourable gentleman. It is, I think, a simple one, and the honourable leader of the Government should give us a straight answer.

Hon. Mr. DANDURAND: According to my view, the answer is in the affirmative.

Hon. Sir JAMES LOUGHEED: No one in this House can give that assurance.

Hon. Mr. DANDURAND: The accompanying summarized statement gives each line on which any work is proposed during the three years. The lines are numbered from 1 to 30. The statement shows the amount of grading now completed ahead of the track-laying and the amount of grade and track work, in miles, to be done each year, and the estimated expenditure to be made on each line during the three years. It also shows the present position or mileage of the grade and the track, and to where it is proposed they will be extended by the end of the year 1925, and gives the amount of grade which will be without track by December 31, 1926, if the programme is completed.

Another statement shows for each year what mileage of grading, tracklaying and ballasting is proposed for each line and the estimated cost of the same. These are totalled for Eastern lines, Prairie lines and British Columbia, as well as for the year.

A further statement gives the grade now without track on each Branch line, divided into Active and Inactive lines. Inactive lines have been treated as remaining such for some time. The 372 miles of grade ahead of track on Active lines has been set up in the second statement as the grade ahead of track at end of year 1922. The reduction of this year is shown by the mileage of grade ahead of track being given at the end of the years 1923, 1924 and 1925.

The estimates of cost are based on using relay rails.

A brief statement on each line is appended, giving some facts pertaining to the work and the country through which it runs; also the justification for constructing it.

The programme for the year 1923 is quite large to accomplish in one season, particularly the part on the Prairies which covers 238 miles of tracklaying and 260 miles of ballasting. Not that the amount of work would be much to accomplish if in large stretches, but as it consists of ten places to lay track and 11 places to ballast, the preparations incidental to getting work going will consume considerable time. The effective season for doing work on the Prairies is very short. The climatic conditions limit it at the beginning and the labour situation when the grain harvest starts practically terminates it.

The programme, then, as set out for each year would be the aim, but would be subject to labour and seasonal conditions of weather.

I have here a statement showing the "three-year construction programme of new lines,

recapitulated to show under grade and track work done each year and total in miles."

I have another statement on a "programme of construction of new lines for the three years, 1923, 1924 and 1925, giving miles and grading, tracklaying and ballasting proposed in each year and on each line, and the estimated cost of same; showing the miles of grade ahead of track at end of each year on active lines only."

Hon. Mr. LYNCH-STAUNTON: Will the honourable gentleman tell me how these estimates are made? Are they made in the office, or are they made from preliminary surveys on the ground?

Hon. Mr. DANDURAND: They must have been surveys made on the ground for lines that have already been graded. There are quite a number.

Hon. Mr. FOWLER: You do not want estimates for those that are graded. They are already done.

Hon. Mr. DANDURAND: I have a statement showing "miles of grade ahead of track on branch lines, divided into Active and Inactive lines." I do not intend to read these long statements. Each road is described, and the reason given for its construction.

I stated yesterday that I knew of one little link which a rather imposing delegation of citizens of Montreal and district had asked the Government to complete. I will give the description of these 12 miles, because it will be clearer than the statement given by myself.

Hon. Mr. FOWLER: The honourable gentleman said the other day it was 14 miles. Now he says it is 12.

Hon. Mr. DANDURAND: I find that my memory—

Hon. Mr. CASGRAIN: No; the honourable gentleman was right. It is 12 miles, but there are 2 miles at the end of the line, at Huberdeau. The station is 12 miles from a certain point. That makes 14 miles.

Hon. Mr. DANDURAND:: The 12 miles are already graded and ties are on the ground, and it is affirmed by those gentlemen whom I heard making their request that the line would pay for itself in 24 months by means of the increased traffic. The cost is $357,000.

It is proposed in 1923 to grade 12 miles and lay track on it at a cost of $357,000, thus completing this line between Grande Fresniere and Rinfret Junction. The purpose of this line is to shorten the route from the Huberdeau Branch and St. Jerome into Montreal. The right of way for this line has already been secured, but no further work has been done on it.

The Huberdeau Branch runs into the Laurentian Mountains and gives communication to a district which has become one of the important summer tourist and cottage resorts out of Montreal. On account of our present routes via Rawdon or Joliette being so long, passengers all use the C.P.R. between Montreal and Montford Junction, and undergo the inconvenience of a change of trains at this point, and the consequent delays this always involves. The result of this has been that despite the admitted advantages of the country on our Huberdeau line for summer holidaying over the C.P.R. St. Agathe Branch into the Laurentians, we are unable to develop this business as we should, and we lose a great deal of the haul on business we actually originate and we have to accept the onus of the inconvenience and delays the present route to points on our line entails.

The justification for this line lies in the direct passenger connection it will give and also the shortening of the routes for freight over our existing routes via Joliette or Rawdon, by 34 and 23 miles respectively, which will mean considerable economy in operation on present business, besides attracting further business by the better service it will give.

Hon. Mr. McMEANS: May I ask the honourable gentleman a question? I may be very stupid, but I really do not understand this Bill. It is proposed to build a certain number of railways, and the Government of the country has asked for a certain amount of money for the purpose. Glancing over this list of proposed lines, I find that there is a grant asked for a line from Long Lac to Nakina, Ontario, 29 miles, cost $1,944,000. That is, I understand, the cut-off, and that line has been under construction for nearly a year past, and will be completed, as I am told, in two or three months. It may be a very desirable line, but whether it is desirable or whether it is not, I understand how the Canadian National Railways can build that line and pay money for it, and then come to the Parliament of Canada and say, "We want this amount of money to build the line." They have built it without our concurrence or consent, and now they come here with the Bill which is before us and say, "We want so much money to build so many lines of railway." The line is already being built, and $2,000,000 is being spent on it already. I do not object to the line being built, but I would like to

know what position I occupy here as a member of this House when I am asked to vote for this grant. I do not want to vote for a line that has already been built. I want to vote before the construction is begun.

Hon. Mr. DANDURAND: That is in Ontario?

Hon. Mr. GORDON: Yes.

Hon. Mr. CASGRAIN: It is near Capreol.

Hon. Mr. DANDURAND (reading):

Long Lake Cut-off, Mile 0-29

Proposed in 1923—29 miles grade; 29 miles track, cost $1,944,000.

It is proposed in 1923 to finish the grading of 29 miles, lay the track on it and move the terminal facilities from Grant and establish them at the junction point near Nakins, at an estimated cost of $1,944,000.

The purpose of the cut-off is to obtain a more direct routing from Toronto and Montreal and other eastern points to Winnipeg, the prairies and the Pacific Coast, and thus put us on an equal footing with our competitors.

The saving in distance will be—102.6 miles for all freights and from Toronto and Winnipeg;

Hon. Mr. McMEANS: I do not object to that. I think it is proper to build that line, but I want to know why, after the line is built, they come here and ask money for it.

Hon. Mr. DANDURAND: I may be able to explain, if my honourable friend will allow me to finish the statement:

102.6 miles for all freights to and from Montreal and Winnipeg; 211.4 miles for all trains to and from Port Arthur and points on the Transcontinental west of Quebec; a saving of 99.1 miles for all trains to and from Port Arthur and Quebec as against the present shortest route via Joliette. Besides the shortening of distance the grade over the through route would be considerably better and a slight improvement made in the alignment, with considerable less rise and fall on the line.

These savings will mean economies in operation besides improved service. It has been computed that there will be, on present freight business alone, a net annual saving of $389,000, which would pay over 20 per cent on the cost of construction. For the immediate passenger business it was assumed that until this grew there would not be any material saving in train miles, but with the improved service by the decreased distance, our passenger trains would be filled up which would increase their revenue $300,000 per year with practically no additional expense. Any increased freight business would make a proportionate saving, so to assume the freight business doubled would mean a saving of about $800,000 per year. Therefore, when the business increases to double that at present, the saving will not be less than $1,500,000 per year, or pay 75 per cent on the investment.

Now, if there is any explanation that any honourable gentleman desires to have as to any of those lines, I am ready to give it; but I felt when moving the second reading that it would be more in order in Committee of the Whole; or if the majority of this Chamber felt that it was desirable to refer the Bill to such a Standing Committee as that on Railways, Telegraphs and Harbours, we might do so, and then every explanation would be forthcoming, not only from this memorandum which I have in my hand, but from the officials of the Department of Railways.

Hon. Mr. McMEANS: I quite realize what the honourable gentleman has said, that the line may have been properly built, but what I do not understand is that, after the line is built, they should come here and ask for the money for it.

Hon. Mr. CASGRAIN: But they say there is no grading done.

Hon. Mr. McMEANS: But the line is there.

Hon. Mr. CASGRAIN: But there is no grading. Look at your Bill.

Hon. Mr. McMEANS: They are building a railroad, and then coming for the grant afterwards.

Hon. Mr. ROBERTSON: I think there is an answer to the question of the honourable gentleman from Winnipeg (Hon. Mr. McMeans), which is very plain and simple. In the Main Estimates of this year there is an amount of $73,000,000 provided—for what? For the payment of deficits, for the payment of bonded indebtedness, for construction, for betterments, and for all the purposes of the Canadian National Railway Board. There was a vote similar to that last year, and also two years ago, and in the years preceding; and out of that vote the Canadian National Railways have from year to year been making such extensions and improvements as in their judgment were necessary, under the direction and with the approval of the Minister of Railways. This Long Lac cut-off has been constructed and nearly completed out of that vote, and there is no reason why it cannot be entirely completed out of that vote in the Main Estimates this year, just as several other lines which it is proposed to do some work on could be done.

Hon. Mr. CASGRAIN: They say there is no grading done on it.

Hon. Mr. ROBERTSON: But there is; many of us have seen it. I want to call the attention of the House also to the fact that the memorandum to which the honourable the leader of the Government has just referred, specifically states that when the harvest in the West commences the season for railway construction comes to an end. That

is true, because the labour is required for harvest purposes. Harvest will be on in the West in less than 90 days from this moment, and that being the fact, what is the necessity of Parliament blindly voting anything from $28,000,000 to $100,000,000 which cannot possibly be spent at this time? There is provision in the Main Estimates for all that is required, or that can be required this year, and I think the reason that construction has gone on in the Long Lac cut-off is because the money is appropriated in the Main Estimates, and is available for that work as well as other work, and I doubt if there is any necessity for this Bill to pass.

Hon. Mr. CALDER: I do not wish to intercept the argument of the leader of the Government, but there is one question which I would like to have settled clearly in order that some of us in this Chamber may understand where we are. In so far as the bulk of those proposed railways are concerned, I state quite frankly, without any hesitation at all, that I approve. I am not going to take up the time of this House in running over the western lines. I was Minister of Railways in the province of Saskatchewan for some five or six years, and it was my duty then to study the situation, and to understand it, and I have followed it ever since, and I know the railways that are proposed to be constructed here. I know the necessity for them; I know where they are located; I know the number of people settled there; I know what those people are trying to do; and I know what their difficulties are in getting their products to market.

Now, what is the proposition before this House? The proposition is, because the Government has brought down legislation in this form, that we should stop all railway legislation in this country. Well, I think that is not right. And if that is the objective, surely even at this stage we can prevail upon the Government to bring down their legislation in such form that it can be properly considered by this House.

Now, the question I ask is this. The leader of the Government says: "Now, gentlemen, let us refer this to a Committee, and let us consider each of these propositions separately." Well, I want to know where I stand when I get into that Committee. Can I move to strike out certain of those items in the schedule? Now, the question is very plain. The member for Winnipeg raises the same question that I raised a while ago: if we can get an assurance that, so far as this whole programme is concerned, the members of this House can express a clear-cut, definite judgment as regards each of these items, then we know where we are. But if you ask us to accept the whole thing holus bolus, I do not know. I must maintain that so far as certain of those lines are concerned, they should have been constructed long ago. They are late now, and the development of Western Canada is being delayed because they have not been constructed. But if the Government of Canada at the present time put us in a position where we must accept all or nothing of these, I say it is exceedingly unfortunate indeed.

Hon. Mr. GILLIS: I want to say just a word in relation to this.

Hon. Sir JAMES LOUGHEED: The leader is not through yet, is he?

Hon. Mr. DANDURAND: I am through, unless some honourable gentleman would ask before voting on the amendment of my honourable friend that he needs some further information, or some special information on any lines that appear in the schedule.

Hon. Mr. CALDER: But the honourable gentleman is not answering my question. I have asked it twice.

Hon. Mr. DANDURAND: But I was answering another.

Hon. Mr. CALDER: Before I vote on this question I desire to know whether I have a right to move in this House that any one of those particular items be struck out. If it is referred to Committee, then I desire to know whether, after consideration in committee, we can strike out those items.

Hon. Mr. CASGRAIN: The majority will do that; no one man can do that.

Hon. Mr. CALDER: I ask, can they? I have no reply to that as yet.

Hon. Mr. DANDURAND: I thought I had made myself quite clear on that point.

Hon. Mr. CALDER: As far as your personal opinion is concerned.

Hon. Mr. DANDURAND: But my personal opinion is backed by the unanimous resolution of this Chamber.

Hon. Mr. LYNCH-STAUNTON: That we cannot do it?

Hon. Mr. DANDURAND: That we cannot do it, and I would ask the honourable mover of the resolution, in order to verify my own interpretation of that resolution.

Hon. Mr. FOWLER: Ask the opinion of the Speaker.

Hon. Mr. DANDURAND: No, I am speaking of the honourable gentleman from Middleton (Hon. W. B. Ross).

Hon. Mr. LYNCH-STAUNTON: Do I understand the honourable gentleman to say that by that resolution we are authorized to amend a Money Bill?

Hon. Mr. DANDURAND: It is not legislation; it is a declaratory resolution as to our powers. A Committee worked upon it, studied the constitution of Canada, obtained the legal opinion from outside of two very important barristers of this country, and in this report, which I think has been distributed since the beginning of the Session, we unanimously adopted a resolution declaring what we conceived to be the concurrent powers of the Senate with the House of Commons. In that resolution I believe that I shall find justification for my answer. Now, I cannot go further. I do not know whether the Senate, whose composition has been changed by the departure of members and the addition of others, would still find a majority to affirm that same principle. I do not know what the House would say, but I believe His Honour the Speaker voted with us and was a member of that Committee.

I do not know what stand the House of Commons will judge proper to take on this question. It has in very many instances accepted amendments such as the one we are now discussing, by adding a rider that it should not be a precedent, but it went on from one statement to another to the same effect, and as a matter of fact I can point to decisions by this Chamber altering Bills of this nature which were accepted even with a "no precedent" clause. So that all I can say is that it lies with the Senate to affirm its right to do what it pleases. I am not consulting the members of the Commons or my colleagues in the Cabinet; it is a question of constitutional power.

Hon. Sir JAMES LOUGHEED: Honourable gentlemen, my honorable friend last night moved the adjournment of the consideration of this Bill for the purpose of consulting the Government, and he has made his answer to-night. It did appeal to me last night that there were insuperable objections to the Bill on account of the principles which were to be found within its four corners; but never did I conceive that we would reach that stage in the handling of public money that was declared by my honourable friend this evening when he said that the Government of the day had given a free hand to the Canadian National Railway Board.

Hon. Mr. DANDURAND: On general lines.

Hon. Sir JAMES LOUGHEED: On general lines. That is even broader still. I ask my honourable friend, have we reached that stage when we have abandoned the fundamental principle of representative institutions, and handed over to an irresponsible Board the expenditure of public moneys, thus depriving Parliament of making any inquiry or investigation into so important a subject?

Hon. Mr. DANDURAND: I certainly did not state anything of the kind, except to hand the programme over to the Senate, to review, and to accept in part or in whole.

Hon. Sir JAMES LOUGHEED: My answer to that is this. That is an insignificant matter in comparison with the principle involved in this Bill, that we hand over to the Canadian National Railway Board practically $100,000,000 for expenditure without their accounting in any way to Parliament, and having three years in which to handle that sum. Suppose such a subject was broached in this Chamber, and my honourable friend from Moose Jaw (Hon. Mr. Willoughby) selected his particular branch out of the schedule attached to the Bill, is the Senate prepared for one moment to swallow the vicious principles embodied in this Bill, by which we abdicate the functions of Parliament and hand them over to this Board? That is the principle involved in this Bill.

Hon. Mr. DANDURAND: But do I understand that we will not allow that Board, the Railway Management, to do the construction work of one of those branches after we have voted them money to do it?

Hon. Sir JAMES LOUGHEED: The Canadian National Board has been appointed for the operation of the Canadian National Railways, not for the purpose of extending National railways and duplicating mileage. That is the function of Parliament. The Board was not appointed for the purpose of demanding from the Government of the day $100,000,000, and spending it in any way that may appeal to their judgment, irrespective of the voice of Parliament. That is not the function of the Canadian National Railway Board that is the function of Parliament, and if I know this Parliament, it will reserve to itself all the ancient rights which it has exercised from time immemorial down to the present time. Parliamentary institutions as we know them to-day, free institutions as we know them have not been established for the purpose of handing over

the privileges which we enjoy to an irresponsible Railway Board of some five or six men who never entered upon an important undertaking in their lives and allowing them to spend the public money of Canada freely, irrespective of the voice of the people, and particularly of the Parliament of Canada.

That is the great question involved in this Bill to-day and I am astonished that my honourable friend does not recognize it. In the first place, my honourable friend has said that the Government has given a free hand to the Canadian National Railway Board. That Board has said to this Government. "We want sufficient authority to issue certificates to build the roads which are shown in the schedule. "But if that authority be given to them, the same authority will be given to duplicate this mileage, and the Government of the day, with a docility which would do justice to the most docile animal we know, have brought in legislation permitting this particular Board, according to their own sweet will, to enter upon the construction of over a thousand miles of railway, and to spend the $100,000,000—because I am satisfied it will cost that much—of the public money of Canada, entirely irrespective of the voice of Parliament. We are asked to consider favourably this Bill, and to go into Committee and select our road.

Now, honourable gentlemen, has Parliament ever presented to the public of Canada such a spectacle as this which we behold, not only in the invitation which has been given us, but in the Bill which is now before us—that each member is to select his road, and the National Railway Board will go on and build it?

Hon. Mr. DANDURAND: With the consent of the majority of this Chamber.

Hon. Mr. FOWLER: You pay your money and takes your choice.

Hon. Sir JAMES LOUGHEED: Of course, each of us can have his road. There is a little bit of road I would like myself; it is not on the schedule, but we can add it to the schedule, and I will have the Senate approve of it, and we will go on with its construction.

Now, up to a short time ago my honourable friends were not in sympathy with the nationalization of railways. In the last general election, which we can recall very well, my honourable friends particularly expressed their disapproval of the policy adopted by the late Government in assuming the responsibility of operating the Canadian National system. I say this is in all seriousness, that if these honourable gentlemen wanted to conceive a plan by which they could destroy the confidence of the Canadian people in the operation of this great system of railways, they could not have placed in print and on paper a more successful scheme than that which is before us. Here is a scheme by which securities may be issued entirely irrespective of Parliament, to cover all the deficits of that road. Here is a scheme by which the operations, no matter how diabolical they may be, can be obscured and hidden entirely from Parliament. Securities may be issued ad libitum so long as the National Railway Board and the Government of Canada—not the Parliament of Canada—stand in together. In view of the declaration which has been made by my honourable friend, that the Government is prepared to accept all that the Board recommends—because I am using his own language—we can readily understand that that means the abdication of the Government of Canada, and the handing over to this Board of the judgment which is to be exercised as to the operation of the Canadian National system and the expenditure of whatsoever money they require.

Now, honourable gentlemen, do we know these gentlemen long enough? Are we sufficiently familiar with their abilities to step into the position at present occupied by the Government and Parliament of Canada and take control of the public funds of Canada for this purpose? From our present experience and observation we know of no institution that can absorb funds so quickly as the railways of Canada. I for one, no matter what the invitation of my honourable friend would be to select our branch and have it proceeded with, would not accept any such invitation on the strength of the bill before us.

If the Government of Canada were really sincere on this subject they would follow the parliamentary practice which has been faithfully observed from the time of Confederation down to the present. They would place in the Estimates the particular appropriation which may be required for a particular road or group of roads, because Parliament has been more than generous in voting money to this Board. Parliament this Session voted a lump sum of $73,000,000. But that is not sufficient, honourable gentlemen—why? Because it means that the Canadian National Railways would have to report annually, and the Government would have to report annually to Parliament, and this would neces-

sitate a close supervision over the appropriation and the expenditure of these moneys.

Hon. Mr. DANDURAND: My honourable friend could put that condition in this Bill.

Hon. Sir JAMES LOUGHEED: But my honourable friends have not seen fit to restrict themselves to that.

Hon. Mr. DANDURAND: But the Senate can do so.

Hon. Sir JAMES LOUGHEED: When I said a few moments ago that this one thousand and some odd miles of railways would cost no less than $100,000,000, I think the statement made by my honourable friend was that this branch road from Montreal to Joliette, being 12 miles long, through graded and tied, would require $350,000 to put the steel on it. That means practically $30,000 a mile for steel alone; and yet it is proposed to build these roads for about $27,000 a mile.

Hon. Mr. DANDURAND: I corrected myself by reading the statement. I am informed that the statement which I heard made to the Minister was incorrect, in so far as the roadbed only has been bought, and that there has been no grading and there are no ties.

Hon. Mr. FOWLER: It is still worse.

Hon. Sir JAMES LOUGHEED: I do not want to accuse my honourable friend of insincerity in this matter; but when I look at the smile which surrounds the visage of my honourable friend when he looks at this Bill, I cannot be convinced of his sincerity in this project, or the sincerity of the Government. If they want to build the 29 branches enumerated in this schedule, there is a very simple way of proceeding with the work—just as their predecessors have done for the last 50 odd years—by following the well-established parliamentary practice which ensures the opinion of Parliament being expressed as to the expenditure and the promise of Parliament to make due examination as to its proper application.

As to whether my honourable friend can give an assurance that each member may select his own branch without our trespassing upon the constitutional practice which has been followed in this Chamber of our not being able to amend a money Bill, I may say that no one honourable gentleman can give that assurance to this House. It is for the House to say whether such a subject is within the power of this Chamber. I fancy that if such a power were exercised we would hear a very strong protest from our friends at the other end of this Building.

I again say to my honourable friend that if the Government are sincere in their desire to proceed with this work if they are sincere in their desire to comply with the wishes of the people who expect to be served by these branches, this House is prepared to give the most sympathetic consideration to any Estimates that may be brought down for the purpose. But when the Government of the day departs from well-established practice and submits to this Chamber a Bill which proposes that Parliament should abdicate its functions and hand over to an irresponsible Board absolute authority over the expenditure of this money and refuse to account for it to Parliament until three years have elapsed, then I say this House is justified in insisting upon the submission of the amendment which was moved last night, and which I am satisfied the House will accept.

Hon. J. A. CALDER: Honourable gentlemen, I have not the right to speak again, but I would like to say just one word. The leader of the Opposition has intimated that, even if we should decide that we have the right to amend the schedule to this Bill, a question might be raised as to our power to do so.

It is quite clear, and I am sure every member of this House from the Province of Saskatchewan will agree with me, that there are certain branch lines in that Province the building of which has been held up since the beginning of the war—lines that are absolutely necessary and will pay from the day they are built. Are we going to be placed in such a position that because of certain procedure in this House the building of those lines is to be delayed for another year?

I could give the names of those lines and explain the circumstances connected with each of them, but I do not want to take your time. Among those lines there is not one which, in my judgment, should not have been built long ago; and if their building is to be delayed because the Government has brought its legislation before us in this form, and because certain rules of this House and the other House interfere, I say there is something radically wrong.

The leader of the Government has said that we have certain power; that we can strike out certain items in this schedule. Suppose we do so, and the Speaker rules against us, and there is an appeal against the ruling of the Speaker and we agree to do so by a majority vote in this House, where are we at?

Hon. Mr. McMEANS: It does not follow that because this Bill is thrown out the

lines should not be built. The Government has got $73,000,000 already. They have built Long Lac railway.

Hon. Mr. CALDER: My judgment is that every cent of the $73,000,000 will be required for other purposes.

Hon. Sir JAMES LOUGHEED: It is expressly voted for construction and betterment, and other matters; that is to say, there is no limitation placed upon the construction and betterment in the vote.

Hon. Mr. CALDER: I would take it that that is all covered.

Hon. Mr. McMEANS: Where did they get the money to buy the hotel in Paris and the site in Toronto?

Hon. Mr. CALDER: That is away from the question altogether. I am not discussing that at all. What I fear is this. There are some 8 or 10 lines in the Provinces of Alberta, Saskatchewan and Manitoba proposed under this Bill, and I know those in Saskatchewan and know the necessity for them. I know also that from the moment they are built they will pay. They are all through settled communities, and will assist in the development of the country.

Because we have got into this muddle, so to speak, by reason of the Government having brought down this legislation in a certain way, and because we have certain rules in this House, it is suggested that we should postpone the building of these lines. I am not in favour of that proposal, and I desire, if possible, to get out of this tangle.

Hon. GEORGE LYNCH-STAUNTON: I agree with every word uttered by the leader of the Opposition. I think it is a great departure not only to hand over to this Board the administration of our railroads, but to allow them to dictate the policy that Canada should adopt for the development of this country. Even if the objection which the last speaker mentioned was got rid of, in my humble judgement the Senate would not be justified in going on with this Bill, and for this reason. We have the word of the leader of the Government that the Bill is founded on the Report of the Railway Board to the Government, and on the Government's investigation of that Report. How long has this Railway Board been in existence? It has been in existence for some months only, and during most of that time the President has been making speeches throughout Canada.

Hon. Mr. BENNETT: And poor speeches too.

Hon. Mr. LYNCH-STAUTON: And as he has gone through Canada he has promised new railroads right and left. Without consulting Parliament he has told the people that he will do this, that and the other. What time has he had since he has been here to investigate the advisability of building a thousand miles of railway spread over this vast Dominion? How can he give any honest assurance to the Government that these railways are needed? And must the Government take the assurance on his part that "it is a good thing, push it along, it will pay from the day is is built"? Are we here to register the wishes of a Board that has been in existence for only nine months? If they reported on the road, they must have reported within two or three months to give the Government an opportunity of investigating the report. Or are we going it blind as the Government did on the Transcontinental Railway?

Hon. Mr. DANDURAND: Of the 14 roads 440 miles have already been graded during the last 10 years.

Hon. Mr. LYNCH-STAUNTON: And I counted and found 14 lines which have not been surveyed, and on which not a dollar has been spent. I have tried to calculate the expenditure, and it is nearly $3,000,000 for grading and putting the steel on these fourteen miles of railway.

Putting aside all technical practice, my objection to this Bill is that this House is asked without a scrap of information before it to pass the Bill with the same rapidity with which the House of Commons passed it. I think the Senate should not do it. They should say: "No; if you want legislation of this description, you must bring it down in the early part of the Session when we go into the matter before a Committee and satisfy ourselves as to the advisability of it." I am not prepared to cast a vote on a Bill of this kind on information received from anybody else. We are the judges here, and I want the evidence. We must know what the real requirements of the country are. I was told in regard to one of these roads, by a gentleman who made a speech opposing it in 1916, that it is a little cut-off, and that they are going to give 40 per cent of the gross revenue to the Province. Of course, this is information from outside sources; but we have had no real information placed before us at all. We are going to operate this road for 60 per cent, and the Province will get all the profit while we hold the bag. Before I vote for that road, I want to know all about it. My experience of this country is that we have gone it blind in railroads too much. In my opinion, the

Senate of Canada should know as much about this business as if we were going to put our own money into it. Then we would be able to say to the people of the country: "We put your money into a good thing, something that is required for the benefit of Canada."

Hon. A. B. GILLIS: I think it is extremely unfortunate that the Government should have so complicated this Bill as to make it practically impossible for us to get branch lines that are really needed, and that would not be bleeders but feeders for the Canadian National.

Hon. Mr. DANDURAND: Cannot we simplify it?

Hon. Mr. GILLIS: Yes, by bringing in a Bill for each branch and putting specific items in the Estimates. Otherwise I do not think it is possible to get the branch lines of railways that are really needed in the West to help the settlers and to provide freight for the Canadian National Railways.

Take the Thunderhill branch, 69 miles in length. The estimated cost of that line is $1,650,000. That is in a district that was settled more than 20 years ago. The line is supposed to lead into the city of Prince Albert. Fifteen or twenty years ago the country to be served by that line was settled by an excellent class of people, good Canadian farmers, and they were promised a railroad. They have been labouring under the difficulty of having to draw their grain from 30 to 60 miles to market. That is a case in which some redress should be provided, but not in a blanket Act which gives the Canadian National Board the power to usurp the functions of Parliament as far as voting money is concerned. I think the policy of this Bill is impossible. The branch I refer to is of sufficient importance, to my mind, to justify the Government in passing a special Act and including in the Estimates a special vote for its construction.

This is only one of the many branches in the Prairie Provinces that I might mention. There are many other branches included in this schedule which I am not going to criticize. So far as the western Provinces are concerned, I think I may safely say that any branch line that is built in the arable parts of the country will be a great source of revenue to the Canadian National Railways. For that reason I think the Government should pick out a few lines where the need is particularly urgent and should provide for them at the next session of Parliament. There is every prospect now of an excellent crop this year, and I think it is most unfortunate that the people to whom I have referred are to be compelled to labour under these difficulties for a further period, and that we cannot devise some scheme to give them relief. With the other lines in the province of Saskatchewan I am not so familiar, but I think the Government should take this matter into consideration and if possible provide some remedy for those people who have suffered during all these years.

Hon. GEORGE GORDON: In case this Bill may not be referred to Committee of the Whole, I desire to make a few remarks on it. The honourable leader of the Government has very kindly intimated that each of us may have in mind some favourite road which he would like to see built. I select No. 6. I do so for the simple reason that, as I understand, is pretty nearly completed. I know that many months ago a contract was awarded for the construction of that road, and I know as well that it is usual for railway contractors to be paid. By this time the contractors on that line must have been paid a very substantial sum. If that is the case, why should item No. 6 of the Bill be presented to us in this way, as if no expenditure whatever had been made on that line? The item states: "Mileage already graded, O." I would like to ask the honourable leader of the Government; has not a considerable sum of money been expended on that road, and, if so, what is the amount?

Hon. Mr McMEANS: It costs $68,000 a mile.

Hon. Mr. DANDURAND: About $150,000 has already been expended on it.

Hon. Mr. GORDON: Is that all?

Hon. Mr. DANDURAND: That is my information.

Hon. Mr. GORDON: And there is yet to be spent practically $2,000,000? Well, if only $150,000 has already been spent upon it, I will withdraw any accusation with reference to that line. There is another place in that district in which a road would suit me better.

Hon. Sir JAMES LOUGHEED: Take No. 7.

Hon. Mr. GORDON: Like my honourable friend from Calgary, (Hon. Sir James Lougheed) I am interested in a certain place where I am desirous of seeing a road built.

I am of the opinion that this House must do one or other of two things with this Bill; that is, either accept it as a whole or reject it as a whole, and for my part I intend voting to reject it.

Hon. J. G. TURRIFF: With a great deal of what has been said by my honourable friend the leader of the Opposition I am in hearty accord. I think it is an outrage that such a proposition as this should be brought down at this late day of the Session. Even if it had been brought down in the ordinary way, so that we might deal with each road separately, it would have been bad enough; but to include within one Bill all these branches, turning over the whole responsibility for their construction to a Board that has been newly appointed and that has been constituted for another purpose altogether, is very much out of the way. What has happened under this Board operating the Government Railways may be all right, but we do not know yet, and there are two or three things which to my mind are very suspicious. I refer to the purchase of a site for a building in Toronto, and more especially to the securing of officers in Paris, 12 Americans in the city of New York, having been selected to hold the property, and we having put up $2,000,000 in connection with this project, about which we know nothing. Now it is proposed practically to hand over to the Canadian National Railways Board the building of Government lines for the future, and under this Bill it is intended to give the Board money to build a thousand miles of railway, Parliament having no control or no responsibility in the matter.

While I agree with all that my honourable friend the leader of the Opposition has said in that respect, my reason for rising was to appeal to him not to insist on the six months hoist. If we cannot agree on this Bill, let it be sent back to the Government and let us see if some arrangement cannot be made. I appeal not only to the honourable leader of the Government and the honourable leader of the Opposition, but to every Senator here, for God's sake do not turn down the project to construct those branch lines in the province of Saskatchewan. I will speak only of them, because I know them best. Other lines may be just as important. I know that at all events some of them are.

I want to confirm what has been stated by my honourable friend from Saskatchewan (Hon. Mr. Gillis) that on the prairies—in Manitoba, Saskatchewan and Alberta—in any of the settled parts of the country, any branch line of railway, that you build, and that does not parallel another line, will not merely pay for itself, but add a great deal of profit to the main line that it feeds. That has been the result in the past, and that will be the result in the furture.

Surely two bodies of sensible men, the Commons and the Senate, will not reject a deserving proposal because it has been wrongly submitted, and by rejecting it disappoint those settlers, many of whom I know personally, who have been waiting 15, 20, or 25 years and hoping against hope for the construction of these roads. According to the figures given in the schedule showing the amount of grading done, the total mileage, which I have added up, is about 400 miles. Most of that grading was done when the war began in 1914, that is, 9 years ago, and the people have been heart-sick with waiting. No one here can understand what it has meant to the men, women, and children to live on farms, 15, 20, 25, 30—up to 60 miles from a railroad. And now, when it is proposed to build the line, just because the proposition is submitted in what is undoubtedly to my mind a very wrong way, it is to be rejected and nothing is to be done this year. There cannot be a great deal done this year at the best, but surely to goodness we in this House can confer with the Government to see if we cannot agree upon some arrangement. Let the Government bring down appropriations for separate lines, so that we may judge of them individually and those may be constructed which will be of advantage to the settlers and to the railways. Let me point out, honourable gentlemen, that there are certain parts of the Prairie Provinces which if these roads are not built in the near future, will be depopulated. We shall have a continuation of what has been going on for the past year—people leaving those provinces by the hundreds and by the thousands. We are getting some new settlers in, but I tell you 10 new settlers are not worth an old settler who knows the country and has been on the land there for some time. If the railway construction is much longer delayed, many of these people will be forced to leave their farms. So I make an appeal, not only to my honourable friend opposite, (Hon. Sir James Lougheed), but also to my honourable friend the leader of the Government (Hon. Mr. Dandurand), to see that proper steps are taken to reach some understanding whereby the necessary branch lines may be built.

Hon. R. H. POPE: I am very much interested in the remarks which have just been made by the honourable gentleman from Assiniboia (Hon. Mr. Turriff). Having myself spent many years in the West, I appreciate the difficulties to which he has referred. He tells us that the people there have been waiting for twenty years. Permit me to point out to the honourable leader of this House that in the Province of Quebec, where I was born, there are sec-

tions of country in which no railroad has been built for over forty years. When railways were constructed they ran through an area entirely in forest. Settlement has been extending from the main lines for 20, 30, and even 40 miles, but the people have now no more railway communication than they had thirty or forty years ago. Now, some railroad lines are to be picked out. It is quite true, according to what the honourable leader has stated, that we can make additions to or substrations from the total. I supose we may make aditions there?

Hon. Mr. DANDURAND: No, I have not said that.

Hon. Mr. POPE: I did not say that you said it.

Hon. Mr. FOWLER: Or make substitutions.

Hon. Mr. POPE: I asked if where one line was dropped out we could not substitute another, perhaps a line in Quebec. Is not some accommodation to be given to the people in the old Province of Quebec? I appreciate the citizens of Saskatchewan for all they are worth—and no more. The citizens of Saskatchewan are no better than the citizens of the Province of Quebec, and no more entitled to consideration. Our people are native-born; they are not immigrants from some foreign country. If there is one thing that should appeal to the Government of Canada more than any other, it is the welfare of the men and women who are native-born Canadians. Under the circumstances, which I have not exaggerated but merely mentioned, I appeal in the name of the Province of Quebec to the hearts of the people of Canada, and particularly to the Senate of Canada, to include the Province of Quebec in the programme of railway construction, so that the native-born citizens of that province who live 30 or 40 miles away from a railroad may have an opportunity of getting nearer to the markets and to the centres of consumption. I think that I am speaking in a good cause. I am asking for simple justice and nothing more. The honourable leader of the Opposition—no, he is not in Opposition, but he should be—the honourable leader of the Government turns the back of his head to me. I am surprised, Sir, that you do not want to face me with warm and hearty sympathy. I am disappointed that my appeal to you does not indicate that you will recall your colleagues in the sacred Chamber down below, and consult them, and make it possible for the native-born citizens of Quebec, from which I come, to share in this splendid new railway policy of the Government to which you belong. It is a policy that proposes to build railroads anywhere, at any time; that proposes to finance them as they please, anyhow and in any way and at any time. We who live in the Province of Quebec never had any such proposition as this laid before us. In the old days we had to measure the distance; we had to say from where we started, and where we went to; we had to give the absolute mileage; we had to take a positive estimate of the cost; we had to form an organization called a company; we had to assume responsibility associated with the early financing of that enterprise—buying the right of way, and all that—before we could come to Parliament and get a miserable subsidy. Originally it was $1,600 a mile, afterwards $3,200, and still later $6,500 a mile, if we could make the road cost that much. We made an effort to see that those roads were worth all that subsidy of $6,500 a mile, and as a rule we won out. And now we find that it is possible for vacant places in Canada to be able to go forth and build a road without any organization whatever, without any disturbance to finance, without an appeal to anything, without a survey, without knowledge of distance, without guarantee of cost, without guarantee of mileage; that we can come to the Parliament of Canada and get a blank letter of credit to go forth to the world and get the money to build those roads. And I am living in the Province of Quebec, a native citizen of Canada, and yet we are refused a single mile to be included in this list. Did some honourable gentleman say 12 miles? Those 14 miles have been disputed here. I do not think they should be. I was going to say it was mean of the leader of the Government in this House to ask for only 14 miles out of one thousand; and to deny him that I think is too awfully mean. I think it is unworthy of this great Chamber to deny that. I think we should build those 14 miles. I am almost inclined to go and build them myself, but those 14 miles should be built, because it is not in keeping with the dignity of this body that we should refuse our leader a little link of 14 miles out of 1,100 miles of road.

Permit me to turn to the West. We had a delegation here this year which the honourable leader of the Government remembers well. It came from the Peace River Country, representing possibly 10,000 people today, but formerly 20,000 people. The Gov-

ernment to which he belonged was appealed to from every point of view for some recognition to be given to those people. We discovered the great Hoppe coal lands back there, and the Government have been finding out their importance, because they have rescinded a fiat that they had given, in order that those coal lands might remain the property of the Dominion of Canada. There is a road that is needed, my honourable friend; if you are going to make 29 you ought to have made 30. If you could not do any more, you might at least have put that on the list in order to encourage those people in the Peace River country. They are worthy of encouragement by the people of Canada, and the Hoppe coal fields would pay all the cost of that road, would make it a success from the start, and relieve the fuel situation in eastern and western Canada, on the Pacific slopes of the United States, and in Japan. It is a wonderful field. The honourable leader knows these things perfectly well, and I was bitterly disappointed to find that he forgot that area and took up those other parts.

Hon. Mr. DANDURAND: But I will gladden the heart of my honourable friend by informing him that in the Supplementary Estimates there is a sum of $50,000 for a survey.

Hon. Mr. POPE: I am delightered. I thank you in the name of the people of Peace River. It will be a mighty poor consolation to them when they ship away their grain this year, but it is better than nothing. A straw to a drowning man is something. I will write to the people of Peace River and tell them that a straw is thrown out by the Grit Government that is in power to-day.

Hon. J. D. REID: I would like to say a few words on this subject before the vote is taken. I was as greatly surprised as was the honourable leader of the Government that a Bill of this kind had been introduced into Parliament. If I remember rightly, he said it was a long time since he had seen a similar Bill. I was a member of the House of Commons for some thirty years, and no Government during that time, so far as I can remember, ever submitted a Bill of this kind and tried to pass it through Parliament.

A great deal of time has been taken to say that the Government could have done this in other ways, and the honourable leader of the Government a few minutes ago explained how it could be done. The Government might have submitted a brief outlining of the plan for building the lines, as has been done for many years, and a general amount like the $73,000,000 could have been asked for in the House of Commons, with a detailed statement of the lines that were to be built with that money. When the honourable gentleman from Bedford (Hon. Mr. Pope) spoke about including in this Bill an amount for a railway in Alberta, the leader of the Government said there was in the Supplementary Estimates an amount for building that railway.

Hon. Mr. DANDURAND: For a survey.

Hon. Mr. REID: Well, a survey is the beginning, and the money that is to be voted here is for survey, and for construction if there is enough left over and above the cost of the survey. It the Government were anxious to build these railways, why did they not put in the Estimates the long list we have in this Bill? Former Governments made out lists of railways, which were taken to the Governor in Council, and the Government decided what lines they would build; then the list of those railways was included in the Estimates, either in a general amount or in detail; the estimate was taken up in Parliament, and thus the members of the House and the public knew exactly where that money was to be expended. The money was voted, and the following year the members had a right to discuss the whole of the details of the expenditure.

Now, what does this Bill say? The honourable leader of the Government said that the Canadian National Railways had been handed over to a Board of Management under the Canadian National Railway Act, and, if I understood him rightly, he said that whatever those men say we must follow. But, as he knows, Parliament never gave the Government authority to give that Board constructing powers. Here are the powers that were granted by the Government to the Board of Management:

> The Governor in Council may from time to time by Order in Council entrust to the Company the management and operation of any lines of railway or parts thereof, and any property or works of whatsoever description, or interests therein, and any powers, rights or privileges over or with respect to any railways, properties or works, or interest therein, etc.

That is, they could only give them the management and operation. Then we have clause 23:

> With the approval of the Governor-in-Council and upon any location sanctioned by the Minister of Railways and Canals, the Company may from time to time construct and operate railway lines, branches and extensions, or railway facilities or properties of any description in respect to the construction whereof respectively, Parliament may hereafter authorize the necessary expenditure, or the guarantee of an issue of the Company's securities. A copy of any plan and profile made in respect of any completed railway shall be deposited with the Board of Railway Commissioners for Canada.

Then of course they can entrust the Management to proceed with the construction. That is the Canadian National Railway Act as passed by Parliament. Surely the Government of the day does not intend to act on every request or suggestion of the Board of Management as to construction, without first considering whether these lines should be built, and then taking the responsibility for them by placing the amounts in the Estimates in such a way that they can be thoroughly discussed, and that we in Parliament can get the details hereafter. We all know that if the amount is placed in the Estimates the details must come out in the Auditor General's report, and of course every member has full knowledge.

There will be one advantage to the Government if this Bill goes through, that the Management of the railways will simply say —and the Government will back it up, because they admit the Board is to have full power: "It is not in the public interest to give information as to what these roads cost, who the contractors are, etc." Therefore Parliament will not be able to get any information, because the figures will be kept out of the Estimates, and will not appear in the regular way in the Auditor General's report.

Hon. Mr. DANDURAND: I would like to put a question to my honourable friend: could we not put that condition in this very Bill, that a report will have to be made to Parliament annually of the construction cost, the number of miles of railway that are built during the preceding year and so on?

Hon. Mr. REID: Of course, if we could amend the Bill we could put anything in it, but I have my doubts whether we have the power of amending, on account of it being a money Bill. Taking that position, it does seem to me very strange that the Government are afraid to put the amounts for these railways in the Estimates, as is the custom.

Hon. Mr. DANDURAND: But why should the Government be afraid? They will have to come to Parliament for the money.

Hon. Mr. REID: Of course, the honourable leader of the Government should answer that question himself. If I had to give an answer, I might suggest that the amount that is being voted in the Estimates for the present year is staggering to the people of this country, and if $28,000,000 or $30,000,000 were added I do not think the Government would like the public to be advised of that fact. By covering it up in a Bill of this kind they thought they could get it through.

There are other reasons why I do not like this Bill. If passed it will mean that our Estimates will not show to the public what we are spending, and next year we will have another Bill in this House with another long list of railways, the cost of which will not appear in the Estimates at all. Even this Bill permits the Board of Management to go on and construct not only 1,100 miles of railway, but many more, because clause 7 of the Bill says:

> The mileage of the said lines of railway and the cost of construction thereof, as mentioned or referred to in the schedule to this Act, are merely estimated distances and costs for the information of Parliament, and shall not be taken to restrict the Minister in the issuance of such certificates nor the Company in the performance of the work of construction and completion nor in the issue of its securities.

Why, instead of a thousand miles they could build another Transcontinental, and not come to Parliament. Then this Bill gives the Government power to issue securities on those lines without consulting Parliament. So that we might just as well admit that from now on the Management of the Canadian National Railways can build any further railways that are to be built, practically without coming to Parliament, and this country can be saddled with hundreds or thousands of miles of railways that will not only not pay after construction, but may never be constructed. So the deficit on the Canadian National Railways will be increased, and we may make up our minds that those railways will never pay; it will be impossible to make them pay. Thus public ownership would be destroyed by the way the new work was being constructed. The honourable leader of the Government stated that these are lines which should all be built.

Hon. Mr. DANDURAND: Oh, no.

Hon. Mr. REID: Do I understand that the honourable leader, as representing the Government, submits a Bill here, and says now that they should not be built?

Hon. Mr. DANDURAND: I did not say that; but when my honourable friend stated that all those lines should be built, I simply said that I was submitting them for the consideration and best judgment of the Senate upon the opportuneness of building them.

Hon. Mr. REID: Do I understand now that the leader of the Government, who has sat at the Council table and agreed to this Bill, now says that he does not think the whole lot of these lines should be built?

Hon. Mr. DANDURAND: I say they all should be built, subject to the approval of both branches of Parliament, and my honourable friend's responsibility begins here.

Hon. Mr. REID: I am going to accept that responsibility, but my honourable friend,

as a member of the Government, must have thought, when he submitted this Bill, they all should be built. He gave one instance of a line that should be built, and that is a line of 12 miles in the province of Quebec.

Hon. Mr. DANDURAND: No, I gave an example, an illustration.

Hon. Mr. LYNCH-STAUNTON: A sample.

Hon. Mr. REID: All right, a sample. Now, on what particular point this is the position of the railway situation. From St. Jerome to Montreal the C.P.R. has a direct line, and the Canadian National has also a through line, so that a passenger getting on at St. Jerome, no matter which road he uses, can go through to Montreal on that line, but to go on the Canadian National takes longer, for this reason. From St. Jerome to Terrebonne the roads practically parallel each other; then, at Terrebonne the Canadian National takes a longer circle and the route to Montreal is a number of miles longer; but passengers who want to go more quickly get on the Canadian National at St. Jerome or any station between there and Terrebonne and they just step off that on to the C.P.R. and arrive at Montreal at exactly the same time. Because of this, the honourable leader asks us to vote $357,000 to build 12 miles of line to connect St. Jerome branch with the Transcontinental that runs into Montreal. I ask how any man can approve of an expenditure of that kind. The honourable leader has to admit that the Finance Minister in another place stated that this country would lose, $70,000,000 or $80,000,000 during the present year.

It is said that other lines mentioned in this Bill are urgent, and Sir Henry Thornton and his Board have approved of them. Well, I think the honourable leader knows more about them than Sir Henry Thornton. Twenty-five or thirty years ago, when I was a member of the House of Commons, the question was brought up of building a railway of about 67 miles in the constituency of Mr. Sinclair, who was then a member of Parliament, and is now a member of the railway directorate. It was prior to 1896, when Sir Wilfrid Laurier came in. An investigation was made by the railway officials of that day, and they reported against it. Instead of costing $3,500,000, it would cost $8,000,000 if my memory serves me rightly, and that was before the war, when railway work could be constructed for probably one-third of present cost. That was the position when the Conservative party was in power. When Sir Wilfrid Laurier came into power the road was going to be built, and during 16 years Mr. Sinclair appealed to Sir Wilfrid and his Government. There is a stack of reports a foot high on that project, and while they wanted to let Mr. Sinclair down easily, there never was a report sufficiently strong to warrant undertaking the building of that road, when we had lots of money. I know that while I was Minister of Railways and Canals a deputation came up about it, but I never heard any officials of the Intercolonial Railway admit that they were justified in going to such an enormous expense to build that particular road.

We have here, to begin with, 67 miles of road, the construction which would cost some $7,000,000 or $8,000,000 at pre-war prices. That is only a sample. I do not say that applies to all these lines. Money has already been expended upon a number of these lines in the Northwest. Some of it was spent when I was Minister of Railways and Canals.

But let me tell you what this construction means. When the Canadian Northern Railway lines went into Saskatchewan and Alberta they went in as colonization roads. The company started building roads into the prairie probably 10 or 20 or 30 miles. They moved ahead of the population, and as the population grew they were justified in extending them. But remember, the extension helped to bring traffic of the kind needed by the railway to make it pay.

I have no hesitation in saying that I would not at any time refuse to extend lines along which the people had settled; and I am convinced that they would provide sufficient traffic and would justify the expenditure made upon them. If I remember correctly, nearly all the branch lines in Saskatchewan pay by reason of the grain carried over them.

The railways proposed under this Bill will probably not be constructed this year. Under the old system they would be half completed by this time and I will tell you why. Before the 31st of March, one-sixth of the total amount required, as shown in the Estimates, would be voted and passed by Parliament and sanctioned by the Governor General, and the money would be available for construction in the spring, which is the proper time of year to get the road ready for the wheat crop next fall. Even if this Bill is passed, the crops will be harvested before the road can be constructed.

There is perhaps a fear among honourable gentlemen from Alberta and Saskatchewan that if we do not pass this Bill the Government will not be able to proceed with the construction of railways. The honourable leader of the Government has stated that the expenditure of this money is to be extended over the next three years; the total amount, according to his estimate, being $28,000,000.

If honourable gentlemen possessed all the information that I do, I do not think they would for one moment consent to this proposal: they would realize immediately how unfair it would be to proceed with these works under existing financial conditions. Under this Bill about $11,000,000 would be the proportion assigned for construction in Alberta and Saskatchewan. That expenditure is to extend over a period of three years, which means that the expenditure during the next twelve months would be about $3,500,000. If the Government thinks these roads are necessary, it should be easy to apply $3,000,000 of the $73,000,000 provided in the Estimates to build these roads and thus avoid any delay. In fact, as soon as we passed the first Supply Bill, under which we voted one-sixth of the supply for the year, the work on these roads could have been commenced. In some cases bridges have been built and the roads have been graded, and it is not such a serious thing if this Bill is not passed.

The most serious thing that could happen would be for the members of the House of Commons and the Senate from now on to give to the Board of Railway Management the right to go ahead and build railways without first obtaining a vote from Parliament, and without the details, which we have had in the past, being placed before us.

Let me give the House some idea of the amount we will have voted when the Supplementary Estimates now before the House of Commons have been passed. The Main Estimates for the year amount to $427,551,-235.73. Of that sum $73,000,000 is for the construction and betterment and operation of the railways. Then there is a Supplementary Estimate of $5,500,000—I think that is for bonuses to the Civil Service. There is a further Supplementary Estimate of $18,-202,105.66, and a still further Supplementary Estimate of $14,711,351.05. These sums total $465,924,692.44. In addition to that there are other amounts which do not appear in the Estimates. By this means, the Government will be able to show that their Estimates were only so and so. I am not finding fault with that. We voted $10,000,000 for the Montreal Harbour Commission, and $5,000,000 for the Vancouver Harbour Commission under Bills similar to this one, and under which we gave them power to spend the money as they liked. I suppose the management of the Canadian National Railways has looked up the matter, and has thought it would be a delightful scheme for them to build a thousand miles of railway this year or another thousand next year if they did not have to report to Parliament, where the expenditure might come under criticism. For that reason they ask in this Bill for $28,307,900. If the Bill were to go through, the total amount of money voted this year would amount to $509,232,592.

In the face of that, honourable gentlemen, I ask is it fair to adopt any such policy as this for the construction of railways, many of which, I claim, are unnecessary and will only add to the deficit of the Canadian National Railways? In addition to the cost of building the roads, the cost of equipment must be taken into consideration. The Government of the day states that there will be a loss on the railway of $50,000,000 or $60,-000,000 this year; in fact that the deficit will be greater than last year. I understood that when the present Government was in opposition, and even after it came into power, the watchword was economy. I could show, honourable gentlemen, that the expenditures to-day are greater than they have been in the past and that if the Bill is passed the watchword should no longer be economy, but extravagance. I do not believe it is in the public interest to pass this Bill, and I trust that it will receive the six months' hoist, and that the Government will realize the situation and bring in Supplementary Estimates when they want to build railroads, so that we may have an opporunity of dealing with them on their merits. We all know that railroads must be built; but they must be built with an eye to reducing the loss on the Canadian National Railways so that they will become an asset to the country instead of a liability.

Hon. Sir EDWARD KEMP: My difficulty in connection with this Bill is not only the form in which it is presented to this House, although I agree with those who have spoken in that regard. I also agree with the motion moved by my leader, and intend to support it.

Various plausible reasons can be advanced, not only with respect to the building of the railroads which we are now considering, but with respect to dozens of other projected lines in this country. We have a sparsely settled country, a great deal of which may be said to be very new country, and it is owing, to some extent at any rate, to the general railway policy of the past 20 years that we find ourselves in such a difficult position. I need not go into the question of who is responsible for the railway situation in this country.

It is my intention to address the members of this House for but a few minutes. My reasons for supporting the motion of the leader of the Opposition are perhaps somewhat differ-

ent from those which have been advanced by other speakers. I do not want to be a pessimist. I never have been a pessimist with respect to the development of this country; I always have been the very opposite. I do not want to advance arguments to-night which may be quoted in other places than Canada, and which may have a detrimental effect upon the development of this country and upon immigration and capital coming into this country. There is enough of that sort of thing going on in another place. But I think the time has arrived when we should do a little sane thinking.

We might as well realize, honourable gentlemen, that we have built railways for a population of 18,000,000 of people rather than for 9,000,000—and as I said before, I do not propose to say who is responsible or who is not. That is a matter which has been threshed out over and over again, to be generous regarding it, I think we might say we have all been overly optimistic.

But we have this railway situation on our hands to-day. I need not review the question of public or private ownership. That has nothing to do with my argument at the present time. The liability is upon us. The railways are operating, and we have to try to make the best of the situation.

I would like to draw the attention of the honourable members of this house again to the fact that the Finance Minister stated in his Budget speech that the deficit on our national railways last year was $92,190,000. That money was raised by borrowing to the extent of $50,000,000 and adding to our debt; the balance came out of the taxpayers of this country. Every man who has an income of over $2,000 is taxed to help to pay that deficit upon the railways.

We have in this country almost every method of direct taxation that has been adopted either in Great Britain or in the United States; and we have some other methods of direct taxation that are not in vogue in those countries. On top of that we have lately added another tax—one which has been discarded by both Great Britain and the United States—a tax of 6 per cent on the turnover of certain industries. We therefore have a higher taxation than they have. Industry is being bled to a great extent, and is being paralyzed by this taxation. So much money is being taken out of the people of this country that it is impossible to find money for investment in new enterprises.

In 1913, the year before the war, our national debt was $314,301,625 net. At the present time it is approaching the two and a half billion mark. This is chiefly owing to the war, but is partly by reason of our railway policy. It is said that if the provincial and municipal debts of this country were added to the national debt, the total would amount to four billion of dollars for a population of under nine million people.

Hon. Mr. BELCOURT: Would my honourable friend allow me to ask him if that includes the Government guarantees on railways?

Hon. Sir EDWARD KEMP: No. I am very glad my honourable friend has asked me that question. Besides that, there is over $300,000,000, as noted in the Public Accounts, which is represented by the bonds of our railways. That is not included in the national debt—and I am not sure whether it includes the Grand Trunk liabilities or not. I do not think it does.

Hon. Mr. CASGRAIN: No, it does not. The Grand Trunk liability is $500,000,000.

Hon. Sir EDWARD KEMP: I would also like to draw attention to the fact that our expenditure in 1913, the year before the war, was $144,456,878.

I have looked at the Money Bills which have been introduced into the House of Commons this year. I did not examine them all, because when I found that they were approaching the half billion mark I thought there was no use in bothering about the matter any further. I would like to draw attention to the fact that the interest on our war debt, our pensions, and matters of that sort, that are attributable to the war, added to the expenditure as it existed before the war, would amount to something over 300 millions of dollars. But, you see, there is a considerable margin between that and the amount of money which has been voted in another place this year. I feel that the time has come when there should be great retrenchment.

There has been created in the minds of the public of this country, owing perhaps to what might in a sense be called an unimportant incident, a great lack of confidence in the Board of Directors of the National Railways, not only with respect to certain other affairs, but particularly with respect to a report which has appeared in the press that a sum of no less than $2,000,000 has been extracted from the Treasury of this country and invested in a foreign city—in, it is said, a hotel; that this amount has slipped out of the Treasury of this country in some way which has not been satisfactorily explained. The Government may say that they are not quite re-

sponsible for this, but I think they are responsible for it. In any event, whatever position the Government may take, the Board of Directors and the President of that Railway should have known better than to do any such thing. It is unprecedented in the history of this country, and I regret very much that it has happened. I hope there will be a thorough investigation of it. I say that this has created mistrust and lack of confidence in the Board of our National Railways in this country. I would not under any circumstances have placed in their hands such powers as are given in this Bill; but since that transaction I do not see how the Government itself could have as much confidence in them as it is desirable to place in a board possessing such administrative authority.

I regret very much the manner in which the accounts of this country are kept; and I believe that it would be far better to stop the pooling of our revenue. Long ago we should have had three classes of accounts. There should be one class representing the ordinary expenditure such as was incurred before the war; and the revenue for that should be raised in the same manner as before the war. There should be, secondly, a class including our war liabilities, and that money should be raised, it seems to me, largely by direct taxation; and if there is raised for that purpose more money than is needed to meet our war liabilities, reduce the debt, pay interest on pensions, provide for civil re-establishment and all that sort of thing, then the taxation should be reduced. The third class of accounts, which should be entirely independent of the others, are our railway accounts. It is scandalous that the money paid by the people of this country in taxes on incomes over $2,000, should have to be used to meet the deficit of the railways of this country. The people of Canada do not know it, but I think that as soon as they learn it there will be found a way of reducing the deficit on our railways. In my opinion, honourable gentlemen, there should not be any such deficit. Our railways have no dividends to pay. The Grand Trunk system is one of the finest systems on this continent. I believe they should be self-sustaining, and economies should be instituted which would make them self-sustaining. So long as the Board of Directors of the National Railways feel that they may spend any amount of money they like, practice all kinds of extravagance, and just lean back and take the amount of the deficit at the end of the year out of the general treasury of this country, so long will you have deficits on these railways. Therefore I do not believe in the pooling of our revenues, and in my opinion, it would lead to better management and more economies in connection with our railways to abolish that system.

In addition to our burden of taxation and our railway deficit there is another very serious problem in connection with our railways. It is the question of freight rates. Passenger rates are higher than they were before the war, but they are not so important. The freight rates of our railways, what are known as the class rates, are between 80 and 100 per cent higher than they were before the war. In order to ascertain the increase in income of our National Railways, you multiply by 2, or a little less than 2, the revenues of the railways prior to the war. That tremendous amount of money is coming out of the pockets of the people of this country.

This situation is interfering with interprovincial trade throughout this country. The fisheries of the Maritime Provinces, I am told, are not in a prosperous condition. Soon after Confederation the people of the Maritime Provinces started to develop industries, and at the present time they have many splendid industries, which are in a position to do, and are doing, business all over this country. I have had conversations with manufacturers in the Maritime Provinces recently, and I know of my own personal knowledge that they are finding the present situation most difficult and are losing trade with distant parts of the country because of the high freight rates. Furthermore, the people of other parts of the country who visit the Maritime Provinces are finding it difficult to do business there for the same reason. The people of the province of Quebec have had three bad crops in succession. We hear of troubles there, and of people leaving for the United States. From the Northwest, too, we hear a good many complaints. From the mouths of certain persons who live in distant parts of this country, chiefly in the East, I have lately heard statements, that they might have been better off had they not entered Confederation. We are confronted with these problems, and we are bearing this frightful burden of taxation, which is raising the price of commodities and making the cost of living higher than it should be; the high freight rates, which increase the cost of certain commodities shipped from the East to the Prairie Provinces from 5 to 20 per cent; this 6 per cent tax on gross sales, which increases the cost of commodities by 6 per cent, and perhaps more, before it is collected. We have heard the rumblings of dissatisfaction, which are largely the outcome of the high freight rates and the bad adjustment of taxation, and these evils are sapping

the very foundations of interprovincial trade and perhaps the foundations of Confederation.

What we need in the present situation is economy. We in this country at present are apparently unwilling to make sacrifices. We want to spend all the money we can for everything in sight. Thousands of our young men made the supreme sacrifice of their lives during the war; yet we are not willing to economize sufficiently to enable us to pay the interest on our war obligations and extricate ourselves from our difficult situation in connection with our railways. Honourable gentlemen, I will tell you what I would do with the money that is represented in this Bill, and with more if this country could raise it; I would apply it to reducing the freight rates to and from our Prairie Provinces. I believe that in doing that, and in effecting economies we would be doing far more good than by continuing the railway policy indicated by this Bill. We do not know where it will land us. It is a fine thing to have these railways. They may be needed, and we may need dozens of other lines, but we have not the necessary money, we cannot afford them just now. What is required in this country still more is a determination to practise economy and return to sounder principles than we are following at the present time.

Hon. G. D. ROBERTSON: Honourable gentlemen, I rise, not to enter into any lengthy argument, but for the purpose of making a suggestion which I hope the Government will seriously consider. According to the notice given yesterday by the honourable leader of the Government, we are on the eve of the prorogation of Parliament, and whatever is to be done with this most important question must be done quickly.

Hon. Mr. CASGRAIN: Now.

Hon. Mr. ROBERTSON: There is one feature which to my mind is very important and which has not been touched upon. I will refer to it in passing, and then make my suggestion.

There is one part of the great Canadian National Railway system upon which it does not take more than a dollar to earn a dollar. The Grand Trunk Railway proper, in Canada, earns a dollar on an expenditure of about 92 cents: but the expenditure of the Grand Trunk lines in the United States, both East and West including the Central Vermont, runs over the dollar mark; so the average of the whole Grand Trunk system is approximately 96 cents to earn a dollar. That has nothing to do with bonded indebtedness or guarantees, but refers simply to operating expenses. The average of all the rest of the lines—Canadian Northern, Grand Trunk Pacific, Transcontinental, etc.—according to the latest report, which I have under my hand, is an expenditure of $1.12 and a fraction to earn one dollar. Therefore the more business the Canadian National Railways does to-day the more it loses. Is it good business to build $100,000,000 worth of more lines and spend the $20,000,000 necessary to equip them, as I pointed out last night would naturally follow, and thereby aggravate the situation still more?

But that is not all. To my mind one of the considerations of most importance to this country is the financial credit of Canada. One of the most valuable assets that Canada has to-day is the financial stability and standing of the great Canadian Pacific Railway. If this mad competition goes on and we build lines at public expense to run into every hamlet which the C.P.R. touches, God help Canada.

What I desire to suggest to the Government to-night is that there is a way out of the dilemma in which we find ourselves. Ample justice can be done to all the localities where railway extension is found to be necessary. My suggestion is that the Government agree to withdraw this Bill, the principle of which it is obvious this House cannot and will not adopt, and that the Government forthwith proceed to amend its Supplementary Estimates so that they will cover the expenditures proposed for this year only. There is no necessity of providing at present for expenditures for the years 1924 and 1925. For the three-year period referred to in this Bill the Government wants $28,000,000. I respectfully urge the Government to reduce the Supplementary Estimates to $10,000,000, which is more than one-third of the amount asked for in the present Bill—

Hon. Mr. LYNCH-STAUNTON: Is the honourable gentleman in favour of building all these lines?

Hon. Mr. ROBERTSON: No.

Hon. Mr. LYNCH-STAUNTON: The ten million he proposes is more than one-third of the cost.

Hon. Mr. ROBERTSON: I am trying to be generous; I am trying to find a way whereby no necessary railway construction may be held up. I am sure that the House will be inclined to give sympathetic consideration to a proposal of that sort from the Government, but that this House will not, with proper regard for itself, for Parliament, and the right of the people of Can-

ada to protection, endorse a vicious principle such as is embodied in the Bill before us.

As the honourable member from Toronto (Hon. Sir Edward Kemp) has just said, the performance of the present Board of Directors, as it has come to public knowledge during the last few weeks, does not inspire confidence or encourage Parliament to give a blank cheque to the Minister of Railways to be handed over to the Board managing the Canadian National, to enable them to construct more than 1,000 miles of additional lines at whatever price they see fit to pay.

I hope that the honourable leader of the Government in this House will take cognizance of the suggestion made and will see fit to withdraw the Bill and will urge upon the Government that if there are any lines on which in their opinion expenditures must be made this year, over and above what are provided for in the $73,000,000 in the Main Estimates, they will submit their requirements to this House before prorogation; and if prorogation is to take place to-morrow the Government must act quickly.

Hon. H. W. LAIRD: Honourable gentlemen, this is a matter of such transcendent importance to the Province of Saskatchewan, from which I have the honour to come, that I do not intend to allow it to approach the vote which must ultimately be taken without making a few observations upon the situation created by the discussion of this measure.

We have heard a great deal in this House to-night with regard to the conditions in the Province of Saskatchewan, and I propose to confine any remarks of mine to that Province. We have been given much information regarding the territory in that Province through which the proposed lines are to be built. It is unnecessary for me to supplement what has already been said, except to state that I have personal knowledge of the areas which would be served by the proposed branch lines, and I can assure this House that in every case they are absolutely essential to the development and progress of that province. These are not new lines; they are merely extensions of present lines for the purpose of supplying the needs of the settlers who went in before railways were built. Those men have borne the burden and heat of the day for many years. They have had to haul their crops of grain for 20, 30, even 60 miles in order to load it upon the railway cars. I have a personal knowledge of the great Carrot River district, north and east of Prince Albert, which is to be served by one of these proposed lines. It is the garden of Saskatchewan, one of the most magnificent parks in the whole of Canada. I have a knowledge of the Willow Bunch country in the southeastern part of the province. I have myself seen 55 bushels to the acre grown on land in that district 30 or 40 miles away from any railway track. The House will therefore recognize at a glance the absolute necessity for giving at least some service to those people, who have settled there in good faith and opened up that country and are cultivating the land. They must at some time or other be served with railway facilities, which must be provided by this Government.

I will not say anything further as to the need of the territory to be served by these roads. I think we may take for granted, from what we have heard this evening, that they are entitled to railway service. That being the case, we ask why, under these circumstances, the Government does not bring down this legislation at this Session in such a form that it can be accepted by Parliament, and provide these services which ostensibly they are willing to grant. Let us ask the question, do they really want to build those roads?

Hon. Mr. CASGRAIN: No.

Hon. Mr. LAIRD: Ostensibly, from the Bill brought down they do; but, if we investigate a little further, some doubt arises in my mind. If they wanted to build those roads, why was not the usual course followed in bringing down this railway legislation? Why did they depart in this particular case, and impose conditions which they surely must know could not be accepted by this House? Whether or not the Government as a whole are disposed to desire these roads, we are certain that some of the most important elements in the Government ranks are not disposed to accept them. Even my honourable friend the leader of the Government did not seem any too earnest in his presentation of these Bills. We know from his capacity, and from past experience in presenting legislation to this House, the earnestness of which he is capable, and the ability with which he can present his case; and I think, reading between the lines, that in this case we have seen some evidence that even he was not quite so much in earnest in presenting this legislation as he has been on other occasions. But whether the leader is particularly in earnest or not, we have the absolute certainty that his leading lieutenants surrounding him are not in favour of passing this legislation. Last evening one of the most distinguished mem-

bers on the Government side of the House, the honourable member from De Salaberry (Hon. Mr. Béique) rose in his place and without any qualification whatever stated his absolute opposition to this whole Bill. He was followed a moment afterwards by our distinguished friend from Ottawa (Hon. Mr. Belcourt) who in terse words practically demanded that the Government withdraw this Bill. I happen to know the mind of some other honourable gentlemen on the front benches to the left of the leader of this House, and they are no more in sympathy with this legislation than the ones I have mentioned. So that it cannot be said with any degree of truth that all the opposition to this Bill comes from this side of the House.

When objection was taken by the leader of the Opposition to this Bill the leader of the Government said, "Pick out your lines and we will deal with them separately." I do not think that was a very creditable suggestion for my honourable friend to make, because he knows that we do not govern this country: we were relieved of that responsibility a year or two ago, and it has fallen into the hands of others whom he represents, and it is their business to govern this country. If any lines are to be picked out it is the Government of this country, represented in himself, who should pick out the particular lines, submit them separately to this House, and ask for our endorsation.

Hon. Mr. DANDURAND: Well, I will ask this question of my honourable friend: suppose I brought in as many Bills as there are lines, would not the majority of this Chamber select lines that they would vote for and practically pick out those that they would prefer, and let go by the board those that they would vote against? Would not the result be the same?

Hon. Mr. LAIRD: I am very glad my honourable friend has asked me that question, and I am going to answer it, and then I am through. I am going to say that if my honourable friend is absolutely in earnest in regard to this legislation, and desires to have it passed at this Session, and desires to give that railway service at an early date to those Western people who are anxious to get it, let him follow my suggestion, and we will stay here until next week if necessary; and if I sense correctly the opinion of this side of the House, I think I can assure him that most of the lines in the province of Saskatchewan, at least, will find a favourable endorsement at the hands of members on this side of the House. I am glad he asked that question, so that I could make that suggestion to him, because, as coming from the province of Saskatchewan, I want to place the responsibility for the defeat of the proposed legislation which would provide those lines in that province exactly where it belongs, and that is on the head of the Government of this country.

If anything should happen in the vote which is about to be taken whereby this legislation is postponed, it will not be the responsibility of members on this side of the House, but it will be that of the Government of the day, which has failed to bring down legislation in the way in which they know they should bring it down, in order to command the confidence of this House.

The proposed amendment of Hon. Sir James Lougheed was agreed to on the following division:

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The Honourable Messieurs:

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Belcourt,	McCall,
Bénard,	McDonald,
Bennett,	McLennan,
Black,	McMeans,
Blain,	Montplaisir,
Blondin,	Mulholland,
Boyer,	Poirier,
Casgrain,	Pope,
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David,	Schaffner,
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Farrell,	Ross (Moose Jaw),
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Lavergne,	Turriff,
McHugh,	Watson—10.

Hon. Mr. TURGEON: I am paired with the honourable member from the Gulf (Hon. Mr. L'Espérance). Had I voted I would have voted against the amendment.

PENSION BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 205, an Act to amend the Pension Act.

Hon. Mr. GRIESBACH: I move that this Bill be not now read the third time, but that it be amended in the following particulars:

The amendment to clause 11 provides for the manner in which the appeal shall be taken and reads as follows:

(1) Upon the evidence and record upon which the Board of Pension Commissioners gave their decision an appeal shall lie in respect of any refusal of pension by the Board of Pension Commissioners on the grounds that the disability resulting from injury or disease or the aggravation thereof or that the injury or disease or the aggravation thereof resulting in death was not attributable to or was not incurred during military service.

It forms the basis of appeal.

Then, there is an amendment on page 5, line 48:

After "hear" insert "but only upon the evidence and record upon which the Board of Pension Commissioners gave its decision."

There is then a consequential amendment to subsection 5 of clause 11, which provides that in addition to the applicant or appellant a member of the Board of Pension Commissioners shall also be represented. It reads:

Every applicant and the Board of Pension Commissioners for Canada or its representative shall have the right to attend in person, at any and all sittings for the purpose of hearing an appeal held by the Board or by a member thereof, under such conditions as to the payment of an applicant's expenses thereby incurred as may be fixed by regulation of the Governor in Council, and the applicant may if he so desires, but at his own expense, be assisted thereat by counsel or representative other than the official Soldier Adviser appointed under The Department of Soldiers' Civil Re-establishment Act."

Hon. Mr. FOWLER: Are those amendments made by the Committee?

Hon. Mr. GRIESBACH: They are amendments made by the Law Clerk, consequential upon the amendments which have have been offered. I move that the Bill be not now read a third time, and that it be amended by inserting the above amendments.

The motion was agreed to.

THIRD READING

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

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

POST OFFICE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 246, an Act to amend the Post Office Act.

He said: Honourable gentlemen, I was asked, I do not remember now by whom, what would be the reduction of revenue on account of the change in the postal tariff on newsprint. The answer which I have received from the Department is that it would be about $200,000.

Hon. Mr. GORDON: May I ask, what is the justification for reducing this cost to newspapers in view of the fact that we are already losing hundreds of thousands of dollars on their carriage?

Hon. Mr. DANDURAND: Here is the statement made by the Postmaster General himself:

By an amendment to the Post Office Act in 1920 a new schedule of postal rates was applied to newspapers and periodicals. At that time the rate was one-quarter of a cent per pound. The new schedule raised the rate on an ascending scale until it reached the maximum of 1½ cents per pound, which went into effect January 1, 1922. Strong objection was made to this maximum rate, particularly on the part of publishers of small town dailies and of weekly newspapers circulating in the rural districts, and it was alleged that the increase represented an added expense of at least five hundred per cent to this class of publishers. They asked that the maximum rate be reduced to three-quarters of a cent per pound, or that in any event it be made not more than one cent a pound instead of the 1½ cents established by the amendment of 1920. This request has been repeated at frequent intervals during the past year and a half both by individual representatives of these publishers and by delegations and correspondents, and after observing the operation of the act the Government is of opinion that the maximum postal rate on these publications might fairly be reduced to 1¼ cents a pound. It is to give effect to this decision that the present amendment is introduced.

That is to say, the reduction is from 1½ cents to 1¼ cents.

Hon. Sir JAMES LOUGHEED: And it will amount to $200,000. May I ask my honourable friend, has he been able to make an estimate on the other question which I put to him as to the extent, to which the increase of the Sales Tax will bear upon the particular papers that would taken advantage of the reduced rates? I understand that this reduction will not affect all newspapers. I suppose they could take advantage of it, but in the natural order of their business it will be limited to a few.

Hon. Mr. DANDURAND: All the users will have the benefit of this.

Hon. Sir JAMES LOUGHEED: Yes, but this reduction in the rate, I understand, will chiefly affect the larger weekly newspapers that are distributed to very distant points from metropolitan centres.

Hon. Sir EDWARD KEMP: Papers that sell for 10 cents each.

Hon. Mr. DANDURAND: I have tried to obtain the information, but the Department was not in a position to give me an estimate.

Hon. Sir JAMES LOUGHEED: It might be difficult.

Hon. Mr. DANDURAND: But I have heard some of the parties who will have to bear the increased Sales Tax claim that the tax on newspapers in general would be some $500,000 or $600,000.

Hon. Sir JAMES LOUGHEED: That is, if it is placed on all of the newspapers.

Hon. Mr. TURRIFF: I have heard on what I consider very good authority that the increase in the Sales Tax means $60,000 to one large paper concern, and the decrease under the Bill which we are now discussing will mean a saving of $8,000. I do not know whether that is absolutely correct, but I have reason to believe that it is about correct.

Hon. Mr. ROBERTSON: Can my honourable friend tell us whether or not there is any intention on the part of the publishers to reduce the price of the Sunday papers? Prior to 1920, when the postal rate was increased, we used to get a Sunday paper for five cents. When the rate was increased, the price went up to ten cents, and since that time it has been increased to fifteen cents. If there is any evidence or indication of an intention on the part of the publishers to reduce the price to the public, it would have a very substantial bearing upon what our decision should be. If, on the other hand, there is no such intention, and the selling price of the paper being 300 per cent of what it was when the rate was down, I think the House should hesitate before passing this Bill.

Hon. Mr. GILLIS: I understand that the Postmaster General says the present rate did not pay for the carriage of these papers. That being the case, I do not see the justification for reducing the rate. For example, in the West, we have papers that have increased the subscription price from $8 to $12 a year. They claimed that the reason for that was that the price of paper had been increased by the paper manufacturers from $80 to $160. I understand that the price is now reduced to about half that figure; but the subscription price has not decreased in proportion—in fact, it has not decreased at all. That being the case, I do not see what grounds there are for this reduction.

Hon. Mr. ROBERTSON: Can my honourable friend answer my question?

Hon. Mr. DANDURAND: I have no information on that point.

Hon. Mr. ROBERTSON: The reason I asked it was that a gentleman who is making himself known to the members to-day made that statement that such was the intention of some of the publishers.

Hon. Mr. DANDURAND: I hope there is some element of truth in it.

Hon. Mr. ROBERTSON: I hope so too.

Hon. Mr. DANDURAND: I hope also that the statements have been made in writing to the Goevrnment, so that they may go on record.

Hon. Mr. BLONDIN: Honourable gentlemen, as I was responsible for the increase in the rates on newspapers, and had the honour of submitting the law to this House, I may perhaps give a few words of explanation. The increase in the newspaper rates was made because it was found that the newspapers of this country were not paying their fair share towards the cost of the administration of the Post Office Department. To give you an instance of that, I might just quote the explanation which I gave to this House when the Bill was proposed. I said:

> The last report of the Post Office Department states that the carrying of newspapers costs the country from five to six millions, while the total amount of money paid by the newspapers to my Department does not exceed $261,000. We are charging the people of Canada 2 cents an ounce for carrying their letters, which means $32 for 100 lb., while we charge for the carrying of third-class matter only $8 for 100 lb., and ever since Confederation we have been charging newspapers only 25 cents per 100 lb. In this we have been following rather the American post office system than the European or British system.

At the present time the ordinary man pays 48 cents a pound, or $48 a hundred pounds, for the carrying of his letters. Legal documents, business papers, partly printed and partly written, pay from $32 to $48 per hundred pounds. Books and samples pay 8 cents per hundred pounds. The rate per parcel post is from 5 cents to places within 20 miles, and newspapers pay one cent and a half.

When we were reorganizing the Post Office Department, in order to try to put it on a business basis, we saw that it was unfair to the rest of the population to continue carrying newspapers for practicaly nothing. It will readily be understood that during the early days of Confederation, when the population was small and scattered over a large territory, there was a reason for protecting the newspapers to that extreme limit; but to-day I believe we have reached a period when the newspapers, whilst still receiving considerable protection, ought to contribute a little to the ever-increasing cost of the administration of the Post Office.

The new law was made not by a rule of thumb of the Department, but after many conferences with the representatives of the newspapers of this country. I met those gentlemen, and represented to them that in this new and growing country the Department had to face many demands for a better, speedier and larger service. When I tell honourable gentlemen that about 9,000 post offices out of a total of 12,000 do not pay for their maintenance, and that the Post Office Department has to maintain them in order to carry letters to all parts of this country; and when I tell them that the Post Office has to give a railway mail service, and to improve it as much as possible to keep it on an equality with the service in other countries, they will readily realize the position of the Postmaster General in refusing any reasonable demand; but that there is no reason for reducing their rates when millions of dollars are given towards the carrying of newspapers. We came then to a conclusion, which was accepted by the newspapers represented, and I daresay all the newspapers of this country were represented there. The decision was to make an effort to reach the rate which is charged to the newspapers in every country in Europe a rate which would approach the lowest rate charged for transportation by rail, namely, from 5 to 8 cents per pound. But the newspapers represented that, as their tariff was fixed for a year in advance, it would be a tremendous increase to make all at once, to raise the rate from a quarter of a cent to 2, 3 or 4 cents in the same year. After much discussion a sliding scale was adopted, and the newspapers agreed to an increase of the rate by one-quarter of a cent per annum. In European countries the lowest rate is 5 cents, and in England the rate is much higher.

This has worked satisfactorily, no complaint having been heard. I know that many of the large newspapers in this country are in favour of the change. I know that they recognize that it is unfair to give to the newspapers a large share of the mail service provided at public expense without adequate remuneration for it. This increase meant at the start, if my memory serves me aright, about $600,000 a year.

It may be that the proposed change will result in a loss of $200,000 or $300,000, but that is not the most important consideration. The important factor is the principle which we abandon by this Bill. We are reverting to the old system, the system of carrying newspapers for practically nothing and obliging other people to wait until we have the money with which to provide better railway service, or open post offices or establish rural mail delivery, or perhaps improve the general postal service of Canada. If we adopt this Bill to-night, the question will be closed for a long time to come. We revert to a charge which is not justified and which will not bear comparison with the price charged for any other article or service to other people in this country, and we are preventing the increase of that rate to what it ought to be. I maintain that the newspapers should pay their fair share, and that is something like 5 cents a pound.

Is the Post Office Department in a position to sacrifice revenue and increase its expenditure? Perhaps honourable gentlemen are under the impression that surpluses are flowing into the coffers of the Government through the Post Office Department. They may be surprised, some of them, to learn that the deficit of the Post Office Department is $9,000,000. The actual deficit on the gross revenue of the Department is $1,500,000; but there must be added to that the proportion of postal revenue which is obtained through the tax. This is not a declaration of my own, but the official report of the Department, and here is what the Minister himself says.

Hon. Mr. BELCOURT: Is that for this year?

Hon. Mr. BLONDIN: It is the Report of the Postmaster General for the year ending March 31st, 1922:

> The net revenue for the year, including war tax, amounted to $26,554,538.24 and the expenditure to $28,121,425.07, increases of $223,419.27 and $3,460,162.81 respectively. The expenditure for the year exceeded the revenue by $1,566,886.83. Excluding the war tax, calculated at $7,435,270.64, the expenditure exceeded the actual postal revenue by $9,002,157.47.

Hon. Mr. BELCOURT: That is unusual, is it not?

Hon. Mr. BLONDIN: Yes. I have here the revenues and expenditures for a series of years, but I will take only the last three or four.

Year	Net Revenue	Expenditure
1918	$21,000,000	$18,000,000
1919	24,000,000	20,000,000
1920	26,000,000	24,000,000
1922	26,000,000	28,000,000

Salaries were increased, and there were changes made in the Post office; but the changes were made previously, and I do not think they account for that great difference. However, in 1921, when the net revenue was $26,000,000 and the expenditure $24,000,000, there was an apparent surplus of $2,000,000; but there was actually a deficit, because from that $26,000,000 of revenue it is necessary to

deduct about one-third, contributed by the War Tax.

Hon. Mr. DANDURAND: How is it computed at one-third? The amount of War Tax revenue must be very difficult to ascertain.

Hon. Mr. BLONDIN: It is a little less than one-third. That is the estimate that has been made by the Department. The calculation is a rather complicated matter. It is not absolutely exact, but I think it is fairly so.

Hon. Sir JAMES LOUGHEED: How is that imposed or collected?

Hon. Mr. BLONDIN: By stamps. Honourable gentlemen will understand that stamps are practically the only revenue of the Post Office.

I would draw the attention of honourable gentlemen to another phase of the question. Take the expenditure. The largest expenditure for for the conveyance of mail. Of a total expenditure of $28,000,000, the conveyance of mail by railway train and steamboat, cost $14,900,000. Now, here is an interesting point. Of this total cost the newspapers are responsible for practically one-half.

Hon. Mr. ROBERTSON: Fifty-four per cent.

Hon. Mr. BLONDIN: Yes. That is more than half the cost. You are aware that three-quarters of the space occupied in the mail car is occupied by the newspapers, which pay only 25 cents per 100 pounds, whereas letters, which occupy one or two square feet, pay $38 per 100 pounds. There is the unfairness of the situation. Though the newspapers are responsible for a large proportion of the cost of the administration of the Department, they pay practically nothing.

I have been obliged to refuse or defer the requests of people living in remote parts of the country—poor, hard-working settlers, but at the same time an asset to Canada. They would come to me asking for the establishment of a post office, but when I examined the cost in comparison with the revenue for a post office in a community consisting of 20 or 30 houses scattered here and there, I found it would mean a loss. It is necessary to hire a mail carrier to take the letters from the station and carry them miles away. That costs $700, $800 or $1,200. Still it is the first duty of the Department to provide a mail service for even the poorest and remotest of our citizens. It is a humanitarian duty. One result of a deficit is that those citizens who are entitled to that service must continue to be deprived of it. If the newspapers paid their proper share, not only would the revenue be increased, but there would be this further effect, that the postal service could be improved. When the Department was reorganized every source of expenditure was checked, and a rule was laid down for each branch as to when and how an expenditure would be sanctioned. The rural mail service, for instance, has proven to be a tremendous expense, sometimes unjustified. We had to lay down the principle that no rural mail delivery should be established except in places where the revenue justified it. The railway mail service had to be curtailed in order that the ever-increasing expenditure might be met and the Post Office Department might be prevented from becoming a sort of Canadian National Railway system on a smaller scale, piling up millions and millions of deficits. How can the Postmaster General ask a member of Parliament or any citizen of this country to forego a proposed improvement when that man can point to what is being done for the newspapers of this country?

For these reasons I am sorry that the Postmaster General has chosen this particular time, when the financial situation of the country is far from bright, to ask this House to consent to a retrograde step, undoing what has been, I think, a great improvement in the Post Office Department. Therefore I cannot approve of this Bill, and unless the honourable leader of the Government changes his mind, I will certainly have to move that the Bill be not now read a second time, but be read this day six months.

Hon. Mr. ROBERTSON: May I ask the ex-Postmaster General, is it not correct that since the increase of 1920 there has been a substantial increase in the rates paid by the Government to the railways for the handling of newspapers?

Hon. Mr. BLONDIN: Yes. I forgot to mention that point. I should add that the railway rates, which were 4, 6, 8 and 14 cents per mile, according to the space occupied in the car, have been raised to 16, 20, 25 and 36 cents.

Hon. Sir JAMES LOUGHEED: Doubled.

Hon. Mr. BLONDIN: They have been more than doubled.

The Hon. the SPEAKER: I will put the amendment first. It has been moved in amendment by Hon. Mr. Blondin that the Bill be not now read a second time, but be read a second time this day six months.

Hon. Mr. BLONDIN: I will withdraw that.

Right Hon. Sir GEORGE E. FOSTER: I think we are all indebted to the honourable gentleman for the statement of facts that he has put before us. I was his colleague when these improvements were being made, and I remember very well how carefully we examined the whole subject. We commenced with the newspapers, as almost a dead burden upon the finances and revenues of the Post Office. We arranged, as my honourable friend has stated, for a gradual increase towards something like remunerative rates, with the idea that in time the newspapers—commercial undertakings—should pay at least the bare cost of their carriage through the mail. Why should we at this particular time take a backward step and diminish the revenues of this country? I cannot conceive why it should be done. We have had two or three examples of that. The treaties which we have made have brought about, according to the confession of the Finance Minister himself, a loss to us in direct revenue of $850,000, but when you take into account their probable effect you find that for the benefit of those treaties we are losing a revenue of about $1,000,000, and that loss must be made up from taxation in this country. Now you throw off $200,000 and for what reason? For the benefit of the newspapers, who to-day have the softest thing in the whole transport system carried on by the Post Office Department, and are paying but a mere fraction of what they cost. Why is it that the Government proposes at this particular time to throw away revenues in cases like that, when it is increasing the debt and taxation of the country from year to year and from time to time? Surely this is the most unsuitable time to take a backward step, and surely the rates on newspapers ought to be the last to be reduced when they are only a fair charge, in view of the cost of carriage. I am entirely in sympathy with the expressions of my honourable colleague, and I hope that the Minister will not press this Bill.

Hon. F. B. BLACK: I want to say a few words on this question. I have listened with a great deal of interest to the remarks made by the honourable ex-Postmaster General (Hon. Mr. Blondin), and I am entirely in accord with everything he has said. I know there has been a considerable canvass made of all those interested in newspapers, in an endeavour to get them to assist in the reduction of the rate. I want to say, further, that I am interested in newspapers in my own province to a small extent, and if this reduction came into effect it would mean for our papers down there a saving of several thousand dollars a year.

Further, I want to say that this is a time when we need every dollar of revenue we can get. We had a Bill before us to-night which, if we had passed it, would have given a certain class of people about $200,000. I am not finding any fault with the action taken in this House on that Bill, but we decided that we would not give that $200,000 to that class of people; yet by this Bill we are proposing to take from our revenue $200,000 without any justification whatever.

I have only been in the newspaper game three or four years, but before I was interested in it, I had felt, and said on many occasions, that the newspapers of the country had been carried at the expense of everybody else. A poor man who wants to send a letter pays 3 cents, or at the rate of 48 cents a pound for his letters, while a newspaper has been going for a quarter of a cent a pound up to one and a quarter or one and a half cents a pound —an absolutely unjustifiable proposition from every standpoint. There are certain large newspapers that would save a considerable amount of money, running anywhere from $50 a year up to $40,000 or $50,000 a year on the most largely circulated papers in Canada. It has been stated, and I maintain falsely stated, that if this Bill went into effect it would be in the interest of the small newspapers of the country. In my opinion, and in that of any person who has knowledge of the small country newspaper that goes out twice a week, or weekly, or even daily, instead of this Bill being a benefit it would throttle them, because it would give an opportunity to the large papers which circulate not only weekly but daily through the country because of their enormous advertising possibilities, to circulate through the country districts and shut out the small paper.

So far as I am concerned, regardless of the personal element, I do not think there is one argument in favour of the Bill, and I hope the Government will withdraw it. I would be very glad indeed to second a motion far the six months' hoist.

Hon. Mr. McLENNAN: I would like the ex-Postmaster General to state whether the suggestion has been considered of charging newspapers on such a basis as they do in the parcel post?

Hon. Mr. BLONDIN: Yes, but that would be very costly and impracticable in Canada. It is done in the United States, but on account of our small population and the large area of the country it was found impracticable here.

Hon. Mr. GORDON: I understand that Canada has subsidized the newspaper publishers to the extent of nearly a million dollars by carrying their papers at such a low rate, and this is all the result of the false system which has been in vogue. I honestly believe that if the people of Canada, and the majority of members of Parliament, were seized of the fact that this was a subsidy and nothing else, the matter would not have gone along as it has done. At this particular time, when we are faced with deficits, when our taxes are large, when transportation charges are not coming down, and when the cost to the Government for this particular service is increasing, why should a reduction be made of from one and a half to one and a quarter cents a pound?

I am informed that in the United States the charge on newspapers is now a minimum of two cents, and goes up to a maximum of ten cents per pound, in a country whose population is so dense, and where transportation costs less than it does here. I believe also that Great Britain charges from two to four cents per pound; I think the publishers have to attach a one-cent stamp to every copy, and that would amount to at least four cents a pound.

Hon. Mr. BLONDIN: The average is between 7 and 8 cents.

Hon. Mr. GORDON: I have here a statement which was prepared by the Secretary of the Post Office Department, which perhaps covers some points that were not given by the ex-Postmaster General:

According to statistics taken in August, 1918, the total weight of newspapers carried by post is 87,501,490 pounds per annum. The sum collected for newspaper postage last year amounted to only $291,104. Newspapers now occupy 60 per cent of the floor space required for the transportation of the mails.

As this is paid for by the car mile it means that for railway transportation alone papers cost the department over $2,000,000 per annum. This cost is for carriage alone and does not include a single cent for transfer to stations, transfer between trains and stations, sortation and distribution at the office of posting and on trains, mail courier service, handling and delivery at post office of destination, etc. The total expenditure for the carriage of mails and the cost of mail bags during the fiscal year 1918 was $8,293,515.24. Sixty per cent of this amount, or $4,976,109.15 might therefore be charged to newspaper service, in addition to a percentage of the salaries of postmasters and other post office employees, which it would be difficult to apportion.

In the last analysis the question is one of transportation. The department pays for the carriage of mails across the country by the car mile, and every car added means a very considerable amount added to the cost of transportation.

In view of these facts, and of the exceptionally low rate which the newspapers are now enjoying, I contend that the time is most inopportune for allowing this Bill to pass, and I will move:

That this Bill be not read the second time now, but that it be read the second time six months hence.

Hon. Mr. DANDURAND: Honourable gentlemen, I have received no special memorandum from the Post Office Department explaining this reduction, but in reading the Debates in the other Chamber I noticed that the statement was made by the Postmaster General that the representations which came to him were mostly from the small newspapers, which claimed this reduction because they were otherwise already labouring under considerable difficulties, being taxed in divers ways by the federal government. That would appeal more to me, than the statement that the large newspapers are the principal beneficiaries. I have not heard that the large dailies of the country were in dire straits, but I have always been under the impression that the country newspapers were having considerable difficulty in maintaining themselves.

Hon. Mr. GORDON: Is it not a fact that the country papers to which you refer get free transportation within a radius of 40 miles?

Hon. Mr. DANDURAND: Yes, the weeklies within that radius are getting free transportation; but there are even weekly papers which cover a much larger area, and there are papers that are not weekly that come under this taxation that use the mails to a considerable degree, and that claim that the rate for one and a half cents is a hardship. It is suggested to me that I should withdraw this Bill. My right honourable friend (Right Hon. Sir George E. Foster) will realize that my mandate is to submit the Bill, to the Senate and it is for the majority of this Chamber to decide as to the merits of the proposition.

Hon. Mr. TANNER: There are only a few large newspapers, such as the Montreal Star, but I think it only fair to say that I think the publishers of the smaller papers have been asking for this relief. A year ago I was present in the office of the Postmaster General when about twenty-five newspaper men made the representations upon which I presume this Bill is founded. It is fair to them to say that they did not complain of a reasonable increase in the rate, but they asked that the Minister should graduate the rate of increase so that it would not come upon them as suddenly as was proposed by the Act of 1920. Previous to that Act I believe the rate was less than three-fourths of one cent.

Hon. Mr. DANDURAND: A quarter of a cent.

Hon. Mr. TANNER: The Bill of 1920 increased that in the course of two years—exactly doubled it, if not more.

Anyone who is acquainted with the newspaper business of this country knows well that while a few publishers may be making very large profits, a great many of the newspapers have difficulty in making both ends meet. I have in mind the class of newspapers which sell for only two or three cents, and which have not increased their rates. In Nova Scotia the newspapers sell for three cents. They circulate all throught the province, and they were represented at the conference to which I referred. They are willing to pay a reasonable rate, but they desire to have the rate increased not too suddenly. Their other expenses have increased very much on account of the higher cost of labour and material, and they are not making enormous profits, as some papers are. They are willing to consider the matter fairly, and for my part I am going to vote for the Bill.

Hon. Mr. GORDON: On further consideration, and in deference to the leader of the Government, I wish to withdraw my motion, and have the sense of the House taken on the second reading.

The proposed amendment was withdrawn.

The motion for the second reading of the Bill was negatived: contents 14; non-contents, 26.

The Senate adjourned until to-morrow at 11 a.m..

THE SENATE

Saturday, June 30, 1923.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

CANADIAN NATIONAL RAILWAYS BILL

FIRST READING

Bill 244, an Act to amend the Canadian National Railways Act, 1919.—Hon. Mr. Dandurand.

APPROPRIATION BILL No. 3

FIRST READING

Bill 252, an Act for granting to His Majesty certain sums of money for the Public Service of the financial years ending respectively the 31st of March, 1923, and the 31st of March, 1924.—Hon. Mr. Dandurand.

SECOND READING

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

He said: Honourable gentlemen, this Bill contains the supply voted for the current year, which runs from the 1st of April this year to the 31st of March next. I am informed that it includes not only the principal supply, but the supplementaries, as well. They were voted during the course of the night, which will explain why I have been unable to examine into the details of the Bill. I will have to leave it to honourable gentlemen who want to do so, to speak upon the details or the total from whatever information they may have received when these Bills were presented in the other House. I cannot even state what changes were made when they were taken into consideration by the House of Commons.

The Bill has not been distributed, but it has been the practice since Confederation for the Senate to receive this Bill in the last hours of the Session, so that we are following tradition in fact, perhaps we are in a little better position than usual to speak our minds upon the general policy embodied in the Bill, because we are given a few hours to examine into it. We are not limited in any sense; we can take the whole month of July to criticize each and every item.

Hon. Sir JAMES LOUGHEED: Oh, we will not do that. Half a month will be quite satisfactory.

Hon. Mr. DANDURAND: It is to assert the rights of the Senate that I so express myself.

Hon. Mr. DANIEL: May I ask what are the totals?

Hon. Mr. DANDURAND: Perhaps the right honourable gentleman from Ottawa (Right Hon. Sir George E. Foster), who has had the direction of the Finance Department, and who cannot have lost all interest in the administration of that Department since he has been transferred to this House from the House of Commons, will be able to give us the details, which I have not now before me. I thought I would see the Minister of Finance before 11 o'clock this morning; but, as I understand the House of Commons adjourned at 8 o'clock this morning, I suppose the Senate will excuse him for not being in his office at 10 o'clock when I called.

Hon. Sir EDWARD KEMP: Honourable gentlemen, the leader of the Government evi-

dently is very fond of association with his colleagues in this House, otherwise he would not have hinted that we might stay here during the month of July for the purpose of considering this Bill. I cannot agree with him. Whilst probably I am quite as fond of the association of my colleagues as he is, I think no good purpose would be served by our sitting here and discussing each item.

Hon. Mr. DANDURAND: I did not suggest it; I simply said it was our right.

Hon. Sir EDWARD KEMP: Of course, I understand it is our right. We cannot amend these Bills under our Constitution; all we can do is to vote for them or reject them altogether. I am not in favour of the latter course, although I desire to protest very strongly against the tremendous amount of money involved in this Bill. I have not examined the Bill, but I presume it covers the Main Estimates and the several Supplementaries.

I have not all the Supplementaries here. The Main Estimates amounted to $427,511,235.73; then there were Supplementaries amounting to $5,500,000; further Supplementaries of $18,202,105.66; and still further Supplementaries of $14,711,351.05. The total of these amounts is $465,924,692.44. But there are one or two other Supplementaries which I have not got before me and which would increase this amount; and there are various other Bills carrying with them money votes which have been passed by the House of Commons. So that when we say that the Estimates approach the half billion mark this year, I think we are well within the mark. I have already pointed out that our pre-war expenditure in 1913, according to the Year Book, was $144,456,878. We have had a war with its burdens; we have to pay the interest on the debt, the necessary pensions and other things which are chargeable to war; and I estimate that these would bring our expenditure, upon the basis of the expenditure before the war, to a little over $300,000,000. But we have had before us Bills looking towards the expenditure of half a billion dollars. I need not repeat what I have already stated; but to me this is very alarming, and I really feel that the Government are going ahead as though there had been no war, as though there were no war debt, as though there were no railway problems and no railway deficit, as though there were no exodus of people from this country to the United States, and as though there were perhaps 200,000 or 300,000 people coming into this country annually and settling on the land. These are things, it seems to me, which the Government have overlooked; otherwise they would have endeavoured in some shape or form to practise economy.

Last year Great Britain had a surplus of revenue over expenditure—and we all know her expenditure is very burdensome—of £100,000,000 sterling, or, roughly, $500,000,000. She reduced her debt to that extent. In Canada, apparently, we have not given any consideration to the matter of reducing our debt, and I am of the opinion that we ought to set aside a small fund, perhaps half of one per cent per annum, and that the part of our debt which is directly chargeable to war should be wiped out over a period of 50 or 60 or 70 years, or some such period. We ought to have some policy with regard to wiping out our war debt.

I am also in favour of abandoning altogether the pooling of our revenues. That is taking all the money which we derive from the various forms of taxation and putting it into a pool.

We have in this country every known form of taxation in effect in the United States and Great Britain, with one or two minor exceptions; and on top of that we have this extraordinary form of a tax of 6 per cent on turnover. I do not want to repeat or to enlarge upon that subject at this late hour of the Session; but I do not believe it is possible to estimate what effect our taxation is going to have upon the business of this country. This country needs all the energy and strength that men of affairs can put into the business of the country; it needs it for the purpose of trying to conduct business in a profitable way in order that revenue may be collected. The effect of this enormous burden of taxation, which is heavier than that of any other country—at any rate, of any other English-speaking country—is having a paralyzing effect upon business. Whilst the business turnover is considerable, the results at the end of the year are disheartening and discouraging, and young men in business who have plenty of energy and of whom we are proud are, I regret to say, going to the United States because they are hampered in businesses here. It seems to me we should pursue a policy the result of which would be to retain their services for Canada.

What I want to get at is that more economy should be practised in dealing with the public affairs of this country, and that that word "economy" should be understood, as I do not believe it is understood at present. When one takes up the last Supplementary Estimates one is astonished to find that at a time like this the Government engages in so many expenditures all over the country. I do not

want to single out any particular province. I know that the demands upon the Government are very great; that constituents press for this, that, and the other thing, and it is very hard to refuse; but really we must sacrifice something in this country in order to put it on a sound financial business basis, and we might as well make up our minds to do it. No doubt the Government is approached from every quarter for improvements in various directions.

I cannot help feeling that it would be a great thing for this country if we had a controller or an official holding some such position, in which he could exercise a great deal of influence, a gentleman of the type of the late Mr. Alexander Mackenzie, who was Prime Minister of Canada. Mr. Mackenzie put this matter better perhaps than any other man has done, in a letter to Mr. Thomas Hodgins, who was Liberal member for West Elgin in the Ontario Legislature from 1871 to 1879. This letter was published in the Toronto Globe some years ago. In that letter Mr. Mackenzie said:

"Friends (?) expect to be benefited by offices they are unfit for, by contracts they are not entitled to, by advances not earned. Enemies ally themselves with friends and push the friends to the front. Some attempt to storm the office. Some dig trenches at a distance, and approach in regular siege form. I feel like the besieged, lying on my arms night and day. I have offended at least twenty parliamentary friends by defence of the citadel. A weak minister here would ruin the party in a month, and the country very soon."

Those conditions do not apply in exactly that form to-day, but the idea and the sentiment need to be kept before this country. Many of the men who ask for money to be spent for certain projects in their own constituencies are perfectly honest men, and the only thing necessary in dealing with them is for the Government representatives to have the courage to say no.

If I might be allowed to refer to a personal experience, I felt, when I returned from England in 1919, after demobilization, that I would not have a friend in this country because of my frequent refusals to the numerous ambitions and desires of people. I learned what it was to be obliged to say no, to say it frequently, and to stick to it. But I did not find that it did me very much harm, particularly when one had right and justice on his side. What this Government needs is to have the courage to say no and stick to it; otherwise this country's credit will in a short time be in a condition that we will very much regret.

These are my views in regard to the tremendous amount of money that is being voted in the Estimates. I do not think we

can afford such expenditures. I think we have overdone it, and that it will result in disaster. The phrase "pork barrel" is in some senses a little offensive in relation to the expenditure of public money. It was invented in the United States, and we have not used it much in Canada; yet are not those words as used in the United States applicable to some things we see in this country at present? The idea is that a little money should be voted in this place, and a little money in the other to counterbalance it, so that it will go all round and nobody will kick. We are not in a position to adopt such methods. I do not think that we can go on spending money just as if we had no railway problem, as if we had no war debt, and as if there were thousands of people coming into the country and settling on the land.

These conditions as I recite them ought to be considered and faced. The Government are the trustees of the people of this country, and it seems to me that they should understand their position. If a man in business conducted his affairs in such a way as to be unable to pay his debts, and was reckless and careless, he would become bankrupt and would be denounced by the public. On the other hand, a man who struggles earnestly to meet his obligations and pay his debts is considered an honourable man. I admit that it would be difficult to bankrupt this country, but we want a happy and contented people here, and we want to reduce the cost of living in Canada. Unless taxation and the cost of living are reduced, and excessive freight rates, which are about 100 per cent more than they were previous to the war, we cannot develop interprovincial trade. Very great complaints are being heard in this regard from the Maritime provinces and also from the West. I think the time has arrived when the situation as I have outlined it should be taken into consideration by the Government, and I wish simply to enter my protest against this great expenditure.

Hon. J. S. McLENNAN: I wish to associate myself with the ideas of the honourable gentleman who has just spoken, and to recall to the House that three or four years ago we had a Committee on the Machinery of Government. One of the things that Committee suggested to the Government of Canada was a method by which they might be relieved of what is undoubtedly always a difficult position—refusal of requests of their friends. The idea was to have a Board of Public Works to which could be submitted all propositions made for the expenditure of public money in applications from constituen-

cies. This Board would be independent, and would have no power other than ascertaining the facts and laying them before the Government, and thus before Parliament and the country, so that cases of expenditure which were justifiable would have an easier course in being carried out. Other cases, where expenditure was not justified, but was asked purely for the aggrandizement of a locality, such as building a $25,000 post office in a place where there was a revenue of $250 per annum, would be made much more difficult to carry out. If the personnel of such a Board justified themselves, I think that any Government proposing an expenditure such as that which we spent a considerable time over last night, and which met its proper and merited fate, would find their path easier by submiting such propositions to that independent Board and securing its endorsation. It would be a great step forward if this Government would seriously consider the advantges of establishing such a Board.

Hon. J. G. TURRIFF: On this, which I suppose is the last day of the Session, as we cannot amend this Bill in any way and can only accept it or reject it, I wish to take the opportunity of entering my protest on behalf of the Progressive party of Canada against the tremendous expenditure that the Government of the day is indulging in.

Hon. Mr. LYNCH-STAUNTON: Why is it that the Progressive party never enters a protest that is effectual in the House of Commons?

Hon. Sir JAMES LOUGHEED: They leave it for the Progressive party in the Senate.

Hon. Mr. TURRIFF: My honourable friend has not paid much attention to what has been going on in the House of Commons. They have protested on many occasions against the expenditure. I wish to point out that, although we are now almost five years after the conclusion of the war, all the Departments of the Government, with the exception of a couple, are adding more and more every year to their expenditures. The only two that show any reduction are those that could not help doing so; one is the Defence Department, and the other is the Soldiers' Civil Re-establishment. Though they are spending much more money than to my mind; they should, still it is a good deal less than it was during previous years, for there can be absolutely no justification for keeping up that expenditure. But all the other Departments are spending more money, and on matters for which there is absolutely no necessity.

I want to emphasize what my honourable friend from Toronto (Hon. Sir Edward Kemp) has said. Where are we heading for, or where are we going to land? As my honourable friend has pointed out, if a businessman or a farmer conducting any kind of work found that year after year, through extravagant expenditures, he was going behind, and was not able to make both ends meet, that he was putting on mortgage after mortgage, there could be only one result—bankruptcy. While it would be pretty hard to bankrupt Canada, as my honourable friend from Toronto said, still it could be done, and to my mind the Government of the day is taking a course which, if not stopped, is going to lead to that very condition.

Let me point out to my honourable friend the leader of the Government, and to the Government itself, what took place this week. A Government was practically wiped out of existence—why? I was out through the country somewhat, and one great thing that defeated that Government—I refer to the election last Monday in Ontario—was that they had advocated economy and had practised extravagance. There were several other factors; I think the wet vote in Manitoba and the dispute between two prominent men in the party helped somewhat, but not as much as one might suppose. What defeated that Government was that they had advocated one thing and practised another.

Now, what did the present Government advocate before they got into power? They advocated economy, yet they have practised extravagance on a scale never before reached in the Dominion of Canada under any government. If a halt is not called, the result is going to be absolutely the same as it was in Ontario.

My honourable friend from Toronto referred to Great Britain reducing the debt of that country by $500,000,000. How did they reduce the debt? Not by collecting extra revenue, but by cutting off expenditure in the administration of government. Unless we do that in Canada I cannot see what the end will be. I am not usually pessimistic, but if we keep adding from $75,000,000 to $100,000,000 a year—and the present Finance Minister has estimated that we will this year have a deficit of something like $90,000,000 the condition of this country will be very serious. Yet, in spite of that, my honourable friend brings down Supplementary Estimates of the most glaring political character that I have ever seen in Supplementary Estimates, and I have been a good many years in one House or the other. What is going to be the result?

The people will have to judge for themselves, but I would suggest to my honourable friends of the Government that a halt ought to be called in expenditure. I have often said in this House and in the other House that from $50,000,000 to $100,000,000 of the present expenditure could be cut off without anybody suffering. I know it would be hard to do, but what is wanted is a Finance Minister who has the courage to say no, and stand by it, and if he did that he would not have to do it many times. I would venture to say that a Finance Minister with nerve and courage could say to the Deputy Ministers: "I want 20 per cent or 25 per cent cut off those Estimates, and if you cannot do it I will get another man in your place who can do it." I venture to say it would be done in short order. I do not see anything else that is going to save us. I do not intend to say any more; I am just making a general protest on behalf of the Progressives.

Hon. Mr. DANDURAND: Why do you not say on behalf of the people of Canada?

Hon. Mr. TURRIFF: I say, of the Progressive people. I am afraid, from my past experience, that if I said all the people, the words would fall on deaf ears. However, I hope that something better may occur in the future. If not, I do not know where we will land. The expenditure is going up every year. Here we are voting altogether this year over half a billion of dollars. People are going out of the country, and very few people coming in, and I will venture to say that three out of every four who are coming are merely going to pass through the country if the present condition of affairs continues. So I say that something ought to be done, and done speedily, not in the interest of any party, but in the interest of the whole country.

Hon. GEORGE H. BRADBURY: I desire to associate myself with what has been said with regard to the awful expenditures in this country. It seems to me that no intelligent effort has been made by the Government to curtail expenditures. I hold in my hand a return that I had a great deal of difficulty in getting, showing the cost of the Civil Service of Canada. Everybody knows that Great Britain has made wonderful reductions in its Civil Service, and has saved hundreds of millions of pounds; but in Canada, instead of saving money we are increasing our expenditures enormously. I would like this return placed on record, because I believe it is a document that everybody should understand and know. I have returns here showing in each of the Departments increased expenditure from 1919 to 1922, a period of only 3 years instead of the expenditure being cut down, when everybody knows that the Departments have not the work they had during or even previous to the war. Settlers are not coming into the country and a great many of the Departments have not one-half the work they had; still the expenditure has run up.

Take, for instance, the Agricultural Department. In 1919 we spent $1,772,961. In 1922 that expenditure climbed to $2,392,309.

Hon. Mr. DANDURAND: What does that cover? Salaries?

Hon. Mr. BRADBURY: It covers simply the salaries of the Civil Servants, showing that the salaries have been increased to this extent, which is an enormouse increase considering the position that Canada is in today.

Hon. Mr. DANDURAND: Has the honourable gentleman in the statement the increase in number as well as the increase in salaries?

Hon. Mr. BRADBURY: No, I have not computed it that way. I just figured the increase in salaries, and I am going to give the totals and ask that they be placed on Hansard. The totals, honourable gentlemen, are amazing—alarming. The cost of the Civil Service of Canada in 1919—that is, after the war and the enormous expenditure that had been necessitated by it—stood at $38,432,502.66. In 1922 it had climbed up to $56,429,142.02—an increase in less than three years of over $16,000,000, just in connection with salaries. That is the only item to which I will at present draw the attention of the House; but I do say that a matter of this kind calls for a thorough investigation and, if necessary, some weeding out. Either you have too many civil servants or you are paying them too much salary.

In this connection let me emphasize just one phase of the recklessness and carelessness of the Government. Two or three years ago this House placed itself on record—in fact, Parliament adopted a resolution which, I think, was moved in this House—regarding the elimination of public holidays in Canada. The Government has ignored that statute and continued illegally to grant five holidays which it was distinctly understood should not be granted. This entails an expenditure of nearly a million and a quarter of dollars. That is just one phase of the situation. Some honourable member may say, "Oh, it does

not make any difference; it does not entail any extra expenditure, because the Civil Service does the work just the same." My argument in that connection is that if, in compliance with the decision of Parliament, those five holidays had been abolished, we would dispense with at least a thousand civil servants and still the work would be done. That is only a small item, but it shows the trend of the Government's action in neglecting to curtail the expenses of this country.

I ask permission to hand in this statement and have it placed on Hansard:

Return to an order of the Senate, showing the total cost of the Civil Service for the year ending March 31st, 1919, and for the year ending March 31st, 1922.

Department	1919	1922
Agriculture	$1,722,961 71	$2,392,309 95
Public Archives	98,160 66	119,675 28
Auditor-General	206,573 75	293,555 84
Civil Service Commission	149,399 96	342,482 32
Customs and Excise	5,713,793 22	7,560,649 21
External Affairs	83,522 88	178,032 33
Finance	796,086 01	579,126 80
Governor-General's Secy.	31,320 00	33,625 00
Indian Affairs	542,025 00	612,821 62
Insurance	41,715 45	67,194 02
Interior	2,639,354 49	3,691,657 65
Justice	644,198 66	892,781 83
Labour	123,184 25	246,078 46
Marine & Fisheries	1,312,266 98	2,227,882 52
National Defence — Naval	327,783 25	464,358 52
National Defence — Militia	4,407,271 82	2,015,491 62
National Defence — Air	.....	428,274 09
Mines	468,953 12	592,063 05
Royal Canadian Mounted Police	20,150 09	56,277 58
Post Office	10,653,868 16	15,790,116 53
Privy Council	43,361 78	45,313 89
Public Works	557,568 14	672,186 61
Printing & Stationery	69,342 40	446,654 89
Railways & Canals	1,914,813 67	2,782,205 86
Secretary of State	80,980 46	154,823 33
Trade and Commerce	1,061,549 87	3,783,592 02
Immigration and Colonization	972,035 68	1,115,260 39
Soldiers' Civil Re-establishment	3,535,843 51	6,948,616 51
Patents and Copyright	113,125 57	173,343 73
Soldier Settlement Board	102,291 72	1,363,788 29
Health	.....	358,902 28
Total	$38,433,502 66	$56,429,142 02

Hon. N. A. BELCOURT: Honourable gentlemen, it may not be amiss, and it may serve a good purpose, to apportion responsibilities for the extravagance and want of thrift in Canada. I am not prepared to dissent at all from what honourable gentlemen have said this morning with regard to Governmental extravagance, but I think that everyone in Canada ought to make a serious examination of conscience on this matter of extravagance and thriftlessness. Unless Canadians, individually and collectively, make up their minds to practice thrift, it will not be practised, and our burdens will soon become unbearable. It is all very well for honourable gentlemen, either here or elsewhere, and for other people in Canada, to preach economy, but it would be in my opinion far better if everyone practised it in his personal affairs. We have learned nothing from the war. We do not realize the enormity of the burdens which have been put upon our country, and spending goes on to-day at just the same rate as before the war, if it is not worse.

Hon. W. B. ROSS: Worse.

Hon. Mr. BELCOURT: Probably worse. One has only to consider, for instance, the matter of automobiles. I have not the exact figures, but I am told that there are considerably more automobiles in Canada than in the whole of the British Isles.

Hon. Sir EDWARD KEMP: That is right.

Right Hon. Sir GEORGE E. FOSTER: Over half a million.

Hon. Mr. BELCOURT: People who cannot at all afford to buy and run an automobile are mortgaging their farms, their furniture or their chattels. Go down to our Court House here in Ottawa and ask the Clerk of the County Court to show you the register of chattel mortgages, bills of sale, etc., with regard to automobiles. For this city alone, it would take a diligent person at least a month to read over the names of those who have given chattel mortgages in order to buy automobiles.

We have made necessities of many things which were merely luxuries. Let us each ponder and see if we have started to practise what we preach to others and what we ask of the Government of Canada to-day. I think everyone will have to admit that he has himself failed to practise what he preaches.

Hon. Mr. BRADBURY: Should not the Government lead in the matter?

Hon. Mr. BELCOURT: No; Governments always follow public opinion rather than direct it. It is one of the greatest mistakes of modern days that leaders follow and do not lead. No collective attempt is made in this or any other country to direct public opinion into the proper channels. It is a game of politics from the first day of the year to the last. I believe in democracy; but at times my democracy receives some very rude shocks. I wonder if democracy will not fail unless we learn the lessons it teaches and take means to put into practice what democracy requires.

Can we not take pattern, for instance, by what has been accomplished and what is still being accomplished in a small country like Belgium and its bigger neighbour

France? It is almost inconceivable for us in Canada, indulging in extravagance as we are and having huge deficits every year, to realize just what those countries have done since the war. The industries of France were almost completely ruined. The northern parts of the country, where the great industries of France had been established, were devastated. Just remember what was done in France and Belgium. Yet to-day France, with less taxation than ours, has a surplus. Its revenue more than equalizes its budget.

Right Hon. Sir GEORGE E. FOSTER: Oh, no.

Hon. Mr. BELCOURT: Yes, it equalizes the budget.

Hon. Mr. DANDURAND: Except for extraordinary expenditure.

Right Hon. Sir GEORGE E. FOSTER: They have a billion francs of deficit.

Hon. Mr. BELCOURT: Yes, but I am speaking of their ordinary budget; I do not refer to the complete budget, including extraordinary expenditures.

Hon. Mr. DANDURAND: To be repaid by Germany, for instance.

Hon. Mr. BELCOURT: Exactly.

Right Hon. Sir GEORGE E. FOSTER: But when a budget is dealt with in the Chamber of Deputies it goes to the Senate, and it may come back in a very different form; and vice versa. But to give the impression that France is not having a struggle with deficits would be to give a wrong impression.

Hon. Mr. BELCOURT: Of course, she has and is bound to have deficits. I am not including the moneys which have to be raised for the rebuilding of France, and I think that in making the comparison one must leave them out. We are not rebuilding anything in this country. We have nothing to rebuild. France has had a great deal of reconstruction to do, and naturally that must be excluded from her ordinary budget. But I say that the ordinary expenditure of France is more than equalized by the revenue.

Hon. W. B. ROSS: I saw that the other day.

Hon. Mr. BELCOURT: It is true. I had the actual figures. I am sorry I have not the figures before me at present, but I had no expectation whatever of discussing this question. I was speaking, honourable gentlemen, of the ordinary budget of France. Belgium has been doing likewise, and has almost completely reconstructed everything that was destroyed in that country. Why? Because economy and thrift are practised not only by the Government, but also by the people. That is not something new in those countries. France, after the Franco-Prussian war, cleared off the war indemnity in less than half the time within which she had to pay Germany—how? It was simply that the people of France practised economy and thrift.

We in Canada, or on this continent, have never learned the lesson. This continent has been inhabited by a race of wasters. Almost everything on this continent has been wasted. We have wasted our forests, we have wasted our fisheries, and a great many of our other natural resources. They were in such quantity, they could be so easily had, that people took no care of them. The result is, we have gone on from one extravagance to another until we have reached such a stage that, unless we stop, the country will in a very short time be without credit of any sort. Let us not merely preach, but also try to practise. All of us in our different communities can do something towards encouraging thrift among the people. I do not think we are doing it. We lament the condition of affairs, which we cannot ignore, yet we do nothing to bring about a change. It is a duty especially incumbent upon honourable members of the House to call a halt and ask the people to think and realize whither they are going. I agree that the Bill which is presented to us is extraordinary. I agree that this Government must practice economy. But why should not members of the House of Commons and members of this House exert whatever influence they have with the Government to bring about a better condition of things? Why should not members of Parliament abandon the practice of coming every year with an insistent demand for a wharf or something of that kind? It is all right enough to ask the Government not to do this or not to do that, but members themselves should not bring pressure to bear upon their friends, as they are constantly doing, to have the Government undertake extravagant expenditures.

I had no intention of speaking on this matter, and am sorry my remarks have been so disjointed. If I had had time I might have been a little more interesting. While I do agree with those who have protested against the extravagance in which our Government is indulging, yet, I repeat, we must share the responsibility and see just how far we are individually to blame for this mad expenditure of money, both publicly and privately, and try to do something to bring about a change.

Hon. J. D. REID: Honourable gentlemen, I agree with the honourable gentlemen who

have spoken, that the increase of expenditures in every department should not be continued. I have made a comparative statement of the expenditures in several of the Departments for the fiscal years ending 1915, 1921 and 1923, and the estimated expenditures for 1924, and, without taking time to read this statement, I would like to have it placed on Hansard, so that during the recess honourable gentlemen may have an opportunity of examining it.

The complaint is made, with regard to the Estimates that one-sixth of the total appropriations are submitted first and have to be passed immediately, without sufficient opportunity being given for criticism, and that another appropriation bill comes down just two or three hours before prorogation. Of course, we have the right to keep Parliament in session, but we feel hardly justified in doing that. I have never yet heard any means suggested whereby the Senate could have these Estimates submitted in any way different from the practice followed for many years. I have risen simply to make a suggestion to the honourable leader of the Government and the honourable leader of the Opposition, which they might consider between now and next Session, with a view to giving the members of the Senate plenty of time and opportunity to criticize or at least examine all the Estimates, and also giving the Senate more work to do during the early part of the Session. My suggestion is this. The Estimates are placed on the Table of the House of Commons at the beginning of the Session, but we cannot get them until they have been passed by the Commons.

Hon. Mr. DANDURAND: But copies are distributed to the members of this Chamber.

Hon. Mr. REID: I admit that, but we have no right to discuss the Estimates until they are brought here. Now, I would ask the honourable gentlemen to consider whether it would not be possible, when the Estimates are laid on the Table of the House of Commons, for both leaders to agree to pass one item for each of the Departments, and then have the Supply Bill sent over to this House. It might be understood that when the Bill comes here we shall have the right to discuss any item in the Estimates, even before the entire Estimates are delivered to us. True, we would have before us only one item of the Supply Bill, but if I remember rightly the practice in the House of Commons, when one item was taken up, members had the right to discuss any item relating to the Department concerned. With the one item before us, we might be in a position to offer a great deal of assistance, and the Government might be willing to strike out some of the items when they were brought up for discussion in the other House.

Hon. Mr. BRADBURY: I would like to draw attention to the fact that when I suggested that the statement I had should be put on Hansard, I said I would do so with the consent of the House.

The Hon. the SPEAKER: I think I ought to point out to the House the practice with regard to certain papers appearing in Hansard. The honourable gentleman from Manitoba (Hon. Mr. Bradbury) read part of a document and asked that the remainder should appear in Hansard; the honourable gentleman from Grenville (Hon. Mr. Reid) makes a similar request but does not state just what it is that he wishes to appear. Such documents should not appear unless they are read.

Hon. Mr. REID: Of course, I agree with His Honour the Speaker's ruling. He is quite correct; but with the consent of the House, as it would save time, I would like to put it in. The figures are taken from official documents that have been placed before us.

Hon. Mr. DANDURAND: All right.

Hon. Mr. REID: This is a Statement showing Comparative Expenditures in following Departments for years named, as taken from the Auditor General's Report:

	Fiscal Year Ending Mar. 31, 1915	Fiscal Year Ending Mar. 31, 1921	Fiscal Year Ending Mar. 31, 1923	Fiscal Year Ending Mar. 31, 1924
1. Charges of Management	$ 498,450	$ 774,000	$ 965,000	$ 1,085,550
2. Civil Government	6,681,045	8,881,940	11,086,405	11,436,905
3. Justice Department	1,430,983	1,728,133	2,200,133	2,179,933
4. Penitentiaries	804,300	1,069,600	1,670,900	1,670,500
7. Legislation	1,736,526	1,829,280	2,355,880	2,344,500
8. Agriculture	3,950,000	5,003,000	6,084,500	6,315,500
9. Immigration	2,103,800	1,443,190	2,008,190	3,386,190
10. Pensions	309,806	27,520,485	33,879,846	33,527,277
11. Manitoba	10,867,000	12,520,106	10,788,400	12,801,737
12. Public Works Inc	28,330,048	11,372,956	10,061,241	10,729,081
13. Ocean and River Service	1,257,300	1,645,300	1,788,300	2,542,780
14. Scientific Institutions	508,600	627,900	693,825	1,252,489
15. Labour	80,800	380,000	1,522,000	1,373,000
16. Trade and Commerce	.....	1,848,095	3,152,075	3,029,907
17. Fisheries	1,447,900	1,435,000	1,359,000	1,563,000

Hon. Mr. DANDURAND: If no other honourable gentlemen wishes to speak on this subject, I will close with but a very few words. I could, perhaps, touch upon the different matters that have been mentioned by some of my colleagues, but I feel that a better purpose will be served if I can succeed in making a practical suggestion.

I agree with all that has been said concerning the necessity for economy. The question is how to apply it successfully. The Executive is but a Committee of the House of Commons, and that Committee is constantly pressed by the commoners to give attention to what they consider to be the special needs in their respective constituencies. That pressure is exerted from the first day of the Session to the last, and the measure of its success is generally to be found in the Supplementary Estimates.

It is for the Cabinet to see whether these needs are absolute. I recognize that in these times expenditures under the title of "Improvements" should, except in very exceptional circumstances, be limited to maintenance. But there is no question that it is good economy to take a stitch in time. The Government of Canada is a big business firm with works throughout the land, and money which has been expended in the past on permanent works must be maintained if they are to be saved.

As we have very little time at our disposal, and as there are one or two pieces of legislation to which we must give attention, I will make one suggestion. It is in relation to the Civil Service of Canada and the general impression which exists throughout the land that our Departments in Ottawa and elsewhere throughout the country, are very much overmanned. My honourable friend from Manitoba has said that if we went seriously about it we could reduce the general staff by 1,000 employees.

Hon. Mr. BRADBURY: I did not say exactly that. I said that if they did not receive the holidays to which they were not legally entitled, the Civil Service could be reduced by 1,000, and still be able to carry on. But I do say now that the Civil Service could be reduced by 10,000.

Hon. Mr. DANDURAND: I have often heard this statement made. Is it not our duty to inform ourselves as to the facts? Is it not our duty to enlighten the people of Canada in regard to this impression which exists throughout the land with reference to the efficiency and overmannning of our Departments?

I may say that since I have had the honour of representing the Government in this Chamber, I have come in contact not only with the Deputy Ministers, but other officers in the various Departments, and I must render them this homage—that in every case I have found them to be most intelligent and most devoted to the service of the Government; men who know their business and know it thoroughly. On a few moments' notice I have been given the information that I needed, and I may say that I am proud of the public officials of this country—proud of their knowledge, of their skill, of their experience, and of their devotion to duty.

Then, I ask, have the Ministers a complete knowledge of the operation of their Departments? The experience of a Minister at the head of a Department may not be a long one; he is so pressed by problems that must be solved daily that I wonder how long he

must be at the head of his Department before he can familiarize himself with all the details of it.

Could we not do our share in trying to solve the problems of each Department, at all events as to its efficiency and as to the economies that could be effected by a proper reduction of the various staffs, if reductions can be made at all? If the statement of my honourable friend from Manitoba (Hon. Mr. Bradbury) is at all true, could we not help to bring about economy? What I say will be a form of notice to the Deputy Ministers of the various Departments, a notice which will be followed up by action unless I am checked by a majority in this House. My idea to-day is to tell all the Deputy Ministers that at the opening of the next Session of Parliament we will call each and every one of them before a Committee of the Senate to give us a list showing the total number of employees in their respective Departments as of 1st of July, 1910, the 1st of July, 1914, the 1st of July, 1918, and the 1st of July, 1922. This statement will show the number of employees in the various Departments as of these dates, and the salaries received by each in a separate column, and I will ask them to show not only the totals, but the number of employees in each branch of each Department; and not only in each branch, but in each locality; so that we may know how many employees the Department of Marine and Fisheries, for instance, has in the various places where it functions. In Toronto, for instance, the number of employees in the Public Works Department, or the Customs Department; and likewise in Montreal and at other places throughout the country. There is an impression abroad that the Post Office Department is considerably overmanned. Last evening the ex-Postmaster General gave us a statement showing us the increase in the expenditure which has taken place in that Department. He mentioned one reason for it—that it was partially due to the large increase in salaries. We all know that increases in salaries and bonuses were given during the war; but the public of Canada should be informed as to the increase in the Civil Service List, and should be made aware of the justification for it.

As I say, I give notice to every Deputy Minister in the Service that I will ask that a Committee be appointed at the next Session of Parliament to obtain that information, and to hear the explanation and justification of the various increases which have taken place since 1910, if there really are increases.

Hon. Mr. FOWLER: Would it not be as well to set an example by asking them to give a justification for the increases to Deputy Ministers this Session, many years after the war, when the high cost of living has to some extent at least been reduced? These men were able to exist during the period of the high cost of living. Surely they can get along now.

Hon. Mr. DANDURAND: There may be much to be said either for or against the policy.

Hon. Mr. FOWLER: Probably against.

Hon. Mr. DANDURAND: But let my honourable friend remember that in the administration of companies, which are less important than the administration of the country, there has been an increase in expenditure. I personally know that companies in which I am interested, and on whose boards I serve, have had to increase the salaries of their higher officers in order to retain them. What would have been looked upon as a good position 25 or 30 years ago at a salary of $5,000 would not be looked at to-day at $10,000; and when I compare the importance of the work carried on by some chiefs of Departments—

Hon. Mr. FOWLER: Some chiefs.

Hon. Mr. DANDURAND: —when I compare it with the work carried on by officials of some of the companies with which I am familiar, there is very much to be said in favour of doing the needful in order to retain and satisfy efficient men who, outside of the Service, would perhaps receive twice what they are getting in it.

Hon. Mr. FOWLER: I will guarantee that there are three men in the list who could not get any private employment to-day at $1,200 a year; and yet you have increased their salaries to $8,000.

Hon. Mr. DANDURAND: As I have not seen the list, I can only speak generally. Yet I repeat that during my contact with the officials of the Departments—and I have in mind the Deputy Ministers and the chiefs of branches—I have not met a man who seemed to be inferior to his task.

There are ex-Ministers of the Crown here who have had the same experience. My honourable friend who leads the Left of this Chamber (Hon. Sir James Lougheed) has had the same experience; and I believe that all of us who have come in contact with the chiefs of the various Departments can testify to their efficiency.

Hon. Mr. TANNER: Does my honourable friend intend to bring that information down to the 1st of July, 1923?

Hon. Mr. DANDURAND: I was commencing with 1910 and taking four-year periods. We could say 1923 instead of 1922.

Hon. Mr. TANNER: I would think so. And would my honourable friend have in mind the inclusion of the Canadian National Railways?

Hon. Mr. DANDURAND: It is such a big, complicated system that we could perhaps treat it separately. Let us content ourselves with discussing this proposition. There is an opinion that the Services are overmanned and have been tremendously increased because of the war. Let us find out what the staffs were in 1910, 1914, 1918 and 1923, and ask the Deputy Ministers to explain and justify the increases. In this way we may receive information as to the working of the Departments which will prompt us to go somewhat further in probing into the work performed by those Departments.

Hon. Mr. FOWLER: Why "us"? Do you mean the Senate or the Government?

Hon. Mr. DANDURAND: I mean the Senate of Canada.

Hon. Mr. FOWLER: I would like to have some of these gentlemen paraded.

Hon. Mr. BELCOURT: I suggest that my honourable friend ask the Deputy heads to indicate the minimum staff with which they could get on. If we wait until they are before us they may say that time is necessary for them to consider the matter.

Hon. Mr. DANDURAND: I had that in mind, and I thought that the expression, an explanation and a justification of the increases, would bring about their opinion as to what the staff should comprise.

Hon. Mr. BELCOURT: No, they would not do that. They would not feel that they must volunteer any statement of that sort.

Hon. Mr. DANDURAND: I will submit that question when the deputy ministers appear before the Committee. I give that notice now, on the 30th of June, because when we meet in January next the Deputy Ministers will have had time to prepare the statements that I say the Senate will require.

Hon. Mr. BELCOURT: Will my honourable friend say that he will ask that particular question?

Hon. Mr. DANDURAND: Yes.

Hon. W. B. ROSS: I will ask the honourable gentleman also to make inquiries on this particular subject. The Government offices are scattered all over this city. A plain man like myself coming from the country to do business with the Government would require a guide and a taxi. There is an enormous waste from having the offices scattered about as they are. I understand there are some 53 buildings rented by the Government. Some two or three men out of the Civil Service, without forming another commission or wasting any more money about it, should be asked to go over the whole situation and see if they cannot make a rearrangement of those offices, and save time and money. I understood one of the Deputy Ministers to say that if he had to go out at nine o'clock and visit all the branches of the Departments in a taxi, spending 5 or 10 minutes in each place, it would be six o'clock in the evening before he could get back. Now, there must be a lot of time and inefficiency in that arrangement.

Hon. Mr. DANDURAND: We should examine into that question next Session. I move the second reading of this Bill.

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

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

CANADIAN NATIONAL RAILWAYS BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 244, an Act to amend the Canadian National Railways Act, 1914.

He said: Honourable gentlemen, this Bill deals with bonds which the Canadian National Railways, under the Guarantee Act of 1919, have a right to issue. Here is the explanation I have from the Department:

> The purpose of the Bill is to afford a check on borrowings by the Canadian National Railway Company. It is not the purpose of the Bill to create fresh borrowing powers, nor to enlarge the borrowing powers of the Company. The Bill applies only to borrowing powers which the Company or its subsidiaries may already have, or may hereafter obtain, by proper authority derived from Parliament. The Bill is intended to provide that no such borrowings may be made without the approval of the Governor in Council. It further provides that such securities so approved (including equipment securities) may be guaranteed by His Majesty, the object, of course, being to ensure that the best possible price may be secured. Some difficulty arises is explaining the exact legal status of subsidiary companies. That phase of the question is dealt with in this memorandum.

Section 26 of the Canadian National Railways Act, Chapter 13, 1919, provides that the Company with the approval of the Governor in Council may issue securities "in respect of the mileage of the lines of railway which it, from time to time, constructs, acquires, owns or controls,—not including the Canadian Government Railways nor exceeding with outstanding securities, in the aggregate seventy-five thousand dollars ($75,000) per mile."

The Bill does the following:

1. It reiterates that any securities issued under the authority of Section 26 of the Canadian National Railways Act, must be approved as to form, terms and amount by the Governor in Council.

2. It provides that such securities so approved may be guaranteed by His Majesty.

3. It enlarges the definition of such securities so as to include equipment issues.

4. It extends the provision requiring approval by the Governor in Council to securities which may be issued by non-amalgamated subsidiaries. Without such provision in the Bill it would technically be possible for a subsidiary (acting doubtless by the Canadian National Company) to make further issues so far as they have authority to do so.

As I understand this explanation, each of the companies that are now under the control of the Canadian National Railway Board, principals and subsidiaries, has the power to issue bonds of any sort, on equipment or on the road, under former Acts—I think those of 1919 and 1920. Under this Bill, they will need the sanction of the Governor General as to terms and form. The Governor in Council may guarantee those bonds. The explanation is self-evident. Those are all bonds and securities that in fact become national debts, and if we can obtain the money at a lower rate by guaranteeing them, since we have the obligation to meet them whether we guarantee them or not, it will be to the advantage of Canada.

Hon. Mr. FOWLER: Why is it necessary to have so many subsidiary companies? And how many such companies are there in the Canadian National Company?

Hon. Mr. DANDURAND: If my honourable friend will remember the debate that took place in this House when the Canadian National and the Grand Trunk Railways were taken over, he will know that there were a number of subsidiary companies which had issued bonds, which are distributed among the public, and there is a necessity of maintaining their entity because of the obligations that all those companies have issued to the public.

Hon. Mr. FOWLER: It seems to me it must complicate matters very much to have so many different companies. Why would it not be possible to have them transferred to one company, which would assume the obligations of the others?

Hon. Mr. J. H. ROSS: A holding company?

Hon. Mr. FOWLER: Yes, making the Canadian National Company a holding company for the whole thing.

Hon. Mr. DANDURAND: That is one of the problems that the legal lights of those companies and the Government have been wrestling with for a number of months.

Hon. Mr. FOWLER: If it is only the legal lights, take care that they do not complicate matters more.

Hon. Mr. DANDURAND: In to whose hands would my honourable friend confide those entangled problems?

Hon. Mr. FOWLER: The actual work has to be done by them, of course.

Hon. Mr. BELCOURT: Has the question been raised that the issues by those subsidiary companies were not covered by the previous legislation, in 1920?

Hon. Mr. DANDURAND: They are governed by preceding statutes under which they would have the right to issue securities, but of course those rights could only be exercised by the Railway Board, which has their management. The Canadian National Railways have not absorbed any share of the control of those subsidiaries.

Hon. Mr. BELCOURT: I did not make myself clear. I understood my honourable friend to say that this Bill is introduced so as to make it quite clear that the issues by subsidiary companies are really governed by the same provision which governs the issues by the Canadian National Railway.

Hon. Sir JAMES LOUGHEED: It is not limited to subsidiary companies.

Hon. Mr. BELCOURT: I do not understand the object of the legislation.

Hon. Sir JAMES LOUGHEED: I will point out to my honourable friend that he has not given us any explanation whether that section 26 permits the Canadian National Railway Company to construct lines from time to time. It permits of their issuing securities, and of their securing the approval of the Government to those securities, subject under section 23—about which the Bill is silent—to their getting the consent of Parliament. The guarantee cannot be issued now without the consent of Parliament. May I read section 23 of chapter 13, and my honourable friend will see its application, and will observe its absence from this Bill. This is the statute you are amending, but you are amend-

ing section 26 and remaining silent upon section 23:

With the approval of the Governor in Council and upon any location sanctioned by the Minister of Railways and Canals, the Company may from time to time construct and operate railway lines, branches and extensions, or railway facilities or properties of any description in respect to the construction whereof respectively Parliament may hereafter authorize the necessary expenditure, or the guarantee of an issue of the Company's securities. A copy of any plan and profile made in respect of any completed railway shall be deposited with the Board of Railway Commissioners for Canada.

Then section 26, goes on to provide:

The Company may, with the approval of the Governor in Council, issue bonds, debentures, debenture stock, perpetual or terminable, or other securities (hereinafter called securities) in respect of the mileage of the lines of railway which it, from time to time, constructs, acquires, owns or controls,—not including the Canadien Governement Railways, nor exceeding, with outstanding securities, in the aggregate seventy five thousand dollars ($75,000) per mile.

But observe that under section 23 the building of the road has to be sanctioned by Parliament. Now this Bill comes in, and proposes amending section 26, and subsection 2 of the Bill deals with the equipment certificates and so on, and construction likewise—that is, the issuance of bonds for any of those purposes, with the approval of Parliament; but subsection 3 permits of the Governor in Council guaranteeing those securities entirely irrespective of Parliament, at least impliedly. I contend that that is the object of the Bill—to evade the necessity of Parliament authorizing the construction of the particular mileage, and of guaranteeing the bonds. Now, whatever is done, should be done subject to section 23. My honourable friend will observe that, it is so patent. This is a blanket power given to the Governor in Council and to the company itself to proceed with any construction entirely irrespective of Parliament, and to issue securities, which the Government may guarantee. It is not desirable to give that power. What I would suggest to my honourable friend is that either it should be made subject to section 23 of the Act or he should provide that the amount so to be guaranteed shall each year be included in the estimates and voted by Parliament. I do not wish to be too captious in criticism or to be too distrustful of the operations of the Canadian National Board, but it is quite evident that all this legislation is calculated to evade the duty which has hitherto been cast upon the company, of coming to Parliament for sanction.

Hon. Mr. DANDURAND: I am informed that the intention is not to enlarge in any way the powers of the Canadian National Railways; it is simply to restrict them and to make them subject to approval by the Governor in Council.

Hon. Sir JAMES LOUGHEED: That is not the language of the Bill. My honourable friend will see that under section 23 they cannot enter upon any construction without the approval of the Governor in Council.

Hon. Mr. DANDURAND: But the amendment is simply an amendment to section 26 of the Canadian National Railways Act.

Hon. Sir JAMES LOUGHEED: Yes, and it destroys all the safeguards which precede that section of the Act.

Hon. Mr. DANDURAND: Let us see. I confess that all I have to guide me is the text of the Bill and the memorandum I have in my hand.

Hon. Sir JAMES LOUGHEED: I acquit my honourable friend of attempting for one moment to mislead the House.

Hon. Mr. DANDURAND: Let us make sure that this Bill not only has no other purpose, but cannot possibly be interpreted as having any other purpose.

Hon. Sir JAMES LOUGHEED: Does it enlarge the powers of the company or of the Governor in Council?

Hon. Mr. DANDURAND: I have no objection to making it clear. The proposed amendment is to add two subsections to section 26. I will read the section referred to.

Hon. Sir JAMES LOUGHEED: Would my honourable friend first read section 23? My honourable friend will then see what are the obligations that are thrown upon the company.

Hon. Mr. DANDURAND: I will do so.

Hon. Sir JAMES LOUGHEED: Will not my honourable friend concede that this is a condition precedent to the company entering upon any construction, or to the Governor in Council guaranteeing any securities that may be issued upon such construction?

Hon. Mr. DANDURAND: Yes, I recognize that approval can be given only when Parliament has hereafter authorized the necessary expenditure, or the guarantee of an issue of the company's securities.

Hon. Mr. BELCOURT: May I interpose here the suggestion that perhaps that provision has regard only to such securities as are

referred to in the schedule; that is, Chapter 13 of the Statutes of 1919, and Chapter 13 of the Statutes of 1920; and that it applies only to construction, or securities with regard to construction, authorized by Parliament later on. That may be the explanation.

Hon. Sir JAMES LOUGHEED: This would apply to all construction—

Hon. Mr. BELCOURT: No.

Hon. Sir JAMES LOUGHEED: —because the schedule simply relates to, or is descriptive of, all the lines owned by the company.

Hon. Mr. BELCOURT: I am not quite sure of my interpretation—this is only tentative—but what I mean is that section 26 perhaps deals only with those securities referred to in the schedule, and that section 23 was enacted for the purpose of dealing with securities to be issued later on, as authorized by Parliament.

Hon. Sir JAMES LOUGHEED: No.

Hon. Mr. BELCOURT: That may be the explanation.

Hon. Sir JAMES LOUGHEED: No. Section 26 deals with all securities—securities issued, or that may be issued from time to time, for lines that may be constructed.

Hon. Mr. BELCOURT: Comprised in the schedule, though.

Hon. Sir JAMES LOUGHEED: Of course, this Bill is confined to the schedule, but this schedule includes the main line and includes all the properties. But section 23 deals in the first place with a condition that is precedent and that must be set in motion before any authority is given to the company to proceed with construction. Then we come down to section 26, which simply follows logically the procedure that must be adopted in pursuance of the obligations thrown upon the company under section 23.

Hon. Mr. BELCOURT: I may be all wrong, but what I am trying to explain is this, that the Act first had in contemplation two kinds of securities. There were the securities referred to in section 26, and which are confined to the schedule. The reason would be that that has already been approved of. Section 23, on the other hand, would be dealing with securities other than those mentioned in section 26, and would apply only to such securities as might be issued later on, when authorized by Parliament. I do not know.

Hon. Sir JAMES LOUGHEED: Will my honourable friend (Hon. Mr. Dandurand) accept that amendment?

Hon. Mr. BELCOURT: You might read it.

Hon. Sir JAMES LOUGHEED (reading):

Provided that the amount so to be guaranteed shall each year be included in the estimates and voted by Parliament.

Hon. Mr. DANDURAND: I will ask that the Senate adjourn during pleasure, and I will ascertain from the Minister of Finance whether the proposed amendment is acceptable. If not, he will state the reason.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

Hon. Mr. DANDURAND moved in amendment, as subclause 4 of clause 2 of the Bill:

Nothing herein done shall be construed as granting power to guarantee any securities the issue of which has not been authorized by Parliament.

The proposed amendment was agreed to.

THIRD READING

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

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

CANADA TEMPERANCE BILL

SENATE AMENDMENT INSISTED UPON

The Hon. the SPEAKER presented a message from the House of Commons disagreeing with the fifth amendment made by the Senate to Bill 43, an Act to amend the Canada Temperance Act.

Hon. Mr. DANDURAND: I move that we do not insist upon that amendment.

Hon. W. B. ROSS: Honourable gentlemen, all I have to say can be put in two sentences. As I understand the matter, British Columbia took a plebiscite, one of the questions at the time being whether or not the people had the right of private importation. Whether that was contemplated by one per cent or by 99 per cent I do not know and I do not care. The plebiscite was taken. Now it is proposed by a majority vote of the Legislature to interfere with that condition of things. To my mind that is not fair. I say: "You have appealed to Caesar; go to Caesar"—you have appealed to a plebiscite; go to the plebiscite. I adhere to my opinion that before that right is taken away from the people of British Columbia there should be a plebiscite. If they vote to take away that right, it is their own business.

Hon. Mr. GREEN: Honourable gentlemen, I am not going to detain the House for more than a moment or two. In the first

place, the Canada Temperance Act says that if the people of any particular Province vote for prohibition they must, if they want to stop private importation, have a plebiscite. We in this House have acceded to the view of a good many people in British Columbia that they are entitled to deal with their own internal affairs as they see fit. We from British Columbia view that as a term of the Statute. The other House now refuses to concur in that view for the reason that the expense of the plebiscite will be put upon the Province. I think the Senate should say unequivocally that they are prepared to stand by their amendment.

Hon. Sir JAMES LOUGHEED: It seems to me that the reasons assigned by the House of Commons do not touch the question at all. We are asked to balance the rights of the citizens of British Columbia in one hand against an expenditure of $50,000 or $75,000 in the other. If the people of British Columbia enjoy a statutory right, why should they not express their willingness to sacrifice it or their desire to retain it? The mere expenditure of the amount involved in taking a plebiscite, in a Province where a business is being carried on by the Province which represent profits to approximately $4,000,000 a year, should not weigh for one moment.

Hon. Mr. DANDURAND: I will simply say that the Government of the Province of British Columbia has felt that under the vote they, impliedly were authorized in their action. We have gone thoroughly into that question, so I will simply move that we do not insist on our amendment.

The motion of Hon. Mr. Dandurand was negatived ,and it was ordered that a message be sent to the House of Commons to inform that House that the Senate doth insist upon its said amendment.

COLD STORAGE BILL

WITHDRAWN

On the Order:

House again in Committee of the Whole on Bill 9, an Act to amend the Cold Storage Act.—Hon. Mr. Dandurand.

Hon. Mr. DANDURAND: I do not intend to proceed further with this Bill this Session.

ADMIRALTY BILL

WITHDRAWN

On the Order:

House again in Committee on Bill 117, an Act to amend the Admiralty Act.—Hon. Mr. Dandurand.

Hon. Mr. GREEN.

Hon. Mr. DANDURAND: We have had three or four discussions on this Bill, and it has met with some opposition for various reasons. The objection seemed to be the scope of the authority given the Governor in Council; and various suggestions were made. I do not know whether the members who objected are ready to waive their objections.

Hon. Sir JAMES LOUGHEED: I pointed out to my honourable friend that the appointment of Deputy Admiralty Judges should be confined to judges. The Bill is so widely expressed that it would permit of the appointment of laymen.

Hon. Mr. DANDURAND: What class of judges would my honourable friend insist upon?

Hon. Sir JAMES LOUGHED: In many districts the County Court judges or the District judges act as judges in Admiralty. I think my honourable friend should withdraw the Bill for this Session, and should give consideration to the proposal made that the appointment should be of a judicial character. I do not limit myself as to the class of judges.

Hon. Mr. BELCOURT: Then there is the question of emolument. I doubt whether we could come to a conclusion unless we gave considerable time to the Bill.

Hon. Mr. DANDURAND: Under these circumstances I will not press the Bill.

FISHERIES BILL

WITHDRAWN

On the Order:

Resuming the adjourned debate on the motion for the second reading of Bill 223, an Act to amend the Fisheries Act, 1914.—Hon. Mr. Beique.

Hon. Mr. DANDURAND: This Bill proposes to change from $500 to $20 the fee which the canneries are now paying. This slump has surprised the House, and the question has been asked: "Why do you make such a reduction?" My honourable friend read a statement from the ex-Minister of Marine and Fisheries who had raised the fee from $50 to $500. It is represented to me by a member of this House when that was done there was an implied condition which does not appear in the Statute, that the Minister of Marine and Fisheries was to limit the number of licenses. Such a policy was not followed, and it makes me somewhat doubtful whether the statement was made as a condition or as binding the Government. There seems to be a contradiction which requires some explanation. I would not doubt

his loyalty if he made a statement of a public or a semi-public nature. The canneries have not been very profitable during the last year, and I am informed that this $500 fee is a very high one.

Hon. Sir JAMES LOUGHEED: May I ask this question? Is it good policy to practically wipe out a license fee at this time when every industry should bear its fair share of taxation? Could not my honourable friend let the law remain as it is, and ask the Department to make a recommendation to Council, if necessary, to make a refund during the present year or during dull times? I am satisfied that a recommendation of that kind would be sanctioned by Parliament if there was merit behind it. Next year times may be prosperous, and it will be difficult to increase the license fee again. There is no reason why the Government should face a deficit, as is proposed, of between $35,000 and $40,000. If my suggestion were followed, the Government could then make a recommendation to Parliament for the refund of these licenses.

Hon. Mr. BELCOURT: You could provide that when good times come again a higher license fee shall be paid. This is one species of paternalism that we are ever resorting to. Why should not the fishing industry, like any other, take its chances and take the bitter with the sweet? This is only encouraging the very thing which many of us are agreed should not exist.

Hon. Sir JAMES LOUGHEED: Yesterday we had newspapers making princely incomes asking to have the postage rates reduced.

Hon. Mr. BRADBURY: Some years ago I had something to do with increasing the license fee in connection with our inland fisheries. We were spending thousands of dollars every year for food and hatcheries in Lake Winnipeg and other places in Manitoba, and the fisheries license fee was not sufficient to cover the expense and warrant the upkeep of the fisheries in that Province. The result was, on representations being made to the Department, that the license fee was increased. These men are making considerable money. They do not produce the fish, but simply take them out of the water. I maintain that it would be a great mistake to reduce the fee.

Hon. Mr. DANDURAND: It is only the figures that surprise me. First the fee was increased from $50 to $500; now we propose to reduce it to $20. This is done as a result of an inquiry by a Committee of members of the House of Commons representing, I believe, all shades of opinion, and their report was unanimous. The Senate believes that the Government should stay its hand for a while and see whether conditions are such as to make this an unconscionable fee to impose upon the canners. I will submit the suggestion of my honourable friend to the Minister of Marine and Fisheries. I do not know whether the Governor in Council has power to give a rebate.

Right Hon. Sir GEORGE E. FOSTER: I think the canners will live through it.

Hon. Mr. DANDURAND: I do not insist upon my motion.

Hon. Sir JAMES LOUGHEED: We will be meeting again in six months.

Hon. Mr. BELCOURT: They can come back every year when the fishing is not up to the standard.

INDUSTRIAL DISPUTES INVESTIGATION BILL

INQUIRY

Hon. Mr. ROBERTSON: I would like to ask the honourable leader of the Government as to what has happened to the notice that was sent back to the House of Commons with reference to our insisting on the amendments to the Industrial Disputes Investigation Act.

Hon. Mr. DANDURAND: I have no news. Nothing has come back from the House of Commons.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

INTERPARLIAMENTARY UNION

ITS NEXT MEETING

Hon. Mr. DANDURAND: Honourable gentlemen, at the last meeting of the Interparliamentary Union the Senate was honoured by the chairmanship of the Canadian group being given to one of our esteemed members, the Right Hon. Sir George E. Foster. I would ask the right honourable gentleman to tell us at what date this summer the next meeting will be held, in order that any Senator who may be in Europe at the time may obtain his credentials.

Right Hon. Sir GEORGE E. FOSTER: The honourable member from Montarville (Hon. Mr. Beaubien) and myself attended as representatives of this Parliamentary group at the last, the twentieth, Session of the Inter-

parliamentary Union, held at Vienna. The session lasted for three days and was interesting, being attended by from 200 to 300 delegates of different Parliaments of the world.

The next meeting, the twenty-first, is to be held in Copenhagen in the early part of August. Any member of Parliament, whether of the House of Commons or of the Senate, has a right to attend that convention and take part in the deliberations, and if any honourable members, either of the Senate or the House of Commons, intend being in Europe about that time, I would be very glad to give them the necessary credentials to enable them to attend and take part in that twenty-first session of the Interparliamentary Union. I hope some of our members will find it convenient, if they are in Europe, to take the trip to Copenhagen, where, I know, they will be most cordially welcomed by the people of that city and by the members of the Association from the Parliament of Denmark.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

PROROGATION OF PARLIAMENT

His Excellency the Governor General having come and being seated on the Throne:

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

Who being come with their Speaker:

The following Bills were assented to, in His Majesty's name, by His Excellency the Governor General:

BILLS ASSENTED TO

An Act to incorporate Family Trust.
An Act to amend The Immigration Act.
An Act for the relief of Lillian Beryl Brayman.
An Act for the relief of Roland Bergeron.
An Act for the relief of Florence Cohn.
An Act for the relief of William August Kruger.
An Act for the relief of Thomas Benjamin Brown.
An Act for the relief of Elva Burnside.
An Act for the relief of Alfred Thomas Candy.
An Act for the relief of Cecilia Maria Taylor.
An Act respecting the Canadian Order of Woodmen of the World.
An Act to amend The Judges Act.
An Act to amend The Public Service Retirement Act.
An Act to amend The Naturalization Acts, 1914 and 1920.
An Act to amend The Militia Pension Act.
An Act to amend The Bankruptcy Act.
An Act respecting The Calgary and Fernie Ry. Co.
An Act for the relief of Abraham Brooks.
An Act for the relief of Clara Wellena Bristol.
An Act for the relief of Emma Jean Walker.

An Act for the relief of Ella Maude Gee.
An Act for the relief of Enid Louise MacDonald.
An Act for the relief of Mary Theresa MacIsaac.
An Act for the relief of Jane Edna Near.
An Act respecting the Three Rivers Harbour Commissioners.
An Act to amend The Dry Dock Subsidies Act, 1910.
An Act to amend The Canada Shipping Act.
An Act to amend the Yukon Act.
An Act for the relief of John Samuel McDonnell.
An Act for the relief of Mary Elizabeth Conkey.
An Act for the relief of Margaret Marie Pope.
An Act for the relief of Loretta May Girard.
An Act for the relief of Birdena Frances Wallace LeMay.
An Act for the relief of Jessie Anne Epstein.
An Act for the relief of Herbert Hugh Keller.
An Act for the relief of Nellie May DeBlaquire.
An Act with respect to Freight Rates for the Carriage of Grain by Lake and River Navigation.
An Act to amend The Canada Shipping Act.
An Act to amend the Petroleum and Naphtha Inspection Act.
An Act to amend The Insurance Act, 1917.
An Act to repeal the Acts respecting Bounties on manufactures from Manila Fibre in Canada.
An Act to amend The Dominion Lands Act.
An Act respecting Banks and Banking.
An Act to amend The Biological Board Act.
An Act to amend the Inland Revenue Act.
An Act respecting the payment of Bounties on Petroleum.
An Act respecting the payment of Bounties on certain manufactures of Hemp.
An Act to amend The Customs Tariff, 1907.
An Act to amend the Inland Revenue Act.
An Act to amend The Special War Revenue Act, 1915.
An Act to amend the Quebec Savings Banks Act, 1913.
An Act to amend the Export Act.
An Act to supplement The Finance Act, 1914.
An Act respecting the payment of Bounties on Copper Bars or Rods.
An Act respecting Chinese Immigration.
An Act to amend The Business Profits War Tax Act, 1916.
An Act to provide for further advances to The Harbour Commissioners of Montreal.
An Act to amend The Income War Tax Act, 1917.
An Act for the Protection of the Northern Pacific Halibut Fishery.
An Act to amend The Feeding Stuffs Act.
An Act to amend the Dairy Industry Act.
An Act for the relief of Flossie May Pinkham.
An Act to amend the Criminal Code.
An Act to amend the Companies Act.
An Act to constitute a Board of Audit.
An Act to amend the Senate and House of Commons Act.
An Act in respect of The Returned Soldiers' Insurance Act.
An Act to amend The Department of Soldiers' Civil Re-establishment Act.
An Act to amend the Pension Act.
An Act to amend the Canadian National Railways Act, 1919.
An Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1923, and the 31st March, 1924.

THE GOVERNOR GENERAL'S SPEECH

After which His Excellency the Governor General was pleased to close the second Session of the Fourteenth Parliament of the Dominion of Canada with the following Speech:

Honourable Members of the Senate:

Members of the House of Commons:

In bringing to a conclusion the work of the present session of parliament I desire to express my gratification at the many useful and important measures which have been enacted.

The passing of the Bills respecting Treaties with France and Italy completes Canada's part in the desired commercial arrangements. Early completion on the part of the Governments of France and Italy and the exchange of ratifications necessary to give effect to the Treaties are confidently expected. It is anticipated that the operation of these Conventions will promote our trade and increase our good relations with these two nations, which were among our great allies in the late war.

The decennial revision of the Bank Act deservedly received careful attention at your hands. It is confidently hoped that the amendments made, in the light of experience, will, so far as legislation can, provide the safeguards required to ensure the efficiency of the banking system.

The changes made in the customs and excise laws will, it is believed, make for a simplification which is desirable and at the same time strengthen the financial position of the Dominion.

Pursuant to the recommendations of the Royal Commission appointed by the Government prior to the opening of the session, legislation has been enacted with respect to lake and river transportation which, it is hoped, will prevent the control of freight rates and insurance upon grain shipments such as has hitherto existed.

The whole subject of the handling and marketing of grain in Canada and other matters incidental to the buying, selling and transportation of grain is being further investigated.

The Act to provide for the investigation of Combines, Monopolies, Trusts and Mergers will afford the public a much needed safeguard against possible undue enhancement of prices or unfair restrictions of trade.

Several legislative enactments in pursuance of the report of the Royal Commission on Pensions and Re-establishment have shown your desire to take every possible means of fulfilling just obligations towards the ex-service men, and their dependents.

An increasing immigration has been a significant feature of the present year. Agreements have been negotiated with the British Government for co-operation in an Assisted Passage Scheme; and closer co-operation has been effected between the Railways, Shipping Companies and the Department of Immigration and Colonization which, it is anticipated, will produce a large increase in the number of desirable settlers.

It is gratifying to note that the position of the Government railways has steadily improved, as the co-ordination of the national lines and facilities has become increasingly effective.

The important agricultural enactments of the session should prove of substantial service in the development of the fruit, livestock, grain and dairying industries of the country.

The revisions and amendments of the Acts respecting Patents of Invention, Trade Marks and Designs, Copyright, and Naturalization render these measures more effective and give to their provisions a wider international significance.

The approval given the treaty between His Majesty and the United States of America providing effective measures for the preservation of the halibut fishery of the Northern Pacific Ocean, and the legislation incidental thereto, make possible the conservation of this great natural resource to the mutual benefit of our country and of our neighbour to the south.

Members of the House of Commons:

I thank you for the provision you have made for the public service.

Honourable Members of the Senate:

Members of the House of Commons:

The many evidences of a returning prosperity which, with the passing of the months, have become increasingly apparent, are now supplemented by the promise of a bountiful harvest. For these and other blessings I join with you in humble thanksgiving to Divine Providence.

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